




**THE SOUTH AFRICAN MEDICAL
ASSOCIATION NPC
(SAMA)
BOARD CHARTER**

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1. DEFINITIONS

Association/SAMA/the Company	means the South African Medical Association NPC, a Non-Profit Company registered in accordance with the Companies Act, 71 of 2008.
Board	means the Board of directors of SAMA.
Branch	means a duly constituted Branch of SAMA, comprising a geographical grouping of members.
CEO	means the Chief Executive Officer of SAMA.
Company Secretary	means the Company Secretary of SAMA.
Combined assurance	means the process of internal, and potentially external parties, working together and combine activities to reach the goal of communicating information to the Board.
Director	means a member of the Board of SAMA, as contemplated in section 66, and includes any person occupying the position of a director or alternate director, by whatever name designated
Executive	means the responsibility for the day-to-day management of SAMA
Members' meetings	means any meeting of SAMA members who are entitled to exercise voting rights in relation to specific matters as reserved for members in the Companies Act and includes the annual general meeting.
MOI	means the Memorandum of Incorporation of SAMA with the meaning attached to it in terms of the Companies Act.
SAMA members	means a person who holds membership in, and specified rights in respect of, SAMA and who is registered as such in SAMA's members register and are entitled to vote.
SAMA annual general meeting	means the specific meeting of SAMA members in terms of section 61(7) of the Companies Act, where the bear minimum business set out in section 61(8) is conducted.
The Companies Act	means the Companies Act, 71 of 2008.

Words importing the singular shall include the plural, words importing the masculine, feminine or neuter shall include the others of such genders, and words importing persons shall include bodies corporate, and vice versa in each instance.

2. INTRODUCTION

- 2.1 This Board Charter is subject to the provisions of the Companies Act, 71 of 2008, SAMA's Memorandum of Incorporation, and any applicable law or regulatory provision.
- 2.2 This Board Charter is not intended to replace or amend the MOI in any way whatsoever. In the event of a conflict between the MOI and the Board Charter, the provisions of the MOI shall prevail.
- 2.3 The Board Charter is also not intended to contain a comprehensive summary of the applicable legal principles. Board members requiring advice in respect of any matter referred to in this Board Charter should consult the Company Secretary in this regard.
- 2.4 Matters which appear in the MOI and which are repeated in this Board Charter are purely for emphasis and continuity.
- 2.5 The Board of SAMA is ultimately accountable and responsible for the performance and affairs of SAMA and regard good corporate governance as pivotal to the success of its business, its Stakeholder relations and the ability of the SAMA to deliver on its objectives.

3. PURPOSE

- 3.1 The purpose of the Board Charter is to provide a concise overview of –
 - 3.1.1 the roles, responsibilities, functions and powers of the Board, individual directors and executives of SAMA;
 - 3.1.2 relevant principles of SAMA's limits and delegations of authority and matters reserved for final decision-making or pre-approval by the Board; and
 - 3.1.3 the policies and practices of the Board in respect of matters such as corporate governance, declarations and conflicts of interest, Board meeting documentation and procedures, composition of the Board and the nomination, appointment, induction, training and evaluation.
- 3.2 This Board Charter is considered to be an integral part of the conditions of appointment of all directors. Future letters of appointment will have an attachment of the Board Charter and specifically incorporate it by reference.

4. THE BOARD AND SAMA MEMBERS

- 4.1 Matters reserved for decision-making by SAMA members are set out in the MOI and the Companies Act.
- 4.2 A matter reserved for decision-making by SAMA members is considered by the Board before it is recommended to the SAMA members for decision-making. The Board will, where appropriate, provide the SAMA members with its recommendation and the relevant material information in respect of resolutions proposed for SAMA member approval.

- 4.3 It is the policy of SAMA to accurately disclose company information to SAMA members and stakeholders in such a way that the SAMA members are apprised of all material aspects of the conduct of SAMA.
- 4.4 Directors and executive management are expected to attend Members' meetings. The Chairpersons of all Board committees are expected to be available at SAMA's annual general meeting to respond to relevant questions or queries.
- 4.5 Proceedings at Members' meetings are governed by the provisions of the Companies Act and the MOI.

5. POWERS, ROLE AND RESPONSIBILITIES

5.1 General powers of the Board

- 5.1.1 The Board should exercise leadership, enterprise, integrity and judgement in directing SAMA so as to achieve the goals of SAMA and the objectives as set out in the MOI.
- 5.1.2 The Board is responsible for steering SAMA and setting its strategic direction. In managing or directing the affairs of SAMA, the Board has authority to exercise all of the powers and perform any of the functions of SAMA except to the extent that the Companies Act and MOI provide otherwise.
- 5.1.3 The Board accordingly has the power to make any decision in respect of SAMA which has not been specifically reserved for decision-making by SAMA members.
- 5.1.4 The Board must exercise its powers responsibly in the best interests of SAMA with due regard to the interest of stakeholders of SAMA.

