

Board Charter

Edulution Learning South Africa, NPC

14 September 2021

EduLution Learning South Africa NPC
BOARD CHARTER

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1. INTRODUCTION AND PURPOSE OF CHARTER

The objectives of Edulution Learning South Africa NPC ("Edulution ") are set out in clause 4 of its Memorandum of Incorporation (MOI) and can be summarised as entailing educational and developmental support for underprivileged children and young adults by offering affordable, flexible, and innovative solutions to improve numeracy, literacy ICT and other professional skills.

The board of directors of Edulution acknowledges the need for a board charter as recommended in the Code of Governance Principles for South Africa - 2016 ("King IV"). The board is committed to applying the relevant guidelines of King IV and the related practice notes for the application of King IV in the non-profit sector.

This board charter is subject to the provisions of the Companies Act, the Company's Memorandum of Incorporation ("MOI"), the Non-profit Organisations Act 1997, Income Tax Act 1962 and any other applicable law or regulatory provision.

The board of Edulution provides effective corporate governance that involves monitoring the relationships between the board and management and between Edulution and its stakeholders. The purpose of this charter is to set out the board's **role and responsibilities**, as well as the requirements for its **composition** and **meeting procedures**, thereby contributing to an ethical culture, good performance, effective control and legitimacy, that goes beyond rule-based compliance.

2. COMPOSITION OF THE BOARD

Clause 10 of the MOI of Edulution contains various provisions to ensure that the Board structure and membership are adequate to ensure that the organisation conducts its affairs in an acceptable manner, that the Board has the requisite skills base and independence, that the Board membership satisfies eligibility criteria and that the Board membership and composition is rotated from time to time.

In addition, the MOI provides that up to 2 number of directors of Edulution Holdings SA (a Swiss incorporated entity) will be invited to attend and participate in the board meetings but not be able to vote.

1. The board is composed of a **minimum** of three and **maximum** of seven directors. The directors include both executive and non-executive members.
2. The Board consists of independent non-executive directors, dependent non-executive directors and executive directors. Independence is determined if the Board concludes that there is no interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third (3rd) party, is likely to influence unduly or cause bias in decision-making in the best interest of the Company.
3. Directors will be appointed in the following ratios;
 - a. Independent, non-executive directors: 2

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- b. Dependent non-executive directors: 2
 - c. Executive director: 1
4. A minimum of 75% (seventy five percent) of the directors in office must be present or participating by means of electronic communication in order to constitute a quorum for a Board meeting as per the MOI. At least one of the directors present must be a non-executive director in order for the Board to be quorate.
 5. Individuals in attendance at board meetings by **invitation** may participate in discussions but do not form part of the quorum for board meetings and as such, also do not have the right to exercise a vote.
 6. The non-executive directors shall serve as **volunteers** but are entitled to the reimbursement of reasonable expenses incurred in attending meetings or undertaking Edulution work, as approved by the board.
 7. The **chairman** is an independent non-executive member elected to that role by the board. Remunerated.
 8. The board endeavours to ensure that its membership holds a good and suitable mix of skills and shall seek out skills in financial management, the developmental ? and public sectors, education, Board and Director governance and the legal sphere, amongst others.
 9. The board identifies suitable board **candidates** and reviews and approves them. If there are vacancies that are not filled in this manner, the board may identify the need to advertise in appropriate publications.
 4. Board members may **serve a maximum period** of ten years, commencing from the date of the Board meeting at which they are appointed. As required by item 5(1)(b) of Schedule 1 to the Act, at least 1/3 (one third) of the directors shall resign every year at the last Board meeting of that financial year but shall be eligible for re-election.
 10. An **induction program** is established for new directors as this both sets the tone for the future relationship between the new director(s), the board and management and provides essential information for the new director(s) in discharging their responsibilities. The induction program will include a briefing by the CEO and chairman, presentations by key staff members, a tour of the premises and a pack of key documentation, such as organisational policies, recent annual financial statements and minutes of board meetings. Induction is ultimately the responsibility of the Company Secretary or another agreed official.
 11. Continuing professional development programs are implemented which ensure that directors receive regular briefings on changes in Board governance, risks, laws and the operational environment in which the work of Edulution takes place.

3. ROLE AND RESPONSIBILITIES OF THE BOARD

The Board derives its authority and mandate from clause 10 of the MOI of EduLution. These include the general policy of the entity, to meet at least quarterly but preferably monthly, to ensure that the report back by the executive director is tabled at each meeting, that there is a report from the treasurer and that the financial resources of the entity are applied solely toward the furtherance of the objectives of the entity, that there is a monthly report back from the person responsible for human resource management, to liaise with stakeholders, to ensure compliance with laws and regulations and to perform such actions as may otherwise be needed in the furtherance of the achievement of the objectives of the entity.

