



**BOARD
CHARTER**

BOARD CHARTER

1. INTRODUCTION

Wigton Windfarm Limited (WWFL) was established in April 2000 under the Jamaican Companies Act as a subsidiary of the Petroleum Corporation of Jamaica (PCJ), which was then the Government of Jamaica (GOJ) entity with responsibility for energy security. Wigton was mandated to develop and operate wind-powered renewable systems to supply electricity to the national grid. In 2017 the Government of Jamaica (GOJ) took the decision to divest WWFL via an initial public offering (IPO) on the Jamaica Stock Exchange (JSE) and this exercise was successfully completed in May 2019. As a listed company on the main market of the JSE, WWFL has transitioned from a public sector entity to a private sector company governed by the JSE Rules.

The Board of WWFL has been collectively given the mandate by its shareholders to assume full responsibility for development and implementation of policies, overseeing the affairs of the Company and its strategic development for sustainable growth. The Board, through the Chairman, works closely with Board Sub-Committees and management to ensure the Company's effective operations. The Board is the primary decision-making authority of WWFL and its roles and responsibilities vis-à-vis executive management are clearly documented to avoid any conflict between the Board's role and that of executive management.

This Board Charter is prepared on the basis of and incorporates certain provisions of the Companies Act, WWFL's Articles of Incorporation and the JSE Rules and should be read in tandem with the Terms of References (TOR) of the various Sub-Committees of the Board of WWFL. The principles and policies contained in this Charter are in addition to, and are not intended to change, supersede or interpret any law or regulation, including the Companies Act, the Articles of Incorporation of WWFL and the JSE Rules.

2. GOVERNANCE STATEMENT

a. WWFL is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will ensure the maintenance of high ethical standards by all members and employees of the company, and that they are in tandem with the organization's core values of:

- Honesty and openness
- High ethical standards, teamwork and commitment
- Transparency
- Respect for the environment

b. Each Director is required to act honestly and in good faith and to ensure that the organisation carries out activities within its prescribed purpose. Additionally, the Directors have collective responsibility for all strategic decisions made by the Board of Directors.

3. THE BOARD'S MANDATE

The Board shall provide strategic leadership and oversight over the management of the Company's business and affairs while actively participating in the development of WWFL's strategic direction. More specifically, WWFL's mandate includes:

a. developing and implementing adequate and effective policies and systems to monitor financial reporting, internal controls and risk management processes to ensure the Company is duly diligent in meeting all JSE Rules and the Companies Act requirements and obligations under law

- b. setting the Company's values and ethical standards and ensuring that its obligations to stakeholders are understood and met and that the integrity and core values of the Company are maintained
- c. regularly reviewing with Management, the strategic environment, the emergence of new risks and opportunities and the implications for the Company's strategic direction
- d. approving strategic plans that take into account the Company's major risks and opportunities and overseeing the management of those risks
- e. facilitating discussions and approval of financial statements, policy issues, corporate governance principles and all other matters relating to the effective and efficient operations of the Company
- f. facilitating effective governance of the affairs of the Company
- g. appointing, monitoring and succession planning of the Managing Director (MD); charging the MD with the general management and direction of the business and the affairs of the Company
- h. reviewing and approving the administrative and operational structure of the Company
- i. providing systematic reviews of systems and structures in place at the Company
- j. establishing and monitoring annual targets for the Company in line with the long-term goals of the Company and maintaining oversight of the general business of the Company
- k. approving the annual budget and financial statements/ accounts and monitoring financial performance to ensure the financial viability of the Company and the efficient and effective use of its resources
- l. ensuring the annual evaluation of the Board, its committees, the MD and the Company Secretary
- m. approving levels of authority and expenditure limits within agreed limits
- n. establishing and maintaining a policy of Directors' orientation for all new Board members and ongoing director development for all directors

desired expertise and background of the Directors (the "Company Competency Profile").

