

<b>Description</b>	<b>Terms of Reference: Board of Directors South Western Districts Cricket</b>
<b>Document owner</b>	<b>Chief Executive Officer South Western Districts Cricket</b>
<b>Approved by</b>	<b>Board of Directors SWD Cricket</b>
<b>Effective Date</b>	<b>27 January 2015</b>
<b>Revision Date</b>	<b>May 2017</b>

## **Terms of Reference for Board of Directors**

### **1. INTRODUCTION**

These terms of Reference for the Board of Directors (Board) address the principal duties and responsibilities that the Board will discharge as an entity.

There is a corresponding document describing the principal duties and responsibilities of an individual Director.

### **2. OBJECTIVE AND PRINCIPAL DUTIES**

The Board functions as steward of the Company, and has the statutory authority and obligation to govern the affairs and business of the Company.

While the fundamental objective of the Board is to act in the best interest of the Corporation, The Board has a responsibility to ensure congruence between shareholder expectations, corporate plans and management performance.

It is important to note that delegation of responsibility by the Board to Committee does not absolve the full Board from responsibility for a Committee's work or decisions.

In discharging its obligations, the Board's principal duties are:

- a) To provide leadership in setting the Corporation's vision and strategic direction;
- b) To approve the Corporation's overall strategic plan, operating budget, performance indicators and the business plans established to achieve them;
- c) To participate in identifying the principal risks of the business in which the Corporation is engaged, to achieve a proper balance between risks and potential returns and to oversee the implementation of appropriate systems to manage the risks;
- d) To evaluate and assess the performance of the President and CEO, taking appropriate action as warranted, and to provide for effective succession planning;

- e) To adopt policies and processes to enable effective communication with the shareholder, stakeholders and the public;
- f) To ensure the integrity of the Corporation's internal control and management information systems;
- g) To develop practices to ensure that the Board functions independently of management;
- h) To identify, analyse and adopt if determined to be appropriate emerging governance best practices;
- i) Ensure that the interests of the Company is the first priority with respect to managing and declaring conflict of interests;
- j) To satisfy itself as to the integrity of the President and CEO, senior management and as to the culture of integrity throughout the Corporation;
- k) Receive recommendations for potential candidates to the Board and forward to the Crown Investments Corporation; and
- l) Review and approve the appointment of directors to the Boards of the Companies subsidiaries.

### **3. LEGAL FRAMEWORK**

- a) Company' Act, No 71 of 2008, as amended
- b) Memorandum of Incorporation: South Western Districts Cricket NPC
- c) The King Code of Governance for South Africa (King III report)

### **4. LEGAL AND COMPLIANCE RESPONSIBILTIES**

The Board has a responsibility to see that procedures are in place to ensure statutory responsibilities are met, an effective corporate compliance program has been established, and corporate documents and records are properly prepared, approved and maintained.

In performing their duties, members of the Board shall:

- a) Act honestly and in good faith with a view to the best interests of the Company, while taking into account the public policy and business objectives of the Company;
- b) Exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances; and

## 5. MEETINGS

- a. **Annual General Meeting and Member Forum Meetings.** Meetings and meeting procedures for the Annual General Meeting and Members Forum meetings will be conducted in accordance with stipulations as documented in Clauses 10, 17 and 18 of the MOI.
- b. **Board of Director Meetings**
  - i. The notice/agenda for such meetings will be circulated via electronic mail not less than ten (10) working days prior to the meeting.
  - ii. The meeting pack will be circulated via electronic mail not less than two (2) working days prior to the meeting.
  - iii. A draft copy of the minutes of the meeting will be circulated within seven (7) working days after the meeting to all Board members to allow for corrections/amendments/adjustments.
  - iv. The approved (signed-off copy) of the minutes – by the Chairman and CEO – will be circulated together with the attendance register within ten (10) working days upon completion of the meeting.
- c. **Quorum.** The quorum necessary for the commencement of a Board of Directors meeting shall be in aggregate at least 51% of the appointed/elected Directors. As within 30 (thirty) minutes of the time appointed for the meeting to commence, a quorum is not present, the meeting shall be postponed , without motion or vote, for one (1) week to the same time on the same day in the next week or, if that day be a public holiday, to the next succeeding day which is not a public holiday. If at such adjourned meeting a quorum is not present within 30 (thirty) minutes from the time of the appointed meeting then, the Person's entitled to vote present shall be deemed to be the requisite quorum.
- d. **Round-Robin-Resolutions.** The minimum turn-around time for a round-robin resolution – via electronic mail – is seventy (72) hours. Only the chairman of the Board may amend the turn-around time for urgent resolutions.

## 6. MANAGEMENT RESPONSIBILITIES

The Board discharges its obligations directly, through recommendations it receives from Committees of the Board and by delegating certain of its powers to officers and employees of the Company.

Management is responsible for the day-to-day operations of the Company, acting within approved Board policies and directives and consistent with the priorities of the shareholder.

