

Evaluation of the Board and Board Committees Policy

AREA OF APPLICABILITY

ACROSS AIRPORTS COMPANY SOUTH AFRICA SOC LIMITED AND ITS SUBSIDIARIES

DIVISION

Governance and Assurance

Next Revision Date

12th March 2024

Control Disclosure

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Evaluation of the Board and Board Committees Policy

Company Secretariat

Corporate Office

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1. Scope

This policy outlines the principles adopted by the Board of Airports Company South Africa SOC Limited for the evaluation of the Board and its Committees.

This policy is applicable to the Board of Airports Company South Africa SOC Limited and its Committees.

2. Objective

The objective of this policy is to:

Direct and set governance within Airports Company South Africa SOC Limited to ensure the effective functioning of the Board and its Committees.

Assist the Board to determine areas of development for the Board and its Committees which would be identified during the evaluation, and the development of measures to address the identified gaps.

3. Definitions and Abbreviations

3.1 Definitions

Airports Company/ Company/ /Organisation/ Group

Airports Company South Africa SOC Limited

Board

Board of directors of Airports Company South Africa SOC Ltd

Companies Act

Companies Act 71 of 2008 as amended

Protocol

Protocol on Corporate Governance in the Public Sector

The Act

Public Finance Management Act 1 of 1999 as amended (“the PFMA”)

King IV Report

Report on Corporate Governance for South Africa

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3.2 Abbreviations

Abbreviation	Description
AGM	Annual General Meeting
MOI	Memorandum of Incorporation
SOC	State Owned Company

4. Policy Statement

The Board recognises that board evaluation is a key part of its governance structure.

The Board acknowledges the need for a policy detailing its evaluation and of its Committees to ensure effective governance of the Company, transparency, positive outcomes, and accountable, ethical, effective and competent leadership.

The policy is subject to the Company's Memorandum of Incorporation and is guided by the King IV Report.

4.1 Main Principles of Conduct

The Board is responsible for the evaluation of its performance and that of its committees, its chairman and its individual members.

The evaluation of the performance of the chairman shall be led by the Lead Independent Director, or in the absence of a Lead Independent Director, an Independent Non-Executive Director appointed by the Board.

The Human Resources, Remuneration and Nominations Committee, or any other committee appointed by the Board, is responsible to review the effectiveness of the Board and Board Committees and its individual members. For this purpose, the Human Resources, Remuneration and Nominations Committee adopts an appropriate methodology to perform the performance evaluations.

A formal process, either externally facilitated or not in accordance with the methodology approved by the board, shall be followed for the evaluation of the board, its committees, its chairman and its individual members, at least every two years.

An evaluation of the Board, its Chairman and its committees will be conducted every two years by an external service provider and the report thereof will be presented and discussed by the Board.

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Every alternate year, the board shall schedule in its yearly work plan an opportunity for consideration, reflection and discussion of its performance and that of its committees, its chairman and its individual members as a whole.

Individual assessments will be kept confidential for the member's own personal growth and development goals.

A description of the performance evaluations undertaken during the reporting period and an overview of the evaluation results and remedial actions taken or that shall be taken and disclosed in the annual integrated report of the Company.

4.2 Key Outcomes of Principles

The principles of this policy shall yield the following outcomes:

- a. Competent Board
- b. Positive relationships with key stakeholders.
- c. An organisational culture that encourages good teamwork, respect for organisational norms and encourages excellence.
- d. Perceived legitimacy and credibility.

5. Process for Monitoring

The effective implementation and monitoring of this Evaluation of the Board and Board of Committees Policy shall be done through relevant committees. Internal Audit shall be conducted to determine compliance and implementation. This policy shall be reviewed accordingly to reflect the environmental changes or regulation requirement in order to ensure that is relevant and current to the organisation.

MONITORING CONTROLS	PURPOSE	RESPONSIBLE	FREQUENCY
Chief Executive Audit	Provide the Board with an independent oversight with regards to conformance to this policy.	Chief Executive Audit	Planned Intervals
Human Resources, Remuneration and Nominations Committee, or any other Committee appointed by the Board	To monitor performance of this policy		Annual basis
Board	To comply with this policy	Board Chairman	Annual basis

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Note: This policy shall be reviewed in three-years cycle and if there is a need to review the procedure before three-years cycle laps due to any circumstances being legal requirements, changes in the businesses, the need to reflect current practices or activities, the procedure will be unlocked for review accordingly.