Based on the competency profile, Directors may recommend director candidates consistent with the Board competency profile. The overall ability and experience of an individual shall assist in determining his or her suitability. Although not exclusive, the following competencies, attributes and qualifications should be considered in evaluating the incumbency or candidacy of an individual for selection as a member of the Board:

- **Management and Leadership Experience**

Each member of the Board shall have extensive experience in business, finance, law, or areas of technical expertise relevant to the Company's business. He or she should therefore hold or have held a senior managerial position in a significant private sector organisation.

- **Skilled and Diverse Background**

Within the context of the regional nature of the Company's business, the composition of the Board and the perceived needs of same, should bring a diverse range of skills, perspectives and experience. The following attributes, among others that may be appropriate, should be considered in assessing the contribution that an individual would make:

- An understanding of financial reporting and internal control principles or financial management experience
- The aptitude and experience to fully appreciate the legal responsibilities of a director and the governance processes of the company; and
- Knowledge of renewable energy and related environmental matters is an asset.

- **Integrity and Professionalism**

Each member must have the highest ethical standards, a strong sense of professionalism and be prepared to serve the interests of the shareholders and other stakeholders. Among other attributes that may be appropriate, a member should therefore exhibit:

- Independence, objectivity and a commitment to WWFL's Corporate Governance principles and its Code of Business Ethics
- The personal qualities of intelligence, self-assuredness, inter-personal skills, commitment, communication skills, curiosity, objectivity, practical wisdom and mature judgment
- Willingness to commit, as well as have, sufficient time to discharge his or her duties
- The ability to develop and maintain a good working relationship with the other directors and with the senior management of the Company.

4. BOARD COMPOSITION: APPOINTMENT, TERM, QUORUM & TRAINING

4.1 BOARD PROFILE, SIZE, AND INDEPENDENCE:

- **Board Profile & Nomination**

The Board, directly or through the Corporate Governance Committee, shall annually prepare a profile of its composition, considering the nature, growth and direction of the Company's business, and the

- **Diversity**

In assessing the competency profile of the Board, diversity will also be taken into consideration. The assessment of diversity takes into consideration skills, gender, age and geographical reach.

- **Size of the Board:**

Article 89 of the Company's Articles of Incorporation prescribe that the number of Directors of the Company that shall constitute the whole Board shall not be less than 5 or more than 12.

- **General Compartment:**

The Board shall use its best efforts to ensure that:

- a. its members can act critically and independently of one another
- b. each director can assess the broad outline of the Company's overall policy
- c. each director's expertise is fully utilized in the performance of his or her role as a director
- d. the Board competencies match the competency profile of the Company
- e. the Board has adequate independent non-executive and executive directors

- **Independent Board Member:**

An independent non-executive director is someone who:

- a. is not, and has not been, employed by the Company or any of its related entities at any time during the past three years
- b. is not, and has not been affiliated with an entity that acts as an advisor or consultant to the Company, or has not acted in such capacity at any time during the past three years
- c. is not and has not been affiliated with any significant supplier or contractor of the Company at any time during the past three years. A significant supplier or contractor is one that makes payments to, or receives payments from the Company for goods or services in an amount to be agreed upon
- d. does not currently have, nor has had any personal service contracts with the Company or its senior management at any time during the past three years
- e. does not receive and has not received any additional remuneration from the Company apart from a Director's remuneration, nor participates in the Company's performance-related payment plans
- f. is not a member of the immediate family of any individual who is, or had been at any time during the past three years, employed by the Company as a senior executive officer
- g. is not, nor has been at any time during the past three years, affiliated with or employed by a present or former Auditor of the Company
- h. Does not represent a shareholder owning more than 10% of the voting shares of the Company

