



The Intelligent Transport Society Of South Africa

BOARD CHARTER ON THE ROLES, RESPONSIBILITIES, LEGAL DUTIES AND LIABILITIES OF MEMBERS OF THE BOARD OF ITS SOUTH AFRICA

1. INTRODUCTION

The Intelligent Transport Society of South Africa (ITSSA) is a Non-Profit Organisation, which has a part-time remunerated Chief Executive Officer and voluntary Board members from both the public and private sector that are not remunerated.

King III Practice Notes stipulates certain legal duties and liabilities of governing body members for Non-Profit Companies and it is important that ITSSA and particular the newly elected Board members know what these duties and liabilities are and are able to comply with them.

It is equally important for newly elected Board members to be aware of their role and responsibilities as a Board member, in order for the effective and efficient functioning of the ITSSA Board.

The objective of this document is to articulate the role and responsibilities of Board members and to summarise the legal duties and liabilities of Board members including reference to documentation where the legal duties are presented in detail.

This document was tabled at the ITSSA AGM held in Tshwane on 12 August 2014 for ratification by the members present. This edited version was tabled for approval at the Board Meeting at The Innovation Hub on 25 October 2018.

2. ROLE AND RESPONSIBILITIES OF AN ITSSA BOARD MEMBER

The key role and responsibilities of an ITSSA Board member are presented below:

2.1 Attendance at Board Meetings

ITSSA Board meetings are held on average three times per year and Board Members should ideally attend 2 of these 3 meetings.

2.2 Election of Office Bearers

The Board Members are required to elect the office bearers of ITSSA in accordance with the ITSSA Articles of Association. This is also a legal duty in terms of the Act.

2.3 Attendance by Members at Workshops, Members Meetings and iTransport

Each Board member is expected to play an active role in the ITSSA yearly programme. Board members are expected to attend as many workshops and members meetings as possible. Where these are held in the region that the Board member resides, the Board member is expected to attend. Local Board Members are expected to assist with hosting/facilitating local workshops/meetings (but they will not be required to sponsor or physically provide hosting premises).

Similarly, all Board members are expected to attend the biennial iTransport Conference and encourage and recruit as many colleagues from members' organisation to attend the conference as well.

Board members are expected to canvas existing members to encourage them to attend workshops and members meetings.

2.4 Impartiality

Board members are required to act impartially and in the best interests of ITSSA at all times. This is a fiduciary duty as well. Board members come from a variety of industries within the private sector as well as from the public sector and need to ensure that their actions are not biased towards the agendas of their own organisation.

2.5 New Members

Board members are expected to continually and actively recruit new members of ITSSA in order to grow the membership base.

2.6 Response to Email Correspondence

Board members are expected to respond to all email correspondence from the CEO and other Board members where a response is requested, within 3 working days of receiving such email request, where reasonably possible. An acknowledgement of the email and a 'No comment' is acceptable.

2.7 Communication with the Media and Public Statements

The President of the Board and the CEO are the spokespersons on behalf of ITSSA. When enquiries deal with issues of policy, the President will deal with it. When enquiries deal with operational matters and implementation of strategy, the CEO will deal with enquiries. Where practically possible the President and the CEO will cooperate in dealing with the media. Where an issue is deemed to be contentious, the Board's view will be canvassed.

2.8 Approval of Annual Membership Fees

It is the ITSSA Board's responsibility to approve the membership fees for the coming year and Board members are therefore required to vote on and agree to the fees beforehand.

3. LEGAL DUTIES LIABILITIES OF AN ITSSA BOARD MEMBER

The governing body or Board as is the case with ITSSA is responsible for the governance of ITSSA including managing funds and other assets. Board members are also required to exercise due care, skill and diligence. Board members also have statutory duties required by various legislation (mainly the Companies Act for Non-Profit Companies).

Board members are therefore required to at least have read the Companies Act No. 71 of 2008, particularly with regard to the legal duties and liabilities of Board members, and be familiar with the ITSSA Articles of Association.

The key legal duties and liabilities of ITSSA Board members are summarised below but do not supersede the need to read the Act:

3.1 Legal Duties

The new Companies Act requires that all the powers and functions arising from the capacity of a Director / Board member must be exercised as follows:

- In good faith
- For a proper purpose
- In the Company's best interest
- With a reasonable degree of care, skill and diligence

The new act also prescribes that Directors / Board members may only use their position or any information that they have access to because of their position to the advantage of the Non-Profit Company. Directors / Board members are also prohibited from gaining anything personally from their position or from that of

someone else. They may also not knowingly cause any harm whatsoever to the Non-Profit Company.

3.2 Liabilities

Board members or Directors may be held liable for any loss, damages or costs sustained by ITSSA as a consequence of any breach of any provisions of the Companies Act or any breach of the ITSSA Articles of Association, and any of the duties discussed above.

A Board member of a Non-Profit Company will be held liable for any loss, damages or costs sustained by the company if he / she :

- Was acting in the name of the Non-Profit Company knowing that he / she was not authorised to do so.
- Continued to or agreed to carry on the company's business knowing that it is being conducted in a manner prohibited by any section of the Companies Act.
- Is a party to an act or omission by the company despite knowing that the act or omission was calculated to defraud a creditor, employee or member of the company, or, had another fraudulent purpose.
- Signed, consented to, or authorised the publication of any financial statements that were false or misleading in a material respect.

It is therefore of utmost importance that prospective Board members read and understand the above as contained in the Section 77 of the new Companies Act.

Approved by	Board Meeting
Date	25 October 2018
Signed by	