In addition, the appointment to the board of directors of EduLution is conditional upon the nominated director confirming in writing that he/she is familiar with the MOI and this board charter and considers it binding on him/her.

The role and responsibilities of the board are to:

1. Act as the **focal point for, and custodian of, corporate governance** by managing its relationship with management and other stakeholders of the company in line with sound corporate governance principles.
2. Appreciate that the Company's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process, by:
 - a. Steering and setting the direction for strategy.
 - b. Considering, challenging and approving management's formulation of short, medium and long-term strategy.
 - c. Approving policies and operational plans developed by management to give effect to the approved strategy.
 - d. Exercising ongoing oversight of strategy implementation and assessment.
3. Ensure that reports issued by the Company enable its stakeholders to make informed assessments of the Company's performance as well as its short, medium and long-term prospects by:
 - a. Setting the direction of how it reporting should be approached.
 - b. Approving management's determination of the reporting frameworks to be used.
 - c. Overseeing that reports comply with legal requirements and meet the needs of stakeholders.
 - d. Approving management's bases for determining materiality for reporting purposes.
 - e. Ensuring the integrity of external reports, including the integrated report and annual financial statements
4. **Monitor execution of the strategy** through oversight of management performance targets and evaluation of performance against the aim of the company.

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5. Satisfy itself that the strategy and business plans of the company do not give rise to **risks** that have not been thoroughly assessed by management as part of the identification of key performance and risk areas.
6. Be responsible for the **governance of risk** and ensure that the company is able to obtain assurance that all significant risks are being managed appropriately.
7. Provide effective **leadership on an ethical foundation** so ensuring that ethics are managed effectively.
8. Ensure that EduLution is, and is seen to be, a **responsible corporate citizen** by having regard to not only the public benefit and financial aspects of the business of the company but also the impact that operations have on the environment and the broader society within which it operates.
9. **Delegate** appropriate matters effectively to suitably resourced committees.
10. Ensure that EduLution complies with applicable **laws** and considers adherence to non-binding rules and **standards**.
11. Manage **stakeholders' perceptions** which can affect the company's reputation.
12. Ensure the integrity of the company's **annual report**, including the annual financial statements.
13. Act in the best interests of the company by ensuring that individual directors:
 - a. adhere to legal standards of conduct;
 - b. are permitted to take independent advice in connection with their duties following an agreed procedure; and
 - c. disclose real or perceived **conflicts of interest** to the board and deal with them accordingly.
14. Commence **business rescue** proceedings as soon as the company is financially distressed.
15. Elect a **chairman** of the board who is an independent non-executive director.
16. Appoint, support, set the remuneration and evaluate the performance of the **CEO**.
17. Ensure effective **organisational planning processes**.
18. Adopt a stakeholder inclusive approach that balances the needs and interests of the Company, over time. It therefore approves policy that articulates and gives effect to the set direction of the Company's approach to stakeholders and it delegates this responsibility to implement, execute and provide ongoing oversight in this regard.

4. BOARD LEADERSHIP

The board is structured in such a way as to ensure that there is a clear balance of power and authority within the board, ensuring that no one director has unfettered powers.

Board chairman

The chairman is responsible for ensuring the integrity and effectiveness of the board and its committees, which includes:

1. Setting the **ethical tone** for the board and company.
2. Providing overall **leadership** for the board, without limiting the principle of collective responsibility for board decisions.
3. Managing **conflicts of interest**.
4. Actively participating in the selection of board members and overseeing a **succession plan** for the board and key senior managers.
5. In conjunction with the CEO and Board Secretary, determining the **annual work plan** for the board.
6. Playing an active role in setting the **agenda** for board meetings.
7. Acting as a **link between the board and management**, particularly the CEO.
8. **Presiding over board meetings** and ensuring productive meetings.
9. Encouraging board members to **contribute constructively** (including new or inexperienced directors who may not yet be comfortable in the group) and leading the **removal** of any unsuitable directors.
10. Ensuring and contributing to **new director induction**.
11. Asking **questions** in order to elicit decisions.
12. Monitoring the **continuing professional education** needs of the board as a group.
13. With the CEO, helping to ensure that **board procedures** per this charter and the MOI are followed and are reviewed from time to time.
14. Leading the evaluation of the **CEO's performance**.
15. Appointing the **chair of the finance and audit committee** (and any other committees that the board from time to time constitutes).
16. In the event that the Chairman has tendered an apology for a board meeting, then the remaining Board members shall at the commencement of the meeting elect a Chairman to preside over the particular meeting from among the Board members.