2.2. Board Appointment, Training, Quorum And Term:

2.2.1 Appointment of Directors:

- (a) All Directors shall be appointed by shareholders at annual general meetings.
- (b) Upon being selected for appointment, each Director shall receive a Letter of Appointment from the Chairman clearly stating the period of his or her appointment.
- (c) First time appointees to the Board will go through an orientation programme led by the Company Secretary which includes being provided with an Information Manual/Induction Package containing:
 - a. Introductory letter
 - b. The organizational mandate/corporate vision and values
 - c. Relevant legislation, regulations and JSE Rules that WWFL must comply with
 - d. Calendar of Board meetings for the year
 - e. Contact details of all Directors and Executive Management
 - f. Board Sub-Committees' Terms of Reference
 - g. Organizational Structure
 - h. Board of Directors Charter
 - i. WWFL Strategic plan
 - j. Latest audited financial statements
 - k. Latest annual report

Directors will also have the opportunity to meet with Executive Management and other Directors.

2.3. Induction Programme, Ongoing Training And Education:

Director Induction Programme:

- (a) Upon appointment, each Director shall participate in an induction programme that covers the Company's strategy, general financial and legal affairs, financial and regulatory reporting by the Board, any specific aspects unique to WWFL and its activities, and the responsibilities and expectations of a Director.
- (b) The training of Directors is critical to ensure the maintenance of good governance. The Board, through the Corporate Governance Committee, will recommend such ongoing training for Directors as is necessary for them to maintain the knowledge and expertise required to better understand the operations of the Company and to properly discharge their roles and functions as Directors. The cost of such training shall be included in the budget for the year.

Annual Review of Training:

- (c) The Board shall conduct an annual review to identify any area where the Directors require further training or education.

Costs to WWFL:

- (d) The costs of the induction course and any training or education shall be paid for by the Company.

2.4. Quorum:

As stated in Article 119 of the Company's Articles of Incorporation the quorum at any meeting of the Board shall be five (5) Directors.

2.5. Tenure of Office and Re-appointment:

The appointment of a member of the Board shall be for a period of three (3) years, and every appointed member shall be eligible for re-election based on performance and through the one-third rotation mechanism as outlined in Article 99 and 101.

Notwithstanding the above, a Director shall retire at age 75 unless approved at an Annual General Meeting and such extension should not extend beyond age 80.

A director who is invited to join the board of directors of another similar private company should consult with the Chairman and the Company Secretary before accepting a seat on such board.

2.6 Resignation and / or Retirement:

- (a) A member of the Board may at any time resign or retire his or her office through an instrument in writing addressed to the Chairman and copied to the Company Secretary.

3. CHAIRMAN OF THE BOARD:

The Chairman of the Board is primarily responsible for the activities of the Board and its Sub-committees; and is the principal contact for the MD who shall meet regularly with the Chairman.

The Chairman of the Board is also responsible for maintaining communication protocols with shareholders and stakeholders as required.

The Chairman presides over the meetings of the Board and in the absence or inability of the Chairman to act, the members present and constituting a quorum shall elect one of the members present to perform the functions of the Chairman.

The Chairman ensures that:

- (a) Directors, when appointed, participate in an induction programme and, as needed, additional education or training programmes
- (b) the Directors receive all information necessary for them to perform their duties
- (c) the Directors have sufficient time for consultation and decision-making
- (d) the Sub-Committees function properly and according to their respective Terms of Reference
- (e) the performance of the overall Board and individual directors are evaluated at least once every year
- (f) the Board establishes and maintains the agreed protocols for communication with the organisation's management
- (g) the Board establishes operating procedures for its meetings
- (h) the Board fulfils its duties to all key stakeholders and promotes sustainability
- (i) the agendas of Board meetings are in order and that minutes are kept of such meetings
- (j) internal disputes and conflicts of interest concerning individual Directors are addressed and resolved

4. DIRECTORS:

4.1 Role of a Director:

As a member of the Board, each Director shall:

- (a) through the exercise of due diligence, fulfil the legal requirements and obligations of a Director in discharge of his/her fiduciary duties, namely: to act honestly and in good faith in the best interest of the Company and to exercise the due diligence and skill that a reasonably prudent person would exercise in comparable circumstances
- (b) recognize the Board's accountability to stakeholders in the governance of the Company and ensure that the best interests of the Company are considered paramount
- (c) devote sufficient time to the Company's affairs
- (d) assist the Company in the achievement of its strategic objectives
- (e) ensure that he or she and the Board as a whole act in the best interests of the Company rather than in the interests of an individual Director or any other interests
- (f) monitor his or her continued ability to meet these expectations
- (g) shall, if requested, join the Board Sub-Committees of the Company.