5.2 The role, functions and responsibilities of the Board

Within the powers conferred upon the Board by the MOI and the Companies Act the Board must -

- 5.2.1 Retain full and effective control over SAMA and provide effective and ethical leadership in the best interest of SAMA;
- 5.2.2 Inform and set the strategic direction, allocate resources to attain the set strategy (budget), of SAMA and ensure that strategy, risk, performance and sustainability considerations are effectively integrated and appropriately balanced;
- 5.2.3 Identify and monitor non-financial aspects relevant to SAMA including principles of ethical business practice, human rights considerations and the requirements of being a responsible corporate citizen, which includes assessing and responsibly responding to the negative consequences of SAMA's activities and outputs in the context in which it operates, ensuring that SAMA acts responsibly towards all relevant stakeholders having a legitimate interest in its affairs;

- 5.2.4** Exercise objective judgment on the business affairs of SAMA, independent from management, but with sufficient information to enable a proper and informed assessment;
- 5.2.5** Delegate appropriate authority for the running of the day-to-day business of SAMA in a written Delegation of Authority which will be reviewed from time to time and continually monitor the exercise of such delegated authority;
- 5.2.6** Ensure that SAMA has appropriately constituted and effective Board committees that are comprised of persons who have the skills and qualities to effectively realise SAMA's objectives and managing all risks associated with the attainment of the set objectives;
- 5.2.7** Ensure that a comprehensive system of policies, procedures and appropriate governance structures are put in place to ensure a smooth, efficient and prudent stewardship of SAMA;
- 5.2.8** From time to time, review the policies of SAMA ensuring that such policies remain relevant and appropriate;
- 5.2.9** Monitor the implementation by Board committees and executive management, SAMA's strategies, values, Board decisions and policies with a structured approach to governance, risk management and combined assurance within allocated resources on an on-going basis during each financial year;
- 5.2.10** Ensure SAMA's compliance with all applicable laws and regulations, accounting principles and policies and procedures approved by the Board from time to time. Such compliance must be tested periodically by relevant independent assurance providers which include external auditors;
- 5.2.11** Regularly review and evaluate the risks associated with SAMA, ensuring the existence of comprehensive and appropriate internal controls to mitigate against such risks. Independent assurance to effectiveness of the risk management process must be provided through an effective risk based internal audit;
- 5.2.12** Recruit, appoint and support a CEO, and constructively monitor and assess his or her performance on an on-going basis with regular dialogue and feedback;
- 5.2.13** Determine the terms of employment and remuneration of the CEO;
- 5.2.14** Ensure that a succession plan is in place for the CEO;
- 5.2.15** Ensure the adequacy of human capital, financial and other resources to support the strategic plan of SAMA;
- 5.2.16** Ensure that SAMA has a sound succession plan in respect of management and other

- key positions. In addition the Board must guide restructuring and transformation;
- 5.2.17** Monitor and evaluate performance or impact against the vision, mission, strategic goals and objectives of SAMA;
 - 5.2.18** Ensure that disputes are resolved as effectively, efficiently and expeditiously as possible; and
 - 5.2.19** Monitor and build relationships between SAMA and its stakeholders.

5.3 Matters reserved for decision-making by the Board

- 5.3.1** Without detracting in any way from the general powers of the Board, the Board from time to time determines in terms of the governance framework and delegated authorities, which matters are –
 - 5.3.1.1** reserved for final decision-making by the Board or Board committees; or
 - 5.3.1.2** require the Board’s or Board committees’ consent before a final decision is made.

6. COMPOSITION

- 6.1** The Board should at all times be suitably constituted and do everything necessary to appropriately fulfil its roles and responsibilities.
- 6.2** The Board will have a minimum of eight (8) and a maximum of 15 (fifteen) Directors.
- 6.3** The Board composition should reflect:
 - 6.3.1** racial, gender and age diversity; and
 - 6.3.2** diversity in respect of the relevant technical, geographic and professional backgrounds in the medical industry, or business acumen or relevant professional competencies as may be required.
- 6.4** The directors will elect a Chairperson and Vice Chairperson from amongst the elected non-executive directors to serve in those capacities. This will be undertaken at the first board meeting following an annual general meeting where director appointments are conducted, in compliance with Schedule 1 of the Companies Act.
- 6.5** The Board is empowered to fill temporary vacancies on the Board between annual general meetings, only doing so if the number of remaining Directors falls below the minimum number of 8 directors at any given time or if certain skills or diversity has been lost on the Board with its replacement viewed as critical to the overall attainment of SAMA’s goals and objectives
- 6.6** Race, age and gender diversity, underpinned by the relevant skills as well as business, geographic and professional experience and background, enhance the composition of a truly diverse Board. All facets of diversity will be considered in determining the optimal composition of the Board and, where possible, should be balanced appropriately.
- 6.7** All Board appointments are made on merit, with due regard for the benefits of diversity on the Board, in terms of the formal process determined by the Board from time to time and

management assists with the process of identifying suitable candidates to be proposed to the SAMA members for election.

- 6.8** At least 1/3 (one third) of all non-executive directors shall be required to offer themselves for re-election each year, provided that no non-executive director shall serve for a period exceeding 8 (eight) years, in aggregate.
- 6.9** The non-executive directors that stand down will be those who have been longest in office since their last election. In the event of two or more non-executive directors having been in office for the same length of time, and only certain of these non-executive directors being required to retire, the Directors concerned may either between themselves agree the retiree or utilise the method of drawing lots.
- 6.10** There is no age restriction for non-executive directors as they are allowed to serve as and when they deem themselves able to add value to the business of SAMA at a board level.