Chief Executive Officer

The CEO is required to provide leadership to the management team and is accountable to the board for the implementation of strategies, objectives and decisions within the framework of the delegated authorities, values and policies of Edulution. The CEO's role in relation to the board includes:

1. Leading the development of Edulution's **vision, mission and strategy** for board consideration and approval.
2. Developing and recommending to the board annual operational plans and budgets that support Edulution's long term strategy.
3. Monitoring, and reporting to the board on, the **performance of the organisation**.
4. Organising the **structure** necessary to achieve Edulution's strategic plans.
5. Setting a tone of **ethical leadership**, including creating an ethical environment.
6. Monitoring, and reporting to the board on, the **compliance** of Edulution with all relevant laws and regulations.
7. Assisting the chairman to ensure that **board procedures** per this charter and the MOI are followed, and reviewed from time to time.
8. Ensuring that the **Companies Act** requirements in relation to the board are known and complied with.
9. Organising any **administrative support or training** requested by the chairman.

Company Secretary

The company has a secretary to assist in relation to secretarial matters of the Board. It is recognized that the company secretary is the most senior administration official of the company. The company secretary has a key role to ensure that board procedures are both followed and regularly reviewed.

As such, the company secretary is responsible for (as outlined in Section 88 (1)-(2) of the Companies Act and can be summarised as follows:

1. Providing the directors of the company collectively and individually with guidance as to their duties, responsibilities and powers;
2. Making the directors aware of any law relevant to or affecting the company;
3. Reporting to the company's board any failure on the part of the company to comply with the MOI or rules of the company, the companies Act and/or King IV, as relates to PBO;

4. Ensuring that minutes of all shareholders' meetings, board meetings and any meetings of the committees of the directors, or of the company's audit and risk committee, are properly recorded in accordance with the Act;
5. Certifying the company's annual financial statements whether the company has filed required returns and notice in terms of the Act, and whether all such returns and notices appear to be true, correct and up-to-date;
6. Ensuring that a copy of the company's annual financial statements is sent, in accordance with the Act, to every person which is entitled to it; carrying out the functions of a person designated in terms of Section 33 (3) of the Act;
7. Implementing new director induction, ensuring the input of the chairman.

The company may also seek professional corporate governance services from a suitable professional.

5. DELEGATION

Delegation to committees

1. The board delegates certain functions to well-structured committees, without abdicating its own responsibilities.
2. Formal **terms of reference** are established and approved for each committee of the board. EduLution has committed to establishing a finance and audit committee, with a separate charter.
3. The committees' **terms of reference are reviewed** at least once every three years.
4. The committees are appropriately constituted with due regard to the **skills** required by each committee.
5. Each committee has **at least two members**, with a **chairman** appointed by the board. Need to specify: NEDs and EDs. For discussion.
6. In addition, the board may appoint **ad-hoc committees**, should the need arise, to deal with any matters as deemed necessary.

Delegation to management

The board has delegated control over day-to-day operations of the company to the CEO, supported by the CEO's management team. The board establishes a formal framework for the delegation of authority to management, while it retains the right to approve the annual budget, the annual financial statements and certain material transactions.

6. MEETING PROCEDURES

Board conduct and culture

1. The conduct of board members shall be consistent with their commitment to the best interests of Edulution and Edulution's responsibility to act responsibly towards its stakeholders.
2. The board shall be **disciplined** in carrying out its role, with the emphasis given to strategic issues and policy.
3. Board discussions shall, at all times, be **open and constructive**. Directors should be committed to raise and debate relevant issues and to put forward their point of view without attempting to dominate a discussion.
4. After full discussion and debate on any subject, the chairman shall **summarise the discussion** prior to final resolution, whether by way of consensus or by vote.
5. The chairman shall always **attempt consensus** in board decision making, but may, where considered necessary, call for a vote in accordance with the provisions of the MOI. A **majority** vote is sufficient for a decision to become effective.
6. Once a **decision** is taken by the board, it is effectively owned by each director. Following the taking of a decision, directors may not reveal the details of any voting outside of the board meeting.
7. All matters are considered **confidential**, unless otherwise stated.
8. The chairman and CEO prepare the **meeting agenda** for all board meetings; however, any board member may request inclusion of an additional item.
9. Board members shall approach their board duties **professionally** and devote an appropriate amount of time and effort to those duties.

Frequency

1. The board must hold **sufficient scheduled meetings** to discharge all its duties as set out in this charter but subject to a minimum of four meetings per year.
2. Meetings **in addition** to those scheduled may be held at the request of a board member.
3. The **chairman** of the board may (and is encouraged to) **meet with the CEO** prior to a board meeting to discuss important issues and agree on the agenda.

Attendance

1. Board members must receive **7 business days' written notice** of a meeting. However, the chairman may consent to shorter notice for meetings deemed to be urgent.