4.2 Specific Conduct as a Director:

To enable the Board to discharge its collective responsibilities for stewardship, including oversight and strategic leadership, each Director shall:

- (a) conduct himself or herself honestly, fairly, ethically and with integrity
- (b) contribute views based on his or her unique skills and experience
- (c) address any requests of Senior Management through the MD
- (d) monitor potential conflicts of interest he or she may have regarding any matters before the Board
- (e) declare any potential conflicts promptly to the Board and abstain from discussion and voting on any related matter

4.3 Role of Managing Director

- a) The MD reports directly to the Board through the Chairman
- b) The MD is responsible for the day-to-day operations of WWFL and shall be held accountable for the effective and efficient implementation of Board approved strategic objectives.
- c) The MD will operate as the chief spokesperson for WWFL and will communicate with shareholders and stakeholders as required.
- d) The MD shall ensure that annual performance appraisals are conducted for all his/her direct reports.
- e) The MD shall have in place an appropriate succession plan for each direct reportee and this should be reviewed annually.

4.4 Duty to act properly:

A Director who becomes aware of circumstances which are, or are likely to be perceived as likely to detract from

his or her ability to act in accordance with his or her fiduciary duty, shall forthwith report such circumstances to the Board through the Chairman or the Company Secretary. The need to consider such action may arise in the following circumstances:

- a. a change in affiliation or employment
- b. being appointed to any position that creates, or appears to create inherently conflicting responsibilities
- c. being unable to attend or participate in Board and Committee meetings consistent with the established standard

4.5 Potential Conflicts of Interest:

Potential conflicts of interest include a personal or business interest in a matter requiring Board decision, arising either directly (e.g. through an ownership or employment interest) or indirectly (e.g. through potential benefit from participation in a sector).

4.6 Notice of Outside Positions:

During the year Directors must inform the Board of their other positions which may be of importance to the Company or affect the performance of their duties as a Director. If the Board determines that there is a risk of a conflict of interest, the matter shall be fully discussed by the Board in accordance with the appropriate section of this Charter. The Company Secretary shall keep a list of the outside positions held by each Director.

4.7 Interest Of Directors:

a) Duty to Disclose:

Upon appointment, each Director shall complete a Declaration of Interest form which will be maintained by the Company Secretary. A Director shall immediately report to the Board, any interest, potential or perceived in any contracts or proposed contracts, transactions or arrangements with the Company and shall provide all relevant information, including but not limited to, information concerning spouse, registered partner or other life companion and the details of the conflict must be recorded by the Company Secretary. The Director concerned shall not take part in the assessment by the Board of whether an interest exists.

b) Related Party Transactions:

A potential interest exists if the Company intends to enter into a transaction with a Related Party. A 'Related Party' includes the following:

- i. A Director of the Company
- ii. the MD and Senior Managers of the Company including anyone who reports directly to the Board or the MD
- iii. the father, mother, sons, daughters, husband, or wife of any of the natural persons listed herein
- iv. any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs i – iv above

c) Abstention by Interested Party:

Where interests arise in any contract, arrangement or transaction, Directors must recuse themselves from the discussions in respect of those interests and shall not take part in any discussion or decision-making regarding any subject or transaction in which there is an interest with the Company or exercise their right to vote in respect of such matters. Any vote in breach of these provisions will not be counted nor will interested Director be counted in the quorum present at the meeting.

d) Requirements to Approve Matters of Directors' Interest:

All transactions in which Directors' interest arise shall be agreed on terms that are customary for 'arm's-length' transactions in the Company's business. Decisions to enter into transactions in which there are Directors' interest require the approval of the Board or ratified by the Company.