7. GENERAL PRINCIPLES OF DELEGATION OF AUTHORITY

- 7.1** The Board has the power to delegate to any specific person, committee or branch any of its powers and discretions and to grant to such person committee or branch general or specific powers of sub-delegation. Such delegation is subject to the limitations and conditions imposed by the Board and will not absolve the Board of its liability and accountability.
- 7.2** The delegation of authority to any person committee or branch will not divest the Board of that authority. Notwithstanding any delegation, the Board will always retain residual authority and any authority delegated by the Board in terms of this Charter, the written Delegation of Authority, the terms of reference in terms of which the Board committees are constituted and Branch Bylaws in terms of which branches are governed, may be revoked at will, by resolution, at the discretion of the Board

8. BOARD COMMITTEES AND BRANCHES

- 8.1** In terms of the Companies Act and MOI of SAMA, the Board is empowered to appoint Board committees and to delegate powers to such committees.
- 8.2** The Board delegates certain functions to well-structured committees and branches but without abdicating its own responsibilities.
- 8.3** The Board may form such committees and branches as may be necessary to facilitate efficient decision making and to assist the Board in the execution of its duties, power and authorities.
- 8.4** The Board recognises the need for various membership representative committees and branches and as such has distinguished between Board appointed committees and Member representative committees and branches. The Board presently has the committees and branches set out in Annexure A but is free to increase, decrease or merge committees and branches.
- 8.5** Each committee of the Board is constituted with formal terms of reference which will determine, amongst other things, the membership, purpose, powers and authority of the committee, the scope of its mandate and its relationship to the Board.

- 8.6** Branches are formed based on the geographical location of SAMA members and governed by the Branch Bylaws which will determine, amongst other things, the membership, purpose, powers and authority of the branch, the scope of its mandate and its relationship to the Board.
- 8.7** In cases where two or more committees have concurrent or partially overlapping jurisdiction in respect of a matter, the CEO will consult the Chairpersons of the affected committees to guide such committees on whether it is necessary to co-opt members of the other committee with relevant skills during the discussion of the issue or to convene a joint sitting of both committees to consider the matter before it is recommended to the Board for resolution.
- 8.8 As general principles:**
- 8.8.1** Board committees and branches will have no executive authority unless otherwise specifically resolved by the Board in respect of particular issues within a committee's or branch's remit. Board committees and branches must discuss any matter referred to it and must present its recommendations to the Board for resolution.
- 8.8.2** Board committees and branches will observe the same rules of conduct and procedures as the Board, unless the Board specifically determines otherwise in the committee's terms of reference or the Branch Bylaws.
- 8.8.3** No non-executive director of the Board may serve on more than two (2) Board committees, noting that it is the responsibility of each individual director to highlight in what capacity, i.e. observer, they are available to serve on the committee.
- 8.8.4** Where appropriate or necessary, independent external professionals with relevant skills and expertise may be co-opted as permanent members of Board committees to assist or bolster the committees where there is a shortage of such skills or expertise. Such co-opted professionals must have the status of full committee members
- 8.8.5** In order to re-enforce the principle of executive accountability to the Board, the relevant member/s of management charged with the operational responsibility linked to the committees' area of focus will attend committee meetings as permanent invitees.
- 8.8.6** Board committees and branches will at all times have access to the CEO and members of management and may invite their input and guidance in respect of relevant issues before the committee or branch.
- 8.8.7** Board committees will be entitled to seek independent professional guidance and advice at the cost of SAMA where the committee deems it appropriate for the proper discharge of its mandate.
- 8.8.8** A formal report back, in writing, will be provided by the Board Committee Chairperson to all Board meetings following the committee meetings to keep the Board informed and to enable the Board to monitor the committee's effectiveness.
- 8.8.9** Minutes of committee and branch meetings will be made available to all the Board members on request. However, copies of these minutes will not be included in the Board pack.
- 8.8.10** The Board will have the power, at all times, to alter the size of any of its committees and branches, to remove any member or members from a committee or branch and to fill any vacancies created by such removal.
- 8.8.11** The Board may by resolution dissolve any one or more of its committees and branches.

8.9 Decision-making process and circumstances where matters may be referred directly to the Board

- 8.9.1** As a general principle, matters which are referred to the Board for approval will be first interrogated by the relevant Board committee prior to being referred to the Board for approval.
- 8.9.2** In certain circumstances however, notwithstanding the existence of the committee structure outlined above and the fact that the Board has delegated certain authority to the established committees, the Board will be entitled, at the discretion of the Board Chairperson, to receive and deal with any matters within the scope of the Board's authority, even if such matter has not been considered by the relevant committee prior to it being dealt with by the Board.
- 8.9.3** Where an issue is referred to the Board without first having gone through the structured decision-making processes envisaged in this Charter, the Board may refuse to consider the matter unless if it is accompanied by a written motivation from the CEO and the relevant sponsoring Board committee Chairperson setting out the reasons for urgency and why the matter should be considered.
- 8.9.4** The Board must, after considering the motivation and consulting with the Company Secretary for guidance, have the discretion to condone such non-compliance and will cause their reasons for condonation to be recorded.

