



Eseltjiesrus Donkey Sanctuary

BOARD CHARTER

1 Definitions

- 1.1 **Audit and Risk Committee or ARC** means the committee appointed by the Board to advise them on financial management, business risk and control issues matters.
- 1.2 **Board** means the board of Eseltjiesrus Donkey Sanctuary ("EDS").
- 1.3 **Board Advisory Committee or BAC** means the *ad hoc* advisory committee appointed by the Board to advise the Board with policy issues, strategic matters and decisions.
- 1.4 **Board Members** means the elected Board Members of EDS.
- 1.5 **Board objectives** are to achieve its roles and responsibilities as set out in clause 3 below.
- 1.6 **Chairperson** means the chairperson of the Board.
- 1.7 **Communications and Resource Development Committee or CRDC** means the committee appointed by the Board to advise them on communications and resource development matters.
- 1.8 **Core business** means the promotion of the welfare and status of donkeys.
- 1.9 **EDS** means the Eseltjiesrus Donkey Sanctuary registered as a nonprofit organisation in terms of the Nonprofit Organisations Act, 71 of 1997 under reference number NPO 056-575.
- 1.10 **Executive** means a senior member of management appointed by the Board on a full time paid basis.
- 1.11 **Executive Committee or Exco** means the committee of managers appointed by the Board to manage the day to day operations of EDS;
- 1.12 **Founders** means Johan van Zijl and Annemarie van Zijl.
- 1.13 **King IV** means the fourth King Report on Corporate Governance for South Africa which was published in 2016.
- 1.14 **Members** means all current Adopters and Donors; Members of the Board; Eseltjiesrus Donkey Sanctuary Legacy Friends; and Volunteers (approved by the Executive Committee of the organisation).
- 1.15 **Non-Executive Board Member** means a non-executive person who:
 - i. is not involved in the day-to-day management of EDS;
 - ii. is not a representative of a major stakeholder of EDS;
 - iii. is not employed by EDS;
 - iv. is not a professional advisor to EDS other than in the capacity as a Board member;
 - v. is not a significant supplier, service provider or customer of EDS;
 - vi. has no significant contractual relationship with EDS;
 - vii. is free from any business or other relationship which could be seen to materially interfere with the person's capacity to act independently.

2. Constitution

The Board is constituted in terms of the Constitution duly approved at the annual general meeting held on 19 July 2012 and revised from time to time by the Members (“the EDS Constitution”). This Charter must be read together with the EDS Constitution.

3. Roles and Responsibilities of the Board

- 3.1 The Board has absolute responsibility for the performance of EDS and is fully accountable to the members for such performance. As a result, the Board should give strategic direction to the Executive Committee of EDS, and ensure that an effective succession plan for all key executives is in place and adhered to.
- 3.2 The Board should ensure that the core business of the Sanctuary receives priority. Everything the Sanctuary does or supports should primarily benefit the welfare and status of donkeys to the highest ethical standards.
- 3.3 The Board must retain full and effective control over EDS and monitor management in implementing Board plans and strategies.
- 3.4 The Board should ensure that EDS is fully aware of and complies with applicable laws, regulations and codes of business practice and that it communicates with its Members openly and promptly with substance prevailing over form.
- 3.5 The Board must closely monitor the process of disclosure and communication and exercise objective judgment on the affairs of EDS, independent of management. In so doing, each individual Board member must keep confidential all matters of the organisation.
- 3.6 The Board should approve, monitor and review strategy, major plans of action, risk policy, annual budgets and business plans of EDS and regularly identify key risk areas and key performance indicators, based on both financial and non-financial aspects.
- 3.7 The Board should monitor and manage potential conflicts of interest of the Executive, Board Members and Members. The Board as a whole and each individual Board Member must not accept any payment of commission, any form of bribery, gift or profit for himself or herself from any person.
- 3.8 The Board should develop a clear definition of the levels of materiality in order to determine the scope of delegation of authority and ensure that it reserves specific powers and authority to itself. Delegated authority must be in writing and evaluated on a regular basis.
- 3.9 The Board should ensure that financial statements are prepared for each financial year, which fairly present the affairs of EDS and which apply relevant accounting standards. In addition, the Board must ensure the maintenance of adequate accounting records and ensure that suitable accounting policies, consistently applied and supported by reasonable and prudent judgment and estimates, have been used in the preparation of the financial statements.
- 3.10 The Board should from time to time review and evaluate its required mix of skills and experience and other qualities in order to assess the effectiveness of the entire Board, its committees and the contribution of each individual Board Member.
- 3.11 The Board should ensure that there are appropriate and effective induction, education and training programmes offered to new and existing Board Members, where required.
- 3.12 The Board is responsible for setting policy and standards of ethical conduct. The Board should always maintain the highest standard of integrity, responsibility and accountability and ensure that it finds a fair balance between conforming to corporate governance principles and the performance of the organisation.
- 3.13 To enable the Board to properly discharge its responsibilities and duties, certain responsibilities of the Board may be delegated to Board committees. The creation of committees does not reduce the Board Members’ overall responsibility.

- 3.14 Board committees should include an Audit and Risk Committee and a Communications and Resource Development Committee as well as a Board Advisory Committee. Additional Board committees may be established as situations demand.
- 3.15 The Board should ensure that the going concern principle is addressed annually in writing.