4.8 Confidentiality:

a) Principles of Confidentiality:

Confidential Information means all data and information relating to the business, management and affairs of the Company, its customers and partners, which are, or come to be, in the possession of the Company by virtue of his or her office as Director and which is not in the public domain.

- i. As a general rule, each Director shall keep all Confidential Information confidential and no Director shall use Confidential Information for personal gain or use. This obligation survives the termination or resignation of a Director as a Director of the Company.
- ii. Unless required to do so by law, no Director shall, during membership on the Board or afterwards, disclose any information of a confidential nature regarding business of the Company, that came to the person's knowledge in the capacity as a Director and which the person knows or should know to be of a confidential nature.
- iii. A Director may disclose such information to fellow Directors as well as to staff members of the Company who, in view of their functions in the Company should be informed of the information.
- iv. A Director shall not use such Confidential Information for personal benefit.

b) Notice of Disclosure:

If a Director intends to disclose to third parties' information which the person has become aware of in duties and which may be confidential, the Director must inform the Board of the intent and the identity of the person who is to receive the information with sufficient notice for the Board to assess the situation and take a decision.

4.9 Remuneration Of Directors:

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors needed to run the Company successfully, taking into consideration all relevant internal and external factors. Directors are therefore remunerated in accordance with WWFL board approved remuneration policy.

5. COMPANY SECRETARY:

a. Appointment:

The Board shall appoint a Company Secretary (the "Secretary") who shall report directly to the Board through the Chairman of the Board and will have an indirect operational reporting relationship with the MD.

b. Role:

The Secretary is the Secretary of the Board and its Committees and assists the Board in the execution of critical administrative and governance functions which demand a high degree of compliance and ethical conduct.

c. General Access:

All Directors may go to the Company Secretary for advice.

d. Key Responsibilities:

(a) The Secretary sees to it that the Board follows correct procedures and that the Board complies with obligations under law and the JSE Rules.

(b) The Secretary shall assist the Chairman of the Board in developing the annual Board work plan, co-ordinating the evaluation of the Board and its members; and organizing the Board's activities (including providing information, preparing agendas, reporting of meetings, evaluations and training programmes).

(c) The Secretary should prepare and circulate Board papers & Board minutes within the agreed timeline of four (4) working days.

6. COMMITTEES, MEMBERSHIP & REPORTING:

a. Establishment of Committees:

i. To support the Board in effectively performing its duties the Board may from time to time establish Sub-Committees and the Board shall determine the members of any such committees.

ii. The Board should, at the appropriate time, establish the following committees to govern areas of its operations:

- Corporate Governance Committee
- Audit, Finance & Investment Committee
- Nominations and Compensation Committee
- Technical Committee

Notwithstanding the provisions of clause 6.a(ii) the Board may establish additional committees as deemed necessary.

iii. The Chairpersons of Board Committees shall be chosen by the Board.

iv. The validity of the proceedings of a Committee shall not be affected by any vacancy among the members thereof or any defect in appointment of a member thereof.

e. Invitees:

i. Invitees to meetings shall not constitute part of the quorum and shall not be entitled to vote.

f. Board Responsibility for Committee Action:

(a) The Board remains collectively responsible for the decisions and actions taken by any Committee.

(b) A Committee may only perform the tasks delegated to it by the Board and its powers may not exceed the powers of the Board as a whole.

(c) Decisions that by law must be taken by the Board may not be delegated to a Committee.

g. Committee Reporting:

(a) Each committee must promptly inform the Board of major developments of which it becomes aware.

(b) Each Director shall have unrestricted access to all Committee meeting records.

(c) The Board shall, as set forth in the Terms of Reference of the Committee concerned, receive a report from the Committee describing the Committee's actions and findings.

h. Committee Terms of Reference:

(a) The Board shall establish, and may by resolution, amend the Terms of Reference (TOR) for each Committee.

(b) The TOR shall indicate the role and responsibilities of the Committee, its composition, structure, quorum requirements and how it should perform its duties.