9. MEETINGS

9.1 Frequency of meetings

- 9.1.1** The Board must meet at least three times a financial year and may convene additional meetings as and when necessary to discharge all its duties.
- 9.1.2** The dates for the three meetings will be disseminated to the Board at the beginning of every financial year. Based on prevailing special circumstances, these pre-approved dates may be altered during the year.

9.2 Agendas, meeting papers and minutes

- 9.2.1** 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 for the year.
- 9.2.2** The Company Secretary shall, in consultation with the Board Chairperson and CEO, draft an agenda, which shall be circulated with supporting documentation and notice of the meeting preferably seven (7) days before the meeting to all directors and other invitees.
- 9.2.3** The CEO shall annually consider whether the format and content of standard Board reports and submissions are appropriate and recommend to the Board such changes to Board reports or submissions as would improve the Board's efficiency.
- 9.2.4** All meeting papers and submissions made to the Board are strictly confidential and directors must under no circumstances circulate them to any other parties. Directors are expected to manage their security passwords, ensuring that electronic access to

meeting packs and other SAMA information and documents are handled with due care and vigilance. Directors may arrange with the Company Secretary to obtain access to records of Board documentation and minutes if required in the course of discharging duties as a director of SAMA.

- 9.2.5** The Company Secretary, or a designated official (s) where the Company Secretary is not available, shall attend and minute all meetings.
- 9.2.6** The minutes must be circulated to the Board within 7 days of the meeting for review thereof.
- 9.2.7** The official minutes shall be those duly signed by the Board Chairperson and Company Secretary after approval by the Board.

9.3 Quorum and postponement

- 9.3.1** A quorum for meetings of the Board shall be 50% plus 1 of the Board members.
- 9.3.2** If the Board Chairperson is not present within 15 (fifteen) minutes of the stipulated start time for such meeting, then the Vice-Chairperson shall act as Chairperson of the meeting.
- 9.3.3** If neither the Board Chairperson or Vice-Chairperson is present within 15 (fifteen) minutes of the stipulated start time for such meeting, Board members present shall elect an interim Chairperson from among them to chair the meeting.
- 9.3.4** If after 30 minutes of the stipulated time for such meeting to commence, quorum has not been met, the Chairperson may, without obtaining consent of those present at the meeting declare that the meeting be postponed, for one week.
- 9.3.5** If at the time appointed for the postponed meeting to begin, the requirements of section 9.3.1 have not been satisfied, then the member (s) of the Board present will be deemed to constitute a quorum.

9.4 Attendance and apologies

- 9.4.1** Board members will endeavour to attend all meetings of the Board, including meetings called on an ad hoc basis for special matters, unless prior apologies with reasons have been submitted to the Company Secretary and/or CEO and/or Board Chairperson.
- 9.4.2** Apologies of a Board member for whatever reason must be reported by way of a written apology via e-mail forwarded to the Company Secretary and/or CEO and/or Board Chairperson, no later than three (3) days before the meeting.
- 9.4.3** In circumstances beyond the control of the director, such as unexpected situations or emergencies, apologies may be accepted via telephone call, sms or text message forwarded to the Company Secretary and/or CEO and/or Board Chairperson, up to 1 (one) hour prior to the meeting.
- 9.4.4** In the event that no apology is recorded for a meeting, the Board member will be recorded as absent. In the event that the Board member fails to attend more than twenty five percent (25%) of the Board meetings in one (1) financial year, without notice or justifiable reason, the provisions of the Office Bearers Conduct and Removal Policy will apply.

- 9.4.5 Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion. They are expected to participate fully, frankly, and constructively in Board discussions and to bring the benefit of his/her particular knowledge, experience, skills and abilities to bear in discharging his/her duties as a director.
- 9.4.6 The CEO and Board members, may in consultation with the Board Chairperson, invite any other relevant person or advisor to attend Board meetings.
- 9.4.7 Invitees are authorised to participate in any deliberations of the Board, but have no voting rights.
- 9.4.8 Invitees do not count for the purposes of calculating quorum of a meeting.
- 9.4.9 The Board may, if deemed fit, confer and meet by telephone, closed circuit television or video conferencing and decision taken at such meeting shall constitute a proper resolution of the Board provided that the requirements of section 9.3 of this Charter have been met.

9.5 Written resolutions

- 9.5.1 It is the policy of the Board to limit the use of written resolutions to instances where the resolution is a mere formality or where the matter requiring decision by written resolution is of such an urgent nature that it cannot be deferred until the next Board meeting.
- 9.5.2 The Board Chairperson, with the assistance of the CEO and in consultation with the Company Secretary, should consider in respect of each written resolution whether an urgent special Board meeting would be a more appropriate decision-making procedure than a written resolution.
- 9.5.3 Each Board member who is able to receive notice must receive notice of the matter to be decided by written resolution.
- 9.5.4 Decisions taken by written resolution other than at a meeting are valid decisions of the Board if signed by a majority of the Directors.
- 9.5.5 All written resolutions passed between Board meetings will be placed on the agenda of the next Board meeting, for noting.