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2. Members of senior management, assurance providers and professional advisors may be in attendance at meetings, but by **invitation** only and they may not vote.
3. Board members must attend all scheduled meetings of the board, including meetings called on an ad hoc-basis for special matters, unless prior **apology** has been submitted to the chairman or CEO. Attendance by **telephone or video conference** is acceptable, where necessary and approved by the board chairman.
4. If the nominated **chairman** of the board is **absent** from a board meeting, the members present must elect one of their number to act as chairman.

Agenda

1. The board must establish an **annual work plan** for each year to ensure that all relevant matters are covered by the agendas of the meetings planned. The annual plan must ensure proper coverage of the matters laid out in this charter.
2. The **number, timing and length** of meetings, and the agendas, are to be determined in accordance with the annual plan.
3. A detailed **agenda**, together with supporting documentation, must be circulated, at least five business days prior to each meeting to the members of the board and other invitees. Careful preparation of the agenda enhances board productivity, and strengthens its strategic and supervisory role.
4. The board chairman must establish **standards** for the preparation and presentation of board papers and reports, with input from the board members.
5. At every regular board meeting, directors should:
 - a. Review outstanding major action items from previous meetings.
 - b. Discuss emerging issues that could affect the company.
 - c. Receive reports from the CEO on operational and performance matters and strategic issues.
 - d. Monitor management's performance and its explanations for variances.
 - e. Review financial performance for the previous month, year-to-date and forecasts covering the remainder of the relevant accounting period.
 - f. Risk report to be tabled at each Board meeting
 - g. Review and ratify **reports from committees**.

All of these matters should be documented in the board papers, with discussion focusing on strategic points of particular interest and concern.

6. At each board meeting, the board shall consider both **reports from management and major issues** and opportunities for board consideration.
7. A range of **other matters** that should be periodically included on the board agenda, include the following:
 - h. Stakeholder relations.
 - i. Organisational policies.
 - j. Business planning.
 - k. Risk management and compliance.
 - l. Organisational structure.
 - m. Funding and organisational sustainability.
8. Board members must be **fully prepared** for board meetings to be able to provide appropriate and constructive input on matters for discussion, in the limited time available.

Minutes

The Board has appointed a company secretary who is responsible for the proper taking of minutes of each meeting, that the requisite forms referred to in clause 9 are completed, that agendas for each meeting are duly prepared, and that due notice as provided in the MOI are given for each meeting, and that meetings have the required quorum.

Minutes of board meetings must:

1. Include the **names** of all of those present and those directors that have offered apologies.
2. Be focussed on **decisions** taken, including assessments of risk relating to each decision.
3. Make reference to **documents** supporting decisions taken, as appropriate. Any additional documents presented as part of the meeting should be attached to the minutes.
4. Be **completed** as soon as possible after the meeting and circulated to the chairman and members of the board for review thereof.
5. Be formally **approved** by the board at its next scheduled meeting, and signed as such by the chairman of the meeting at which approval occurred.
6. Be **retained** on file by the company secretary.

Conflict of interest and confidentiality undertakings

These items will be included in the detail agenda and will be signed (in round robin fashion) by all directors.

1. One of the **fundamental duties** of a director is to avoid any possible conflict of interests within the company due to the position of trust requiring a director to put the interests of the company before their own personal interests.
2. Any director with a conflict of interest must **disclose the interest** in the relevant contract or arrangement before it is discussed by the board. Such director must immediately leave the meeting and will not be counted as part of a quorum. The director will therefore not be entitled to contribute to, influence or vote on the matter.
3. The **Companies Act** states that a director's personal financial interest also relates to matters in which a person separated by no more than two degrees of natural or adopted consanguinity (common ancestry) or affinity (marriage) has a personal financial interest ,or a juristic person in which the director or related person has a controlling interest.
4. Further detail of what constitutes a conflict of interest is included in the related **Edulution policy**.

7. PERFORMANCE ASSESSMENT

Edulution acknowledges the voluntary service of its non-executive directors and the significant value that they add to the organisation and its stakeholders. While upholding the spirit of appreciation, the board will undertake an annual assessment of its roles, responsibilities, and collective performance for the period under review and undertake such action arising out of this review process as is deemed necessary. Normally formal/may be 3rd party every 2-3 years; and less formal, years in between. For discussion.

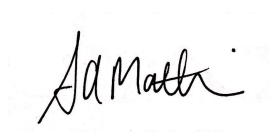
8. PUBLICATION AND DISTRIBUTION OF CHARTER

This charter should be issued to every new board member made available to funders and other key stakeholders as required.

Review of charter

The Board undertakes to review this Charter as and when required, but at least every 3 years.

Approved on 14 September 2021



Founding Director, SA Mattison