(c) The TOR of a Committee shall require that the Committee has no less than two members.

7. DUTIES AND PERFORMANCE OF THE BOARD:

7.1 General Duties of Board:

The general duties of the Board include duties imposed by law, and this Charter.

7.2 Responsibilities of Board:

The Board oversees the general business of the Company. The entire Board is responsible for such supervision and oversight.

7.3 The Directors act in the interest of the Company:

The Directors shall act in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders. Directors shall perform their duties independent of any particular interest in the Company and should not support one interest without regard to the other interests involved.

7.4 Quality of Performance:

The Board is responsible for the quality of its own performance.

7.5 Provision of Information:

To assist the Board to fulfil its duties, the Chairman and the MD shall see to it that management, in a timely manner, provides the Board and its Committees with the information they need to properly function.

7.6 Responsibility for Securing Information:

- (a) The Directors each have responsibility for obtaining all information from management and the internal and external auditor needed to carry out their duties.
- (b) If the Board thinks it is necessary, it may obtain information from officers and external advisors to the Company.
- (c) The Board may require certain officers and external advisors to attend, but never to vote, at its meetings.

7.7 Access to Records:

Each Director has access to the relevant books and records of the Company as necessary to discharge his or her function as a Director; requests for such books and records must be routed through the MD and copied to the Company Secretary.

7.8 Use of Experts:

- (a) The Board may hire experts to assist or advise it and the cost of such experts shall be agreed to by the Board and shall be paid by the Company.
- (b) A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.

8. PROCEEDINGS

The Board may regulate its own proceedings.

9. DUTIES REGARDING THE SUPERVISION OF MANAGEMENT

9.1 Nature of Supervision

In supervising the management, the Board shall consider:

- (a) the achievement of the Board's objectives as set out in the strategic plan
- (b) the strategy and risks in the Company's activities
- (c) the structure and operation of the internal risk management and audit and control systems
- (d) the financial reporting process

- (e) whether expenditure has been in-keeping with the approved budget
- (f) compliance with law and regulations
- (g) any other matters the law requires the Board to consider

9.2 Financial Reporting:

The Board supervises the financial reporting in accordance with Section 11 below.

9.3 Annual Risk Review:

At least once per year, the Board shall discuss the Company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

9.4 Resolutions Subject to Approval:

The following resolutions are subject to the approval of the Board:

- (a) determining and amending the operational and financial strategic objectives of the Company
- (b) determining and amending key performance indicators in support of the strategic objectives (including, for example, any financial ratios)
- (c) any other matters that Jamaican laws or regulations or JSE Rules require the Board to approve
- (d) such other matters as are reserved by the Board for its attention

10. ANNUAL EVALUATION:

10.1 Board & Directors Evaluation:

The Board will conduct an annual performance evaluation of each Director, the Board on a whole and the Chairman. The evaluation process will be conducted in accordance with procedures established by the Board, on the recommendation of the Corporate Governance Committee, and shall evaluate performance in line with the Company's set goals and objectives and may also include setting out the goals and objectives of the Company for the upcoming year.

10.2 Managing Director & Company Secretary Evaluation:

The performance of the MD and the Company Secretary are to be evaluated annually by the Board led by the Chairman.

11. SUPERVISION OF FINANCIAL REPORTING:

11.1 General Supervision Responsibilities:

- (a) The Board, in consultation with the Audit, Finance and Investment Committee, supervises compliance with written procedures for the preparation and publication of the annual report and quarterly unaudited financial accounts and any other financial information.
- (b) The Board, through the Audit, Finance and Investment Committee, also supervises the internal control and audit mechanisms for external financial reporting.

11.2. Discussion of Financial Reports:

- (a) The Audit, Finance and Investment Committee shall facilitate the financial reporting requirements under the JSE Rules and regularly, and in any event as soon as possible, provide the Board with reports on the annual report and quarterly accounts.
- (b) The annual report and audited accounts for the year just ended shall be discussed and approved in a meeting with the Board and submitted to the JSE within three months of the year-end.
- (c) The quarterly financial reports of the Company shall be discussed and approved in a meeting with the Board within forty-five days of the end of the period on the recommendation of the AFIC.

