BOARD CHARTER

UTHUKELA ECONOMIC DEVELOPMENT AGENCY

2026/2027 FINANCIAL YEAR

POLICY NAME	BOARD CHARTER
IMPLEMENTATION DATE	01 JULY 2026
REVIEW DATE	14 AUGUST 2026
APPROVED DATE	29 MAY 2026

TABLE OF CONTENTS

1. DEFINITION

UEDA – UThukela Economic Development Agency.

Stakeholders – Service Providers and Community Members

2. PURPOSE

This Charter sets out details of the functions and responsibilities of the Board of Directors of UEDA.

3. LEGISLATIVE FRAMEWORK

3.1 UThukela Economic Development Agency (UEDA) is a private company established in terms of Section 86C of the Systems Act and accordingly is restricted to act as a municipal entity in terms of;

a) Chapter 8A of the Systems Act; and

b) Chapter 10 and 11 of the Local Government Municipal Finance Management Act No 56 of 2003.

3.2 UThukela Economic Development Agency (UEDA) is therefore also governed by the Companies Act that is current at the time of the drafting of the Board Charter as well as the principles enshrined in the King Report on Corporate Governance.

4. SCOPE OF APPLICATION

This policy shall apply throughout the Entity in as far as board charter is concerned. The board charter shall be reviewed annually.

4.1 OBJECTIVES

4.1.1 The overall objective of this Charter is to:

4.1.2 Enable the UEDA Board of Directors to provide strategic guidance to the Agency and to effectively oversee management;

4.1.3 Clarify the respective roles and responsibilities of directors and management accountability;

4.1.4 Ensure a balance of authority so that no single individual has unfettered powers;

4.1.5 Ensure compliance with regulations and the laws of the Republic of South Africa; and

4.1.6 To ensure that management adheres to the mandate given to them by the Shareholder and Board as well as adhering to the approved budget.

4.2 VISION & MISSION OF UEDA

4.2.1 **Vision:** An economically vibrant and prosperous district that retains and attract business anchored in unique opportunities and innovation for sustainable economic development.

4.2.2 **Mission:** To create enabling and business friendly environment thus ensuring the retention and attraction of local and international investment and promote new business ventures working with all social and business partners to achieve a prosperous sustainable economic development for UThukela District Municipality (UTDM).

4.2.3 The role of the UEDA is to market and position UTDM, as the investment and tourist destination of choice, and to create a conducive business environment to development by delivering sustainable economic benefits for its shareholder/ stakeholders and the broader community.

4.3 STRUCTURE AND COMPOSITION OF THE BOARD

4.3.1 The UEDA Board shall consist of six (6) non -executive directors including the Chairperson.

4.3.2 The Board of Directors has the power at any point in time to recommend the removal of any member from the Board to the District Municipality and request the filling of vacancies created by such removal.

4.3.3 Board members shall be independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgment as Board members.

4.4 ROLE AND RESPONSIBILITY OF THE CHAIRPERSON

The Chairperson's responsibilities are to, inter alia:

4.4.1 Preside over meetings of directors and to ensure the smooth functioning of UEDA in the interests of good governance;

4.4.2 Provide overall leadership to UEDA without limiting the principle of collective responsibility for UEDA decisions;

4.4.3 Arrange for new members appointed to the UEDA Board to be properly inducted and oriented, and monitoring and evaluating UEDA and director appraisals;

4.4.4 Determine the formulation of an annual work plan for UEDA against agreed objectives and goals, as well as playing an active part in setting the agenda for UEDA meetings;

4.4.5 Maintain relations with the UThukela District Municipality and other key stakeholders;

4.4.6 Ensure that all directors play a full and constructive role in the affairs of UEDA and take a lead role in recommending the removal of non-performing or unsuitable directors from UEDA;

4.4.7 Ensure that all the relevant information and facts are placed before the Board to enable the directors to reach an informed decision;

4.4.8 Ensure that directors exercise utmost good faith, honesty and integrity in all their dealings with or on behalf of UEDA and act independently of any outside fetter or instruction;

4.4.9 Always act in the best interests of UEDA and never for any sectoral or self-interest;

4.4.10 Be informed about the financial, operational and social environment in which UEDA operates;

4.4.11 Treat any confidential matters relating to UEDA as a director, as strictly confidential and not divulge such matters to anyone without the authority of UEDA;

4.4.12 Ensure that procedures and systems are in place to act as checks and balances on the information being received by UEDA and ensure that UEDA prepares long term and business annual plans and budgets and regularly updates forecasts against which its performance can be monitored.

4.5 QUORUM OF MEETINGS

4.5.1 In any Board of Directors meeting, the Board shall comprise a minimum of four (4) members.

4.5.2 If a quorum is not present at a directors' meeting, the Chairman shall postpone such meeting for a period of seven (7) business days and notice of such postponed meeting including the date, time, and place of such postponed meeting, shall be sent to all directors.

4.5.3 No business shall be transacted at a directors' meeting unless a quorum is present at the commencement of that meeting.

4.6 MEETING AND PROCEEDINGS

The Board shall meet:

4.6.1 Once every quarter; and/or

4.6.2 Whenever so required by any director on seven (7) days' notice's in writing to the Company.

4.6.3 The meetings shall be held at such time and place and in such a manner as the Chairperson may from time to time determine;

4.6.4 Meeting agendas shall be prepared, circulated to the Chair for approval and then distributed in advance, together with sufficient background information to enable Board members to appropriately prepare for such meetings. For purposes of clarity, where the business to be transacted at the

Board meeting requires the passing of a special resolution, the agenda and notices convening such meeting shall be distributed not less than seven (7) clear business days prior to such meeting taking place.

