



Board Evaluation Policy

AREA OF APPLICABILITY

BOARD

DIVISION

GROUP CORPORATE SECRETARIAT

Next Revision Date

JUNE 2024

Control Disclosure:

Confidential

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1. Scope

This policy outlines the principles adopted and followed by the Board of Directors of the Industrial Development Corporation of South Africa (IDC) for the evaluation of the Board and Board Committees.

This policy is applicable to the Board, Board Committees and individual members of the Board.

2. Objective

The objective of this policy is to direct and set governance parameters within the IDC to ensure the effective functioning of the Board and its Committees through the implementation of a board evaluation process which will assist the board in identifying areas of excellence and areas requiring development.

3. Definitions and Abbreviations

3.1 Definitions

Board

Board of directors of Industrial Development Corporation of South Africa

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")

The IDC Act

Industrial Development Act 22 of 1940 as amended. (the IDC Act)

King IV Report

Report on Corporate Governance for South Africa

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3.2 Abbreviations

Abbreviation	Description
AGM	Annual General Meeting
ACT	IDC Act No 22 of 1940
PFMA	Public Finance Management Act 1 of 1999

4. Policy General/Statement

- a) The Board recognises that board evaluation is a key process in ensuring good governance practices within its governance structure.
- b) The Board acknowledges the need for a policy detailing its evaluation and that of its Committees to ensure effective governance of the Corporation, transparency, positive outcomes, accountable, ethical, effective and competent leadership.
- c) The policy is guided by the King IV Report and should be read in conjunction with the IDC Board Charter.

4.1 Main Principles of Conduct

- a. The Board, through its Board Human Capital and Nomination's Committee (BHCNC), is responsible for the evaluation of its performance and that of its committees, its Chairperson and its individual members.
- b. The evaluation of performance of the Chairperson will be led by the chairman of the BHCNC.
- c. The BHCNC is responsible for reviewing the effectiveness of the Board, the Board Committees and the individual members. For this purpose, the BHCNC will adopt an appropriate methodology to perform the performance evaluations which will be approved by the Board prior to implementation.
- d. A formal process, either internally driven or externally facilitated but in accordance with a methodology to be developed by the BHCNC and approved by the Board, will be followed for the evaluation of the board, its committees, its Chairperson and its individual members, at least every two years.
- e. Every alternate year, the board will schedule for consideration, reflection and discussion of its performance and that of its committees, its Chairperson and its individual members by an independent service provider.
- f. Individual assessments will be kept confidential but will be discussed with each member to facilitate the member's own personal growth and development goals and to ensure there is alignment with the requirements from the Board.

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- g. The results from the evaluations undertaken will be outlined in the annual integrated report of the Corporation.

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. Perceived legitimacy and credibility.
- d. Identify development areas.
- e. Assist in the development of personal growth and development goals of individual directors.
- f. Evaluate the adequacy, efficiency, and appropriateness of the governance structures within the IDC.

5. Process for Monitoring

The effective implementation and monitoring of this Policy shall be done through the BHCNC.

This policy shall be reviewed accordingly to reflect changes in applicable corporate governance protocols and regulatory requirements to ensure that it remains relevant and complies with current trends.

The Internal Audit Department shall conduct audits in accordance with the standards set by the Institute of Internal Auditors on a planned interval to determine compliance and effectiveness of this policy.

MONITORING CONTROLS	PURPOSE	RESPONSIBLE	FREQUENCY
Group Company Secretary	Provide the Executive Authority with an independent oversight with regards to conformance to this policy.	Internal Audit	Planned Intervals
Board Human Capital and Nominations Committee, or any other Committee appointed by the Board	To monitor performance of this policy	Group Company Secretary	Annual basis
Board	To discuss performance report of this policy	Group Company Secretary	Annual basis

Note: This policy shall be reviewed every three years and if there is a need to review it before the

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three-year cycle due to any circumstances the policy will be reviewed accordingly.

6. Accountabilities and Responsibilities

6.1 Accountabilities

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

RESPONSIBLE	ACCOUNTABLE	CONSULTED	INFORMED
Group Company Secretary	Board	Head: Corporate Secretariat	Company Secretariat Personnel
Has overall responsibility for implementation and adherence of this policy.	Has overall accountability for development and implementation of this policy.	Have overall responsibility for development and performance of a given task.	Have overall responsibility for adherence and performance of a given task.

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

6.2.2 An appointed Non-Executive Director

- a. The chairman of the BHCNC will be appointed as a Non-Executive Director who will be responsible to lead the evaluation of the Chairperson.

6.2.3 Board Human Capital and Nominations Committee

- a. The BHCNC is responsible to review the effectiveness of the Board, Board Committees and

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individual Board members.

- b. The findings of the board evaluation should be presented to the BHCNC prior to presentation to the board, where relevant, an action plan to address findings will be formulated.

6.2.4 Group Company Secretary

- a. The Group Company Secretary is responsible for:
 - i. ensuring that the evaluation is conducted in terms of this Policy
 - ii. reviewing this policy and ensuring that it complies with best practice.
 - iii. ensuring that action plans formulated by the BHCNC implemented.

7. Verification

This policy shall be verified in accordance with IDC Policy of Policies.

8. Non-Conformance and Non-Compliance

Any deviation from this policy shall be identified and registered with corrective and preventative measures for continuous improvement.

9. Related Policy Documents

IDC Board Charter.

10. Related Legislation and Standard

Public Finance Management Act No. 1 of 1999;
IDC Act No 22 of 1940 as amended;
Companies Act No. 71 of 2008 as amended;
King IV Report as amended; and
JSE Debt Listing Requirements.

11. Change Control

This policy shall only be changed with the authorisation of the Board.

12. Records

Record Name	Storage Location	Record Number	Responsible Person	Retention Time
Board Evaluation	IDC Intranet	V1	Group Company	Three (3) years

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Policy			Secretary	
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13. Endorsement

Activity	Name
Compiled by	Group Company Secretary Name and surname Nomini Rapoo
Authorised by	The Board of Directors