10. ROLES AND RESPONSIBILITIES OF THE BOARD CHAIRPERSON AND VICE-CHAIRPERSON

10.1 The Board Chairperson

- 10.1.1 The Board Chairperson is elected by Board members and is an Elected Non- Executive Director of the Board with no executive or management responsibilities.
- 10.1.2 The Chairperson provides leadership at Board level, represents the Board to the SAMA members and is responsible for ensuring the integrity and effectiveness of the Board and its committees.

10.2 Chairperson's role, responsibilities and duties

- 10.2.1** To set the ethical tone for the Board and SAMA.
- 10.2.2** To provide overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, while at the same time being aware of the individual duties of Board members.
- 10.2.3** To formulate, in consultation with the CEO and Company Secretary, the yearly work plan for the Board against agreed objectives, and play an active part in setting the agenda for Board meetings - ensuring that material matters in respect of the business or governance of SAMA (to the best his /her knowledge), are tabled at Board meetings.
- 10.2.4** To preside over Board meetings and ensure that material issues for consideration are tabled and interrogated effectively to ensure optimal Board decision-making and governance, manage conflicts of interest and act as a link between the Board and management, particularly the Board and the CEO.
- 10.2.5** To maintain regular dialogue with the CEO in respect of all material matters affecting the Company and to consult with the other Board members promptly when considered appropriate.
- 10.2.6** To preserve order, determine quorum, voting procedures, adjournments and declare outcomes of voting and resolutions.
- 10.2.7** To monitor the progress of the meeting by ensuring everyone has an opportunity to give his or her opinion, thus facilitating all-around participation.
- 10.2.8** To encourage robust and productive debate and ensure interactive participation by all Board members.
- 10.2.9** To make sure the discussion of the agenda does not drift to irrelevant issues unconnected with the objectives of the meeting and indeed overall objectives of SAMA.
- 10.2.10** To keep track of the time allocated to participants to avoid unnecessary prolonged discussions that may lead to unwarranted long meetings. The Chairperson must at the same time listen attentively to the information discussed in the meetings.
- 10.2.11** To encourage all Board members on always being mindful, adhere to professional courtesy and conduct at all times, and illustrating the necessary respect regarding the importance of professional time.
- 10.2.12** To review draft minutes of Board meetings before finalisation and distribution to Board members.
- 10.2.13** To ensure that all Directors are appropriately made aware of his/her responsibilities through a tailored induction programme.
- 10.2.14** To ensure that Directors play a full and constructive role in the affairs of SAMA and take a leading role in the process of removing non- performing or unsuitable Directors from the Board.
- 10.2.15** To ensure that good relations are maintained with SAMA members and strategic stakeholders. In addition the Board Chairperson should encourage collegiality between Board Members and Management but at the same maintaining an arm's length relationship.
- 10.2.16** Must be accessible to the CEO between Board meetings providing counsel and advice;

- 10.2.17** Acts as the official spokesperson on behalf of SAMA and its members in all media engagements of national impact and has the authority to delegate this responsibility to any Board member or the CEO; and
- 10.2.18** Must in consultation with the Board, determine the performance objectives of the CEO and his/her performance against the objectives.

10.3 The Board Vice-Chairperson

- 10.3.1** The Board Vice-Chairperson is elected by Board members and is an Elected Non-Executive Director of the Board with no executive or management responsibilities.
- 10.3.2** The Board shall appoint a Vice-Chairperson to assist the Chairperson in the execution of his/her duties and such other functions as the Board may wish to delegate to the Vice-Chairperson.
- 10.3.3** Where the Chairperson is absent or unable to perform his/her duties, the Vice-Chairperson must serve in this capacity for as long as the circumstances that caused the Chairperson's absence, inability or conflict exists.

11. DIRECTORS DUTIES AND CONDUCT

11.1 Rights and duties of individual Directors

- 11.1.1** Directors accept their election as Board members and in so doing demonstrated an active interest in the industry and SAMA.
- 11.1.2** Directors' duties, standards of conduct and liabilities are captured in the Companies Act, MOI and SAMA's Office Bearers Conduct Policy.
- 11.1.3** Directors have a legal obligation to act in the best interest of SAMA, to act with due care, diligence and skill in discharging his/her duty as a director, to declare and avoid conflicts of interest with SAMA and to account to SAMA for any advantages gained in discharging his/her duty on behalf of SAMA.
- 11.1.4** Directors must uphold the core values of confidentiality and integrity in all dealings on behalf of SAMA.
- 11.1.5** Directors must always show commitment to serve SAMA members
- 11.1.6** Directors must ensure that they have sufficient time available to devote and discharge duties of a director.
- 11.1.7** The Board exercises its functions jointly and no director has any authority to severally perform any act on behalf of SAMA or the business unless specifically authorised or requested by the Board or authorised nominees of the Board. Directors are jointly accountable for the decisions of the Board.
- 11.1.8** Directors may at any time request a meeting with the Board Chairperson.
- 11.1.9** Directors may at any time request a meeting with management, the external auditors and/or internal auditors. This right includes the director's right to meet with any independent assurer without management being present.
- 11.1.10** The Board is of the view that the interests of SAMA are better served if the Board

functions as a team rather than a fractious, uneasy coalition.