12. DUTIES REGARDING APPOINTMENT AND ASSESSMENT OF EXTERNAL AUDITOR:

12.1 Appointment of External Auditor:

The external auditor of the Company shall be appointed by the Board and must be a registered Public Accountant under the Public Accountancy Act.

12.2 Representation by External Auditor:

When appointed, the external auditor shall indicate its awareness of the Company's policies and other matters provided for in this Charter and the Terms of Reference of the Audit, Finance and Investment Committee and shall agree to abide by and promote such policies.

12.3 Compensation of Auditor:

Compensation of the external auditor and instructions to the external auditor to provide non-audit services shall be closely reviewed and approved by the Board on the recommendation of the Audit, Finance and Investment Committee, thus ensuring the auditor's independence.

12.4 Attendance of External Auditor:

The Company shall ensure that the external auditor attends the meeting of the Board at which the report of the auditor with respect to the audit of the annual accounts is discussed and at which the Board decides whether or not to approve the annual accounts.

12.5 Contact with External Auditor:

The Board's principal contact with the external auditor is through the Chairman of the Audit, Finance and Investment Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities in the financial reports should be between the Audit, Finance and Investment Committee and the external auditor.

12.6 Recommendations by External Auditor:

The Board shall carefully consider and, if accepted, put into effect any recommendation by the external

auditor. This will include recommendations made by the external auditor on the Company's internal controls, as expressed in the 'management letter'.

12.7 Reports to the Board:

The Audit, Finance and Investment Committee shall report its dealings with the external auditor to the Board on an annual basis, including its assessment of the external auditor's independence.

12.8 Assessment of External Auditor:

At least once every three years, the Audit, Finance and Investment Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the Board so it may assess the nomination for the reappointment of the external auditor.

12.9 Conflicts of Interest – External Auditor:

Conflicts of interest and potential conflicts of interest between the external auditor and the Board shall be resolved in accordance with the Audit, Finance and Investment Committee's TOR laid down or as determined by the Board on the recommendation of the Audit, Finance and Investment Committee. Directors shall inform the Chairman of the Audit, Finance and Investment Committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Company.

13. STRUCTURE OF BOARD MEETINGS:

13.1 Notice and Agenda:

A notice of each meeting together with an agenda for the meeting shall be circulated to all Directors at least four (4) clear working days prior to the meeting.

- (a) For each item on the agenda, an explanation in writing shall be provided where necessary and related documentation will be attached.
- (b) The Chairman shall consult with the MD prior to convening the meeting on the content of the agenda and the MD and Directors shall have the right to request that an item be placed on the agenda for a Board meeting provided that the item is notified to the Chairman at least ten days prior to the meeting.

14. VENUE, FREQUENCY OF MEETINGS & ATTENDANCE:

14.1 Venue of meetings:

Board meetings are generally held at the offices of the Company but may also take place at such places and times and on such days as the Board may determine.

As stated in Article 119, meetings of the Board may be held by conference call, video conference or by any other electronic communication facility, provided all participants can communicate with each other simultaneously.

14.2 Frequency of Meetings:

- (a) The Board shall meet at least six (6) times each year.
- (b) An annual schedule of Board meetings for the year shall be agreed by the Board and circulated to Directors at the start of each calendar year.
- (c) Each year the Board reserves at least one (1) full day to discuss and develop strategic policies and to assess or review the Strategic Plan.

14.3 Special Meeting:

It is within the power of the Chairman to convene a meeting outside of scheduled meeting times as may be necessary and expedient for the transaction of business. The Chairman may therefore at any time call a special meeting of the Board and shall call a special meeting to be held within 10 days of a written request for that purpose addressed to him by any two Directors.