4. Authority

The Board has the following specific powers and authority:

- 4.1 The Board must acquire, administer and control the assets of EDS solely for the purposes set out in paragraph 3 of the EDS Constitution and in accordance with the provisions of the EDS Constitution.
- 4.2 The Board may delegate to the Executive Committee such powers as necessary in managing the activities of EDS in accordance with the EDS Constitution.
- 4.3 The Board has unrestricted access to all EDS information, records, documents and property.
- 4.4 Board Members may, if necessary, take independent professional advice at the organisation's expense, subject to availability of budget and adherence with the procurement processes of EDS.
- 4.5 Non-Executive Board Members have access to the Executive Committee and may meet separately with members thereof.

5. Duty of care

In accordance with King IV, a Board Member must in the performance and execution of his or her duties and the exercise of his or her powers act with such care, diligence and skill as may be reasonably be expected of a person who manages the affairs of another organisation or individual.

6. Composition

Size and balance

- 6.1 The Board shall consist of not less than 6 (six) but not more than 12 (twelve) Board Members appointed by the Members.
- 6.2 Non-Executive Board Members shall serve for 3 (three) years and may be reappointed for further terms. One-third of Non-Executive Board Members shall be required to retire annually on a rotation basis.
- 6.3 When viewed collectively, the Board should:
- 6.3.1 Comprise a majority of Non-Executive Board Members, in order to ensure independence and objectivity in decision-making.
- 6.3.2 Reflect as far as practicable a broad cross-section of the demographics of the peoples of the Republic of South Africa.
- 6.3.3 Possess expertise and experience in the fields of, amongst others, animal care and welfare, law, economics, business practice, development practice and finance.

7. Chairperson

The Board will appoint one of the Non-Executive Board Members as the Chairperson.

8. Meetings

Frequency

- 8.1 The Board will hold regular meetings. The number of meetings held during a period should be sufficient to ensure that the Board meets its objectives. The Board will meet at least three times a year (scheduled meetings).
- 8.2 The Board has the authority to hold virtual or electronic meetings.
- 8.3 In the absence of the Chairperson at a meeting, the Chairperson will delegate one of the Non-Executive Board Members to act failing which, the remaining Board Members must from their number elect an acting Chairperson.
- 8.4 The Chairperson may, at any time within 10 (ten) days' notice, convene a special meeting of the Board to address urgent matters and emergencies, at such time and place as the Chairperson may determine and as is convenient for a majority of its members.
- 8.5 Two Board Members may in writing request the Chairperson to convene a special meeting. The Board Members must convene a special meeting if the Chairperson fails within 10 (ten) days to convene a special meeting after receiving such a request.

Quorum

- 8.6 The quorum for any meeting of the Board, at any time must be a minimum of 50% (fifty per cent) of the Non-Executive Board Members in office at that time. If 50% (fifty per cent) of the Board Members is a fraction, the number required shall be the next nearest whole number.
- 8.7 A quorum must be a disinterested quorum. Thus a Board Member who has an interest in a matter must recuse himself or herself from the meeting for the duration of the discussion and / or the vote on that matter and he or she may not be counted towards the quorum.
- 8.8 If there is no quorum, the Chairperson will make arrangements and reconvene the meeting as soon thereafter as reasonably possible.

Board resolutions

- 8.9 A decision of the Board must be taken by resolution agreed to by the majority of Board Members present at a Board meeting, subject to the existence of a quorum.
- 8.10 Each and every Board member will have a vote, and in the event of an equality of votes, the Chairperson will have a casting/deciding vote.
- 8.11 If time is of the essence, decisions can be made on a round-robin basis. However, such decisions must be noted at the next meeting of the Board.
- 8.12 A round robin resolution shall only be valid if signed by all Board members who are present in South Africa on the due date of the resolution provided that the number of such Board Members would have constituted a quorum at a properly constituted Board meeting.

Minutes

- 8.13 A secretary must be appointed to attend and minute all meetings.

Attendance

- 8.14 The Board may invite any relevant person to attend the entire or parts of Board meetings.

9. Disclosure of conflicting interests

- 9.1 A Board Member must not participate in the proceedings at any meeting of the Board if he/she is directly or indirectly conflicted or he/she or his/her immediate family member or business partner is a director, trustee or business partner of, or has an interest in the business in question, or in relation to any matter before the Board which may preclude him or her from performing his or her other functions as a Board Member in a fair, unbiased and proper manner.
- 9.2 If at any stage during the proceedings of the Board there is reason to believe that a Board Member has an interest, the Board Member must:
 - 9.2.1 disclose fully the nature of his or her interest; and
 - 9.2.2 recuse him/herself from the meeting or hearing in question.
- 9.3 The remaining Board Members must discuss the matter and determine whether that Board Member is to be precluded from participating in such proceedings.
- 9.4 The disclosure and the decision taken by the Board Members regarding such determination must be recorded in the minutes of such proceedings.

10. Review of Charter

This charter shall be reviewed by the Board at two yearly intervals.



CHAIRPERSON

REVISION APPROVED BY THE BOARD

17th November 2020