In general terms, the Board expects that management will:

- a) Develop a vision and philosophy for the Company with strategic and operational plans to achieve the vision;
- b) Establish, prioritize and achieve corporate strategies, budgets, business plans and performance indicators;
- c) Identify, prioritize and manage the principal risks to the Company;
- d) Appoint, train, motivate, monitor and evaluate employees, and develop an effective succession plan;
- e) Propose and implement policies and processes to enable effective communication with the shareholder, stakeholders and the public;
- f) Design and implement policies and procedures to ensure the integrity of the Corporation's internal control and management information systems;
- g) Provide accurate, complete and timely information to the Board to enable it to discharge its obligations and meet its governance and legal responsibilities;
- h) Establish and implement procedures to ensure statutory responsibilities are met, an effective corporate compliance program is in place, and corporate documents and records are properly prepared, approved and maintained; and
- i) Ensure compliance with significant policies and procedures by which the Company is operated.

## **7. ACCESS TO COMPANY RECORDS**

In performing any of its duties and responsibilities, the Board shall have access to any and all books and records of the Company required for the execution of the Board's obligations and, as necessary, shall discuss with appropriate corporate officers and employees such records and other relevant matters.

## **8. CONFIDENTIALITY**

All deliberations of the Board, and all corporate records, material and information obtained by a member of the Board and not generally available to the public, shall be considered confidential.

Board members shall maintain the confidentiality of such deliberations, and shall safeguard such records and information from improper access.

## 9. ANNUAL REVIEW

- a. The Committee will conduct an annual review of its performance and effectiveness by reference to this Terms of Reference and current best practice.
- b. This review process will include a review of the appropriateness of the terms of this Terms of Reference for current circumstances.
- c. Where considered necessary, the Committee may propose amendments to the responsibilities, functions or membership of the Committee and recommend to the Board of Directors the formal adoption of a revised Terms of Reference for future operations of the Committee.

## 10. CODE OF CONDUCT

- a. Principles. The Company places significant emphasis on the adherence and compliance with accepted corporate governance principles. As such all Directors of the Company have a serious responsibility in this regard and their conduct as Directors must at all times set an example of proper behavior which must be impeccable and beyond reproach. This Code of Conduct sets forth certain rules applicable to the Directors of the Company in this regard.
- b. Directors of the Company shall:
  - i. distinguish their responsibilities and interests as Directors of the Company from those of the shareholders which they represent, and the former shall always prevail over the latter;
  - ii. keep confidential the affairs of the Company and report to the shareholders which they represent only such matters and information which are strictly necessary and if a Director is required to exercise his discretion he shall always exercise it in favour of maintaining confidential the affairs of the Company.

- iii. not communicate with nor disclose any information concerning the business and affairs of the Company to the press or media (of whatsoever kind) other than through the prescribed procedures adopted by the Company, and all Directors shall ensure that they have a sound knowledge of such procedures;
  - iv. respond promptly to all communications, of whatsoever kind, issued to them by any of their fellow Directors.
  - v. at all times act in the best interests of the Company;
  - vi. properly discharge their fiduciary duties as Directors of the Company and at all times act in the utmost good faith as Directors of the Company;
  - vii. at all times avoid situations of conflicting interests as between the Company, themselves and their own interests, and shall immediately and fully disclose such a conflict to the Chairman of the Board should such a situation arise;
  - viii. at all times use their best endeavours to promote, develop and enhance the business and reputation of the Company;
- c. Subscribe to the principles of good corporate governance and at all times act in accordance with same as Directors of the Company;
- i. if called upon to do so by the Chairperson or Chief Executive Officer of the Company, deliver promptly a precise and comprehensive written declaration specifying his/her assets and liabilities, of whatsoever nature, including contingent assets and liabilities, as also,

but not limited to, all and any business interests in which the Director concerned is involved, whether directly or indirectly;

- ii. not abuse alcohol and any other banned substances in public and not use same excessively when representing the Company to be changed to: not bring the company into disrepute through the abuse of alcohol and any other banned substances
- iii. always exercise the degree of care, diligence and skill that may reasonably be expected from a person occupying the office of Director;
- iv. not perform any act, whether negligently or willfully, which brings the game of cricket into disrepute or damages the reputation of the Company, or is likely to do so;
- v. at all times act within the scope of their authority as prescribed by the Memorandum of Incorporation;
- vi. subscribe and adhere to the principles of transparency and honesty in corporate governance;
- vii. not use any information acquired in their capacities as Directors for their personal gain or benefit;
- viii. not improperly compete with the Company in opportunities that are within the scope of the Company's activities;
- ix. not make a secret profit, gain or advantage for themselves.

- x. always act independently of any outside restraint or consideration and exclusively in the best interests of the Company as a whole;
- xi. exercise all and any voting rights independently and not in their own interests or those who have caused them to be appointed as Directors;
- xii. ensure that they have sufficient time to devote to carrying out their duties and responsibilities to the Company properly and that they are fully informed about the financial, social and political environment relevant to the business of the Company. In addition they must assume full fiduciary responsibility and in their decision making act as if they were the owners of the Company;
- xiii. equip themselves on a continuous basis with sufficient understanding of the Company's business. It is also equally the responsibility of the CEO to keep Directors abreast of trends and developments in the industry;
- xiv. accept full responsibility for the decisions they make on behalf of the Company and ensure that they are properly informed as to the subject matter of such decisions;
- xv. at all times foster and implement the values of frankness and co-operation in their relationships with each other.