4.6.5 Matters requiring approval by the Board shall be decided on by way of a majority vote. Where there is an equality of votes, the chairperson shall have a casting vote to break a deadlock in decision -making, unless the chairperson is of the opinion that the aims and objectives of the business of UEDA shall be better served by referring the issue in question to the next meeting for fresh deliberation and voting.

4.6.6 Urgent matters requiring approval by the Board may be circulated to Board members for approval on a Round Robin basis. Such Round Robin should include information to allow Board members to make an informed decision as regards such matter.

4.6.7 A Round Robin will require that a Board member respond within 72 hours (3 business days), failing that the matter(s) so considered will be deemed to have been approved.

4.6.8 Should any member of the Board wish to have the subject matter of the round robin considered before a full Board, that member may so request that a formal meeting be convened at which the matter will be formally placed for consideration.

4.6.9 Round Robin decisions will be tabled at the following Board meeting for ratification.

4.6.10 The minutes of Board meetings shall be circulated to Board members and those in attendance within (21 business days) of such meetings, for approval thereof as a correct record of proceedings.

4.6.11 Minutes of Board meetings shall be tabled at the following meeting of the Board for signature by the Chairman of the meeting

4.7 REMOVAL OF OFFICE

4.7.1 A member may resign from the Board of UEDA by giving one month's written notice to the Chairperson, who shall thereafter inform the Board and UThukela District Municipality.

4.7.2 Section 93G of the Systems Act Stipulates that:

The parent Municipality (UTDM) of the Company may remove or recall a director appointed or nominated by that municipality –

4.7.3 If the performance of the director is unsatisfactory as indicated in the code of conduct.

4.7.4 If the director, either through illness or for any other reason is unable to perform the functions of office effectively.

4.7.5 If the director, whilst holding office is convicted of fraud, theft or any offense involving fraudulent conduct.

4.7.6 Has failed to comply with or breached any legislation regulating the conduct of directors, including any applicable code of conduct.

4.7.7 A member must vacate his or her office if he/she has been absent from more than three consecutive meetings without leave of the chairperson of each such absence.

4.8 FEE

Board members shall be remunerated for their services on the Board. The UTDM shall determine the fees payable to members of the Board based on a recommendation by the Board. The Chairman of the Board shall be paid additional fees for services rendered on the Board. The Chairman of any Sub-Committee of the Board shall be paid additional fees for services rendered on a specified Sub Committee.

4.9 COMPANY POLICIES

Each director is bound by this charter, UEDA's policies and the code of conduct.

4.10 CONFLICT OF INTEREST

4.10.1 A member shall on his/her appointment to UEDA, disclose to the Board any material interests which may constitute a conflict of interest in respect of his or her duties as a member of the Board, and he or she shall in writing inform the Chairperson if any of such conflict or potential conflict arises after his or her appointment.

4.10.2 A member is required to complete a declaration of interest

4.11 UEDA COMMITTEES

4.11.1 The UEDA Board is the focal point of the corporate governance system and is ultimately accountable and responsible for the performance and affairs of UEDA. UEDA acknowledges that committees can help to efficiently advance its business;

4.11.2 However, UEDA recognizes that delegating authorities to UEDA committees does not in any way mitigate or dissipate the discharge by UEDA and its directors of their duties and responsibilities.

4.11.3 UEDA realizes that committees are merely a mechanism to aid and assist it and its directors in giving detailed attention to specific areas of specified issues, such as finance, HR, etc.

4.11.4 To this end, based on the needs of UEDA, and HR and Finance committee has been established.

4.12 CONDITIONS OF SERVICE

4.12.1 The Board shall be responsible for the recommendation of the remuneration, allowances, and other benefits of board members to UTDM. The UTDM approved remuneration and those allowances shall be paid out of UEDA budgeted funds.

4.13 RESPONSIBILITIES OF THE BOARD

4.13.1 The directors have a collective responsibility to provide effective corporate governance that involves a set of relationships between the UEDA, UThukela District Municipality and other relevant stakeholders, which include:

4.13.2 Setting strategic direction and goals of UEDA and monitoring management's implementation of that strategy;

4.13.3 Appointing such committees of UEDA as may be appropriate to assist in the discharge of its responsibilities and to determine their responsibilities;

4.13.4 Ensuring that procedures and practices are in place that protects UEDA's assets and reputation;

4.13.5 Monitoring financial outcomes and the integrity of reporting, in particular approving annual budgets and longer -term strategic and business plan;

4.13.6 Ensuring that effective audit and compliance systems are in place to protect UEDA's assets and to minimize the possibility of UEDA operating beyond legal requirements or beyond acceptable risk parameters;

4.13.7 Monitoring compliance with regulatory requirements and ethical standards;

4.13.8 The board shall be constituted in such a manner as to represent the interests, skills, and expertise relevant to the pursuit of goals and objectives of UEDA.

4.14 REVIEW OF CHARTER

4.14.1 UEDA will review this Charter and the Terms of Reference of the Board, and that of the Boards Sub - Committees annually to ensure they remain consistent with UEDA's objectives, responsibilities, and relevant standards of corporate governance.

5 APPROVAL OF THE BOARD CHARTER

NAME	SIGNATURE	DESIGNATION	DATE
MR SB SIBISI	S.B.	ACTING CHIEF EXECUTIVE OFFICER	29/05/26.