		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 1 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

1. INTRODUCTION

The Board of directors of Vukile Property Fund Limited (“the Company”) acknowledges the need for a Board charter as recommended in the Code of Governance Principles for South Africa - 2009 (“King III”).

This Board charter is subject to the provisions of the Companies Act 71 of 2008, the Company's Memorandum of Incorporation ('MOI') and any other applicable law or regulatory provision.

2. PURPOSE OF THE BOARD CHARTER

The purpose of this charter is to set out the Board's role and responsibilities as well as the requirements for its composition and meeting procedures.

3. COMPOSITION

The Board shall maintain a unitary Board which shall comprise a majority of non-executive directors the majority of which should preferably be independent.


The Chairman of the Board shall preferably be an independent, non-executive director and will be elected by the Board annually.

The size of the Board shall be sufficiently large to ensure the presence of a wide range of skills, knowledge and experience.

The Board shall decide on any appointments to the Board, assisted by the Human Resource and Nominations Committee, subject to shareholder approval. The process shall be formal and transparent.

The Chief Executive Officer and the Financial Director are ex officio members of the Board. (The Board shall set the terms of reference for the CEO's employment)

The position of the CEO and Chairman shall be separate. There shall be at all times a clearly defined division of responsibilities in both offices to ensure a balance of authority and power.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 2 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

On appointment to the Board, non-executive directors shall received a formal letter of appointment which includes a director's Code of Conduct, time commitment, roles and responsibilities, remuneration for holding office and the terms of liability insurance.

The Board shall establish a formal induction programme for all newly appointed directors. Inexperienced directors shall be developed through appropriate mentorship programmes and through the implementation of continuing professional development programmes.

The Board shall be responsible for yearly performance assessments of the Chairman, CEO, non-executive directors, the Board as a whole and Board Committees. The results thereof will be considered for reappointments.

The Board shall ensure succession plans are in place for the Chairman of the Board, CEO and other members of executive management and officers.


The period of office of directors shall be as:

- A programme ensuring staggered rotation of non-executive directors shall be put in place.
- At least one third of non-executive directors shall retire by rotation yearly.
- The retiring Board members may be re-elected provided they are eligible.
- Every year, non-executive directors classified as 'independent' shall undergo an evaluation of their independence by the Chairman and the Board.
- The Board shall have the power to remove any director from the Board, including executive directors, without shareholder approval.


4. ROLE AND RESPONSIBILITIES OF THE BOARD

The role and responsibilities of the Board are to:

- 4.1 The Board shall assume ultimate accountability and responsibility for the performance and affairs of the Company and in so doing effectively represent and promote the legitimate interests of the Company and its stakeholders in a manner that is both ethical and sustainable.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 3 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			


- 4.2 The Board shall exercise leadership, integrity and judgement in directing the Company's affairs to achieve continuing sustainability within the context of transparency and accountability.
- 4.3 Directors' responsibilities, rights, obligations and duties are set out in the MOI, The Companies Act 71 of 2008, King III and Common Law will apply. The Board shall ensure that each director adheres to the duties of a director.
- 4.4 Directors shall comply with all relevant legislation and shall be required to maintain strict confidentiality of all information pertaining to the business of the Company.
- 4.5 The Board shall appreciate that strategy, risk, performance and sustainability are inseparable.
- 4.6 The Board shall have input into and approve the strategy, policies and business plans developed by management.
- 4.7 The Board shall monitor implementation of strategy, policies, business plans and performance.
- 4.8 The Board shall oversee the Company's values and ethics and ensure that an appropriate Code of Conduct is in place.
- 4.9 The Board shall ensure that the Company's ethical standards are integrated into the Company's strategies and operations and that the Company's ethics performance is assessed, monitored, reported and disclosed.
- 4.10 The Board shall ensure that the Company is and is seen to be, a responsible corporate citizen. It should delegate to management responsibility for proactive stakeholder relationship management.
- 4.11 The Board shall manage potential conflicts of interest of Board members, management, the shareholders and wider stakeholders.
- 4.12 The Board shall ensure that material disputes are resolved as effectively and efficiently as possible.
- 4.13 The Board shall be responsible for ensuring that an adequate and effective process for corporate governance is established.
- 4.14 The Board shall define levels of materiality reserving specific powers to itself and delegating other matters by written authority to management.
- 4.15 The Board shall agree the remuneration policy and non-executive directors fees and recommend these to the shareholders for approval. The Board shall determine remuneration of the executives in line with the approved remuneration policy.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 4 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

- 4.16 The Board shall delegate certain functions to well structured committees without abdicating its duties.
- 4.17 The Board shall be responsible for the governance of risk, risk management, assurance and disclosure thereof.
- 4.18 The Board shall ensure the establishment of a system of internal control and shall report on the adequacy and effectiveness of the internal financial control framework.
- 4.19 The Board shall be responsible for information technology (IT) governance.
- 4.20 The Board shall ensure that the Company complies with applicable laws and regulations and considers adherence to non-binding rules, codes and standards.
- 4.21 The Board shall ensure there is an effective risk-based internal audit function.
- 4.2.2 The Board shall ensure the integrity of the Company's integrated report.
- 4.23 The Board shall appoint and remove the Company Secretary.
- 4.24 The Board shall ensure business rescue proceedings commence should the Company, or as soon as the Company, becomes financially distressed.