11.1.11 The Board must allow every director to play a full and constructive role in board meetings. Directors must accordingly participate fully, frankly and constructively in Board discussions and other activities and must endeavour to bring the benefit of their particular knowledge, skills and abilities to Board discussions.

11.1.12 Directors must become familiar with the history and current remit of SAMA as well as the other Board members. This will aid board discussions and any Director may request an addition (s) to agenda items at board meetings.

11.1.13 Directors must keep abreast of changes and trends in the business environment and markets, including changes and trends in the economic, political, social, technology and legal climate generally, which may impact on SAMA's business.

11.1.14 Directors must assist with and sharing the work of the Board in discharging its duties.

11.1.15 Directors have access to management and the CEO for advice about the governance of SAMA and Board procedures and may after consultation with the Board Chairperson and in agreement with the Board, obtain such external advice as they may consider necessary to properly discharge his/her duties to SAMA. In addition directors may be granted reasonable access to information and Management provided that such requests are made through the CEO.

11.2 The behaviour of individual directors

11.2.1 Requests for input from individual directors must be acknowledged or responded to within two (2) days of requests sent, unless otherwise communicated. Auto responders stating an absence will be recorded as an acknowledgement of receipt until further response is received. Only responses that have been received within the allocated time will be considered. Exception to this rule on an ad hoc basis can only be applied if granted by the majority of directors.

11.2.2 During board meetings, member meetings, and any other stakeholder engagements directors must conduct themselves with professionalism, maturity, and in the best interests of the long-term strategy of SAMA. Any conflict or difference of opinion must be communicated in a manner that is constructive and focused on the matter at hand rather than on a specific individual.

11.2.3 Any director that is accused of illegal or unethical conduct of any kind will be required to submit to any investigations deemed necessary by the Board. Should the allegations hold material reputational risk for SAMA, the Board may decide to suspend and or remove the director until formal investigations are complete. The findings of formal investigations will inform further action to be taken by the Board.

12. CEO RESPONSIBILITIES AND AUTHORITY

12.1 The CEO is the highest executive decision-making authority of SAMA and is delegated with authority from, and accountable to the Board for the development and successful implementation of strategy and the overall management and performance of SAMA within the framework of its policies, reserved powers and routine reporting requirements, consistent with the primary aim of enhancing the objectives of SAMA.

12.2 The CEO -

12.2.1 Provides executive leadership;

12.2.2 Must inform the Board of any material matter which may have a significant impact on the financial results or substantially impact the reputation of SAMA;

12.2.3 May sub-delegate any of the powers delegated to him/her to other managers; and

12.2.4 May exercise power and authority on, or sub-delegate, any matter necessary for the effective management and performance of SAMA which is not specifically reserved for the Board or SAMA members.

12.3 The CEO is accountable to the Board to, amongst other things:

12.3.1 Develop and recommend to the Board for approval the vision, mission, values, strategic goals and objectives and any other short, medium and long-term plans for SAMA. Strategy development must be done in consultation with the Board;

12.3.2 Successfully implement the strategy and long term plans of SAMA by managing the business and related affairs of SAMA in accordance with the strategic goals and objectives approved by the Board;

12.3.3 Monitor the performance of SAMA against agreed performance and sustainability targets and report appropriately to the Board about such performance, with such reports, as a minimum, being presented at the three (3) standard board meetings in a year. This will also include reporting on strategic risks facing SAMA and mitigation measures implemented on identified risks;

12.3.4 Establish an organisational structure that prioritises the allocation of capital, technical and human resources to ensure the achievement of SAMA's business objectives;

12.3.5 Ensure that appropriate policies are formulated for approval by the Board and monitor implementation and adherence thereto;

12.3.6 Establishing best practice management and functional standards, ensuring that effective internal controls, legal compliance and governance measures are deployed;

12.3.7 Making management appointments, ensuring the development of an appropriate succession plan and monitoring the performance of management and staff;

12.3.8 Set the tone in providing ethical leadership and creating an ethical environment;

12.3.9 Assist in drafting annual work plans; and

12.3.10 Any other power delegated to the CEO in the Delegation of Authority as reviewed and approved by the Board from time to time.

13. COMPANY SECRETARY ROLE AND RESPONSIBILITIES

13.1 The Company Secretary has a pivotal role to play in the corporate governance of SAMA, as the gatekeeper of good governance, it is important for the company secretary to have a direct line of communication with the Board Chairperson while maintaining an arms-length relationship with the Board as a whole, individual Board members and management as far as reasonably possible.

