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Lead independent director (LID) charter

Introduction

The lead independent director must be a member of the board of directors of the company, who meets the requirements for an independent director in the Companies Act and King III, and any other criteria evidencing objectivity and independence, established by the board.

Purpose

The purpose of this charter is to set out the lead independent director's role and responsibilities.

Appointment and Role

Annually, the board of directors will select an independent director to serve as the lead independent director. Although elected annually, the LID is generally expected to serve for more than one year.

The appointment of the lead independent director becomes effective and he/she starts serving actively in this capacity where the chairman is absent or not able to perform his duties for whatsoever reason or where independence of the chairman of the board is questionable or impaired. The independence of the chairman will be considered to be impaired if the majority of board members bear out this view. The LID actively serves in this capacity for as long the circumstances that caused the chairman's absence, inability or conflict exists.

The appointment of a LID will assist the board to deal with management of any actual or perceived conflicts of interest that arise.

On the appointment becoming effective in circumstances described above, the LID coordinates the activities of the other independent directors, and performs other duties and responsibilities as the board of directors may determine.

Responsibilities

The lead independent director, once the appointment becomes effective, performs the functions as necessary to fulfil his role, including the following:

- Presiding at all meetings of the board at which the chairman is not present or where the chairman is conflicted, including any sessions of the independent directors;
- Calling meetings of the independent directors where necessary;
- Serving as principal liaison between the independent directors and the chairman;

- Performing all such functions that cannot be performed by the chairman due to his/her absence or the existence of a conflict of interest;
- Liaising with major shareholders if requested by the board in circumstances or transactions in which the chairman is conflicted; and
- Performing other duties that the board of directors may from time to time delegate.

Advisors

The company secretary and outside advisers (where necessary) will provide support to the LID in fulfilling his role.

Disclosure

In instances where the board appoints a chairman who is a non-executive but is not independent, or is an executive director, this should be disclosed in the integrated report, together with the reasons and justifications for the appointment, as well as the mitigating controls in place, i.e. the existence of a lead independent director.

Approval and review of this charter

On an annual basis, the nomination/governance committee reviews this charter and recommends to the board of directors any modifications, for approval by the board.

This charter is approved by the board of directors on [insert date] and signed on their behalf by:

[insert name]
Chairman of the board

[insert name]
Chairman of the nomination committee