5. BOARD COMMITTEES

- 5.1 The Board is authorised to establish Committees.
- 5.2 The delegation of authority to Board Committees or management does not mitigate or discharge the Board and its directors from their duties and responsibilities.
- 5.3 The Board shall constitute the following Committees:
- Audit and Risk Committee (subject to shareholder approval);
 - Human Resource and Nomination Committee;
 - Investment Committee; and
 - Social and Ethics Committee.
- 5.4 Each Committee shall have a 'terms of reference that is reviewed annually and approved by the Board;
- 5.5 The Board will ensure that the committees are appropriately constituted with due regard to the skills required by each Committee;

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 5 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

- 5.6 Minutes of the Committees meetings shall be circulated to the Board.
- 5.7 The Chairman of each Committee shall report back to the Board at each Board meeting on a general principle of transparency and disclosure.
- 5.8 Board Committees and members are authorised to obtain independent professional advice at the Company's expense, as and when considered necessary and after following a Board approved process.


6. MEETINGS AND BOARD ATTENDANCE

6.1 Frequency

- (a) The Board must hold sufficient scheduled meetings to discharge all its duties as set out in this charter but subject to a minimum of four meetings per year.
- (b) Meetings in addition to those scheduled may be held at the request of management, or of the Chairman of the Board, Board members, or of the Board Committees.
- (c) The Chairman of the Board may meet with the Chief Executive Officer, Financial Director, Executive Director: Asset Management and/or the Company Secretary prior to a Board meeting to discuss important issues and agree on the agenda.
- (d) Non-executive directors may meet separately with management, without executive directors in attendance.

6.2 Attendance


- (a) Members of senior management, assurance providers and professional advisors may be in attendance at meetings, at the discretion of the Chairman and by invitation only. No invitee shall have a vote at Board meetings.
- (b) Board members shall endeavour to attend all scheduled meetings of the Board, including meetings called on an *ad hoc*-basis for special matters, unless prior apology, with reasons, has been submitted to the Chairman or Company Secretary.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 6 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

- (c) Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their experience, knowledge, skill and abilities to deliberations of the Board.
- (d) The Chairman may for good reason request executive directors to leave the Boardroom for any part of the meeting. This is especially during deliberations relating to executive performance or remuneration.
- (e) The Company Secretary is the secretary to the Board.
- (f) If the nominated Chairman of the Board is absent from a meeting, the members present must elect one of the members present to act as Chairman.
- (g) A record shall be kept of the attendance of directors at Board meetings.

6.3 Agenda and minutes

- (a) An annual calendar of meeting, with an outline of the business to be considered at each meeting, shall be drawn by the Company Secretary, in conjunction with the Chairman and CEO. It shall be presented for advance agreement by the Board.
- (b) Unless under exceptional circumstances, at least 5 working days notice shall be given of a meeting of the Board.
- (c) The agenda shall be prepared by the Company Secretary, in conjunction with the appropriate Board members and approved by the Chairman,
- (d) The Company Secretary shall endeavor to circulate the agenda together with supporting documentation at least one week prior to each meeting to the members of the Board and other invitees.
- (e) Board members must be fully prepared for Board meetings to be able to provide appropriate and constructive input on matters for discussion.
- (f) Each director is responsible for being satisfied that adequate information has been furnished, to enable the director to make objective decisions at Board meetings.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 7 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

- (g) Minutes of meetings shall be taken by the Company Secretary and shall be circulated to all directors of the Board within 10 working days of the relevant meeting. The minutes shall record the proceedings and decisions taken, the details of which shall remain confidential. The minutes must be formally approved by the Board at its next scheduled meeting.

6.4 Quorum


- (a) A representative quorum for meetings is as provided for in the Company's memorandum of incorporation.
- (b) Individuals in attendance at Board meetings by invitation may participate in discussions but do not form part of the quorum for Board meetings.
- (c) A director may not vote or be counted in the quorum on any matter in which he/she has an interest.
- (d) Decisions will be made by majority of votes, and in cases of an equality of votes, the Chairman shall have a second or casting vote.

6.5 Evaluation

The evaluation of the Board, its committees and individual directors, including the chairman, must be performed every year.

7. GENERAL

- 7.1 The Company shall ensure that an insurance policy is in place to indemnify the directors against any loss arising out of a claim for wrongful acts and for which the Company is permitted to grant indemnification to the directors.
- 7.2 If any part of the Charter conflicts with anything contained in the MOI, the MOI shall take precedence.

		CHARTER	
Title: Board			
Policy No : VKE-BRD	Status : Final	Page 8 of 8	
Prepared By : J Neethling	Date Prepared :	Next Review Date :	November 2012
Authorised By : LG Rapp	Date Authorised :		
Physical filing :			
Electronic filing : I:/Charters/Board			

8. APPROVAL

This charter was approved by the Board on 28 November 2011 and will be reviewed annually.

Signed by:

Chairman of the Board