- 13.2** The board should be aware of the Company Secretary's duties and should empower the company secretary to properly fulfil those duties.
- 13.3 The Company Secretary is accountable to the Board in terms of section 88 of the Companies Act to:**
- 13.3.1** Provide the directors of SAMA with guidance as to their duties, responsibilities and powers;
 - 13.3.2** Make the directors aware of any law relevant to or affecting SAMA;
 - 13.3.3** Report to the Board any failure on the part of SAMA or a director to comply with the Memorandum of Incorporation or the Companies Act;
 - 13.3.4** Ensure that minutes of meetings are properly recorded in accordance with the Companies Act;
 - 13.3.5** Certify in the annual financial statements whether SAMA has filed required returns and notices in terms of the Companies Act and whether all such returns and notices appear to be true, correct and up to date;
 - 13.3.6** Ensure that a copy of SAMA's annual financial statements are sent to every person who is entitled to it in terms of the Companies Act; and
 - 13.3.7** Carry out the functions, where necessary, of a person who is responsible for SAMA's compliance with the filing of the annual returns in terms of the Companies Act
- 13.4 The Company Secretary is accountable to the Board to, amongst other things:**
- 13.4.1** Assist and ensure that the procedure for the appointment of directors is properly carried out;
 - 13.4.2** Assist in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of directors and management in their fiduciary and other governance responsibilities;
 - 13.4.3** Provide a central source of guidance and advice to the board, and within the company, on matters of good governance and of changes in legislation;
 - 13.4.4** Ensure that the board charter and board committee terms of reference and other governance documents are kept up to date;
 - 13.4.5** Ensure the proper compilation and timely circulation of meeting papers;
 - 13.4.6** Assist Chairpersons of various SAMA structures with drafting of yearly work plans;
 - 13.4.7** Obtain appropriate responses and feedback to specific agenda items and matters arising from earlier meetings;
 - 13.4.8** Raise matters that may warrant the attention of the board; and
 - 13.4.9** Assist the board with the yearly evaluation of the Board as a whole, individual Board members, the Board Chairperson and Board committees

14. DISCLOSURE AND CONFLICT OF INTEREST

- 14.1** The Board must adopt a formal Conflicts of Interests Policy in terms of which conflicts are defined and appropriate procedures for dealing with conflicts are prescribed. As a minimum, such a policy must comply with the provisions of the Companies Act which states

that a director who has a personal financial interest in respect of a matter to be considered at a Board meeting, or knows that a related person has a personal financial interest in the matter:

- 14.1.1** must disclose the general nature of the interest before the matter is considered;
 - 14.1.2** must disclose all material information known to the Director to the meeting;
 - 14.1.3** may disclose observations and insights relating to the matter if requested by the other Directors to do so; and
 - 14.1.4** may not be present at the meeting where the matter is discussed, and
 - 14.1.5** may not participate in the consideration of the matter.
- 14.2** If any director wilfully or negligently fails to make disclosure of interest in compliance with the Companies Act, it will render decisions, transactions or agreements invalid, unless subsequently ratified by SAMA members or a court.
- 14.3** Directors are required to inform the Board, through the Company Secretary in advance, of any conflicts or potential conflicts of interest that they may have in relation to particular items of business to be transacted at a meeting.
- 14.4** Annually, a director must disclose any conflicts of interest, whether financial/ non-financial, actual or perceived, by delivering to the Company Secretary a notice setting out the nature and extent of any conflicts of interest until changed or withdrawn.
- 14.5** Enduring material conflicts of interest, whether financial/ non-financial, actual or perceived, are regarded by the Board as incompatible with the fiduciary duties of Directors. Directors are appointed on the express understanding and agreement that they may be removed from the Board if and when they develop an actual or prospective material, enduring conflict of interest with the Company.

15. PERFORMANCE EVALUATION

- 15.1** The Board will at least once annually review the performance of the Board as a whole, individual Board members, the Board Chairperson, Board committees, the CEO and the Company Secretary.
- 15.2** The Company Secretary together with the Remuneration Committee will facilitate the evaluation process. This evaluation may be in the form of obtaining feedback from key stakeholders, completion of questionnaires, members' surveys and other methods which may be deemed and applicable and relevant to get a true performance evaluation.

16. INDUCTION AND TRAINING OF DIRECTORS

- 16.1** The Board must establish a formal induction programme to familiarise incoming directors with SAMA's operations, its business environment and the sustainability issues relevant to its business. Furthermore, the Board must also introduce incoming directors to management and their respective duties and responsibilities.
- 16.2** An appropriate induction programme should enable any new director to make the maximum contribution as quickly as possible.

- 16.3** New directors with no or limited Board experience should be developed and receive education about their duties, responsibilities, powers and potential liabilities. Mentorship by experienced directors is encouraged.
- 16.4** Director training should be on-going and encouraged in the same manner as continuing professional development is for certain professions so as to enhance governance practices within the Board itself.
- 16.5** Directors should receive regular briefing on matters relevant to the business of SAMA, changes in risks and laws applicable to the business of SAMA, including accounting standards and policies and the environment in which SAMA operates.