15. MEETING ATTENDANCE & PREPARATION:

15.1 Attendance of Directors:

- (a) Directors are expected to attend and actively participate in meetings of the Board and the Committees on which they serve, and to meet as frequently as necessary to properly discharge their duties.
- (b) Attendance at the meetings of the Board must be recorded.
- (c) If a Director is not present at board meetings for 6 months without leave, the Board may resolve that the office be vacated .
- (d) To ensure proper review of materials being used at the Board meetings, Directors are to receive the materials four (4) working days in advance of meetings.

15.2 Extended Absence:

A Director who needs to be absent from Board meetings for more than three meetings, shall be required to explain to the Chairman of the Board or the Committee (as applicable) the reason for such absence.

16. COMMUNICATION:

The Board is committed to providing timely, accurate and balanced information on the operations of the Company.

17. MINUTES, RESOLUTIONS & PREFERENCE FOR UNANIMITY:

17.1 Minutes & Records:

- (a) The Company Secretary is charged with the responsibility of recording accurate minutes of meetings and the decisions which are made at every Board meeting.
- (b) The minutes of each meeting must be confirmed by the Board and then signed by the Chairman of the meeting and the Secretary and added to the Board's records.
- (c) Each Director shall receive a copy of the minutes.

17.2 Resolutions & Adoption at Meeting:

- (a) At a meeting, the Board may only pass resolutions if a quorum is present.
- (b) Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.
- (c) The Directors shall try to arrive at unanimous decisions. However, Directors are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

17.3 Round Robin Resolutions:

- (a) In the event that an urgent decision is required before the next scheduled meeting of the Board, a round robin resolution may be circulated to all Directors for comment and/or voting. All comments and/or votes shall be recorded.
- (b) A decision made by round robin shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held and shall be noted at the subsequent meeting.
- (c) All resolutions approved by round robin should thereafter be noted at the next regular Board meeting.

17.4 Objection to Resolutions:

- (a) A Director who objects to any resolution adopted by the Board shall have his or her objection recorded in the minutes.
- (b) Directors who have taken part in a meeting may not object to resolutions adopted at the meeting on the grounds of an invalid notice.
- (c) Each Director has the right to cast one vote.

17.5 Majority Vote:

Where unanimity cannot be reached and the law does not prescribe a larger majority, all resolutions of the Board shall be adopted by a majority of the votes cast. In the event of a tie, the Chairman of the Board has the deciding vote.

18. MISCELLANEOUS:

18.1 Restriction on Loans and Guarantees:

The Board does not grant personal loans, guarantees or the like to Directors.

18.2 Agreement to be bound by Charter:

Anyone who is appointed as a Director must, upon assuming office, declare in writing to the Company that the person accepts and agrees to comply with the provisions of this Charter. A corresponding reference to this extent is included in a Director's appointment letter.

18.3 Indemnity:

No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of the Board in respect of any act done bona fide in pursuance or intended execution of the Director's functions.

18.4 Seal:

The Seal of the Company shall be authenticated by the Chairman of the Board or any Director authorized to act in that behalf. The Company Secretary will provide a list of each case in which the Company's seal was used for ratification by the Board at each meeting.

18.5 Website Disclosure:

The Board's Charter and the Terms of References and the composition of the Committees shall be posted on the Company's website.

18.6 Dealing in shares:

Any dealings in The Company's shares by any

Director must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the JSE. No Director or senior manager should trade in the Company's shares during "black-out" periods.

18.7 Interpretation:

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the Corporate Governance Committee of the Board shall make a decision in relation thereto and provide its recommendation to the Board.

18.8 Partial Invalidity:

If one or more provisions of this Charter is (or becomes) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provision by provisions which are valid and the effect of which, given the contents and purpose of this Charter is to the greatest extent possible, similar to that of the invalid provisions.

18.9 Entire Charter & Amendment:

This document represents the entire Charter; and may, subject to relevant legislation be amended by the Board at its sole discretion.

19. CHARTER REVIEW:

The Board shall review this Charter at least every two (2) years.



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