Disclaimer: In an instance where document links are not accessible, directly access the documents on the Policy Management Document Store on the Airports Company South Africa SOC Limited intranet.

6. Accountabilities and Responsibilities

The overall accountability for development and implementation of this policy lies with the Board of Directors with the support of the Company Secretary as a responsible person for actual development and implementation of this policy, however, in the absence of the Company Secretary, a delegated person shall assume responsibility as per delegation of authority.

6.1 Accountabilities

Authorities	Employees	Senior or Managers	Group Manager/s	Group Executive/s	Board Committee
Has overall accountability for development and implementation of this procedure	-	<i>Responsible</i>	<i>Responsible</i>	<i>Accountable</i>	-
Has overall responsibility for implementation and adherence of this procedure	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	<i>Responsible</i>	-
Consulted at the time of an exception and adherence of this procedure.	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>	<i>Consulted</i>	-
Has overall responsibility for adherence, implementation and performance of a given task.	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>	<i>Informed</i>	
Has responsibility for approval and authorisation	-	-	-	<i>Responsible</i>	<i>Accountable</i>
Communicate the policy to all impacted	-	<i>Responsible</i>	<i>Responsible</i>	<i>Accountable</i>	-

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stakeholders employees.	or					
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6.2 Roles and Responsibility

6.2.1 Board of Directors

- a. The Board ensures that the evaluation of the Board, and that of its committees, its chairman and its individual members is conducted in accordance with this Policy.
- b. The Board ensures that the evaluation report is submitted to the Minister in accordance with the Shareholder Compact.
- c. The Board ensures that the evaluation report is included in the integrated report that will be presented at the Company's AGM.
- d. The Board ensures that matters which have been raised in the evaluation are addressed appropriately.

6.2.2 Lead Independent Director

- a. The lead independent director, or in the absence of a Lead Independent Director, the independent non-executive director appointed by the Board, leads the evaluation of the chairman.

6.2.3 Human Resources, Remuneration and Nominations Committee

- a. The Human Resources, Remuneration and Nominations Committee, or any other Committee appointed by the Board, is responsible to review the effectiveness of the Board and Board Committees and its individual members.

6.2.4 Company Secretary

- a. The Company Secretary is responsible for ensuring that the evaluation is conducted in terms of this Policy.
- b. The Company Secretary is responsible for reviewing this policy and ensuring that it complies with best practice.

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7. Verification

This policy shall be verified in accordance with [Verification Policy Document - Z001 002M](#).

8. Non-Conformance and Non-Compliance

Any deviation from this policy shall be identified and registered with corrective and preventative measures for continual improvement in accordance with [Non-Conformance and Non-Compliance Policy Documents Z001 001M](#).

9. Related Policy Documents

Document Control Procedure - Z001 006M
Record Keeping Requirements Procedure - Z001 008M
Verification Policy and Procedure - Z001 002M
Change Control Policy and Procedure - Z001 003M
Definitions Document Procedure - Z001 004M
Human Resources, Remuneration and Nominations Committee Terms of Reference

10. Related Legislation and Standard

Quality Management System ISO 9001
Public Finance Management Act No. 1 of 1999
Companies Act No. 71 of 2008 as amended
King IV Report as amended

11. Change Control

This policy shall only be changed with the authorisation of the Chief Executive Officer for Policy and Group Executive: Division if Procedure and in accordance with [Change Control Policy Document - Z001 003M](#).

12. Records

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Evaluation of the Board and Board Committees Policy	Master in Policy Management Storage Room	C030 002P	Company Secretary	Three (3) years

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13. Revision History

Date last revised	Revision Status	Compiler	Summary of changes
New Document	Version: 1	Company Secretary: NAME AND SURNAME Fefekazi Sefara	First Issue

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14. Endorsement (See Master in Policy Management Storage Room)