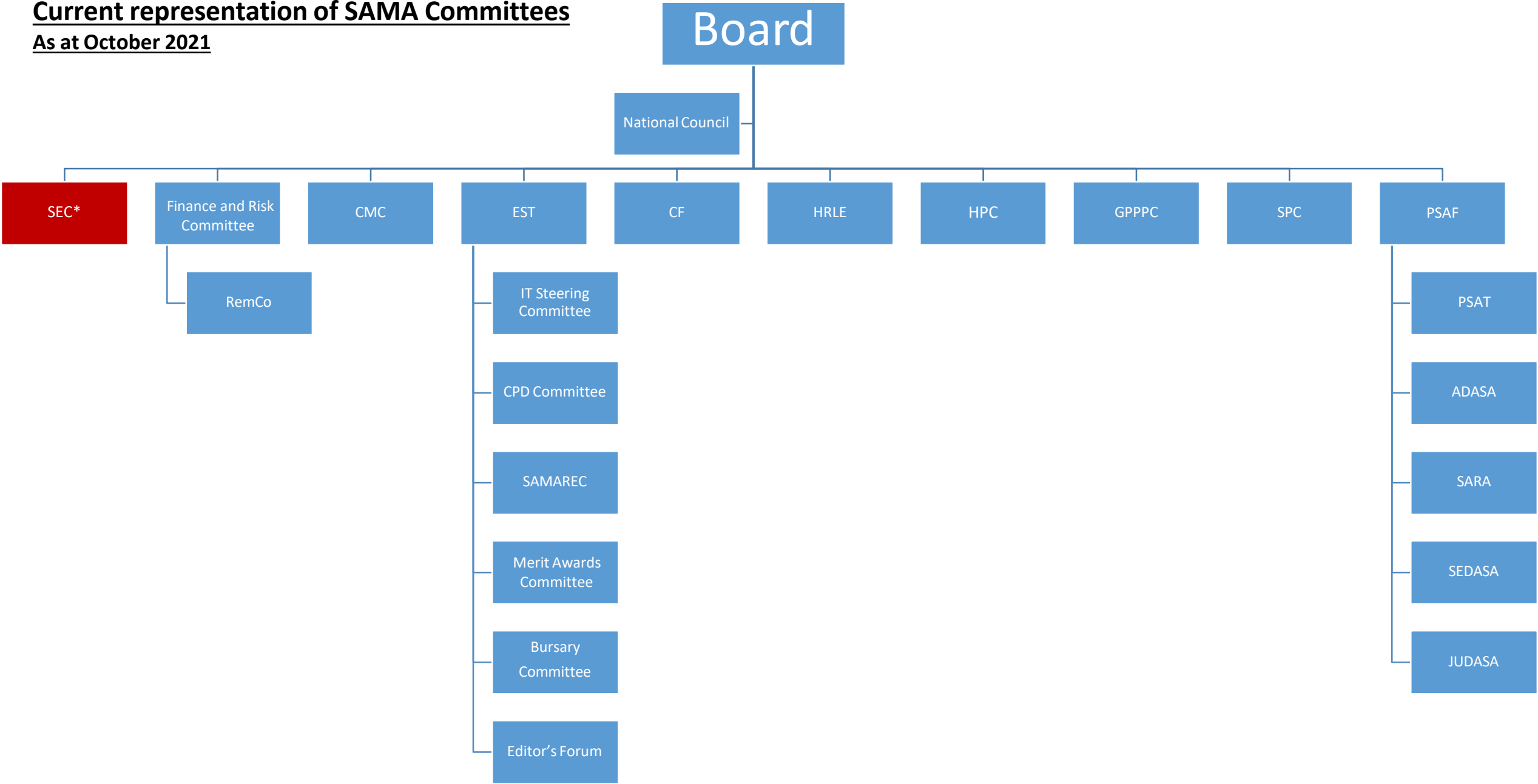
17. POLICY IN RESPECT OF DISPUTE RESOLUTION

- 17.1** It is the policy of SAMA to ensure that internal and external disputes are resolved as effectively and expeditiously as possible. To this end consideration shall be given in respect of each financial and reputational material dispute whether settlement, litigation, arbitration, mediation or other forms of alternative dispute resolution would be the most effective methodology to resolve a dispute in the best interests of SAMA.
- 17.2** The merits of claims against SAMA or allegations of misconduct or non-compliance against SAMA should be investigated thoroughly before a final decision is made to defend the claim or not to act in respect of an allegation of misconduct or non-compliance
- 17.3** If non-compliances are uncovered, consideration should be given to engage with the relevant authorities or, if relevant, to apply for leniency if it would be in the interests of SAMA
- 17.4** The validity and veracity of reasons for defending a claim against SAMA should be confirmed by written external legal advice before the commencement of legal action by way of formal legal proceedings.
- 17.5** The authority to make decisions in respect of dispute resolution and to represent the Company is governed by the delegation of authority as approved by the Board from time to time.

18. PROCESS FOR REVIEW OF THIS BOARD CHARTER

- 18.1** This Board Charter will be reviewed by the Board at least once annually to ensure that it remains relevant to SAMA's business and other objectives.

Current representation of SAMA Committees
As at October 2021



* statutory requirement per public interest score of the NPC



THE SOUTH AFRICAN MEDICAL ASSOCIATION NPC

LIST OF SAMA BRANCHES AS AT OCTOBER 2021

	BRANCH
1	Board Coastal
2	Cape Western
3	Eastern Highveld
4	Eastern Province
5	Free State
6	Gauteng
7	Gauteng North
8	Goldfields
9	Griqualand West
10	KZN Coastal
11	KZN Midlands
12	KZN Northern
13	Limpopo
14	Lowveld
15	<i>North West (no active branch council)</i>
6	Outeniqua
17	Transkei
18	Tygerberg Boland
19	<i>Vaal River (no active branch council)</i>
20	West Rand