



# Executive Committee Terms of Reference

## South African Heart Association NPC SA Heart®

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## 1. Introduction

- 1.1. The executive committee of SA Heart® is established as a committee of the board of directors of SA Heart®. Responsibilities and roles are in addition to those of members of the board (in the case of committee members who are also board members).
- 1.2. The duties and activities of the committee does not alleviate individual or collective responsibilities of board members regarding their fiduciary duties. Board members must practice due care and judgement with regards to their fiduciary duties at all times.
- 1.3. These terms of reference align with the Companies Act (2008) SA Heart®'s Memorandum of Incorporation (MOI), and any other laws or legal requirements applicable to SA Heart®.

## 2. Purpose

- 2.1. These terms of reference capture the following information regarding the nature of SA Heart®'s executive committee in order to ensure that the committee is effective and compliant and that SA Heart® achieves its objectives:
  - Composition of the committee
  - Roles and responsibilities
  - Delegation of authority
  - Meeting procedures

## 3. Committee Composition

- 3.1. The executive committee comprises a minimum of 5 and a maximum of 7 members.
- 3.2. The executive committee is a committee of the board and is made up of the Chief Executive Officer (CEO), Finance Director, General Manager, General Counsel, Company Secretary and any other direct reports as are required by the Chief Executive.
- 3.3. The Chair of the board is an *ex officio* member of the committee.
- 3.4. The CEO will chair the executive committee meetings. In the absence of the CEO, the General Manager will chair.
- 3.5. Members of the committee are elected based on their qualifications and experience in order to fulfill their duties and discharge the fiduciary obligations of the board.
- 3.6. Appointments shall be for periods as considered necessary given the business and management strategy of SA Heart®'s.

## 4. Roles and Responsibilities

- 4.1. Regarding SA Heart®'s strategy and management the executive committee will ensure that:



- proper and prudent management of SA Heart®'s;
  - the active liaison, co-ordination and co-operation between regional branches and special interest groups is in place;
  - SA Heart®'s resources are adequately allocated and optimized, specifically to drive inclusion and diversity;
  - adequate consideration given to statutory and regulatory compliance required to fulfill SA Heart®'s obligations;
  - adequate provision made for the development and succession planning with a view to developing SA Heart®'s staff; and
  - SA Heart®'s values, ethics and code of conduct are widely understood and consistently adhered to.
- 4.2. The executive committee shall review:
- the monthly and quarterly management accounts and business performance reports of SA Heart®'s;
  - SA Heart®'s performance against the achievement of strategic objectives, business plans and budgets required to execute the strategy and to ensure appropriate action if taken to mitigate any risks that may impede the achievement of these objectives;
- 4.3. Approve all submissions made to the board and/ or its committees.
- 4.4. Recommend to the board for approval:
- SA Heart®'s strategy and business plan, including proposals to expand product / service offerings, new business or geographical areas;
  - The annual operating and capital expenditure budget;
  - Material reports for submission to the relevant regulatory bodies.
- 4.5. Responsible for ensuring compliance with SA Heart®'s policies and relevant regulations.
- 4.6. Ensure adequate supply chain practices and due diligence is performed regarding contractual arrangements for the procurement of products and or services, as well as material strategic alliances, joint ventures, partnerships or profit sharing arrangements.
- 4.7. Give effect to and ensure that SA Heart®'s Delegation of Authority arrangements are adhered to.
- 4.8. Developing and implementing a risk management framework for SA Heart®'s.
- 4.9. Manage the risk management and internal controls environment and prepare regular reports for presentation to SA Heart®'s audit and risk committee.
- 4.10. Ensure the operation and monitoring of the integrity of SA Heart®'s management information, financial reporting and external reporting systems.
- 4.11. Developing and implementing an investment framework, processes and governance, for approval by the SA Heart®'s board.
- 4.12. Recommend to the board for approval, resolutions and corresponding documents required at SA Heart®'s members general meetings as well as the annual general meeting.
- 4.13. Recommend to the board any proposals it deems appropriate on any area within its remit where action or improvement is needed to manage material risks and to achieve SA Heart®'s objectives.



## 5. Authority

- 5.1. The board delegates some of its obligations to this committee as recorded in this terms of reference. The committee has the power to investigate all activities that is set out in this terms of reference.
- 5.2. Subject to the following approved processes, the committee may request information that aids the committee in fulfilling its duties from executive directors, the company secretary, or the Chairs of the various board committees. The committee also has access to company records to ensure fulfilment of its duties.
- 5.3. The committee may allocate specific authorities to individual members and/or sub-committees, if required.
- 5.4. The committee may acquire independent external advice from professionals to aid in the execution of its duties, the cost of which is carried by SA Heart® on condition that the approved processes have been followed to obtain such advice.

## 6. Meeting procedures

### 6.1. Frequency

- The committee meets at least ten times per year but may meet more frequently to discharge all its duties listed in these terms of reference.
- Committee members may call meetings in addition to those formally scheduled in terms of these terms of reference through engagement with the Chair and/or the company secretary.
- The committee Chair may schedule a meeting with the company secretary or general manager prior to the committee meeting to establish an agenda and discuss important matters.

### 6.2. Attendance

- Unless an apology is given to the Chair or company secretary prior to the committee meeting, all members are expected to attend all committee meetings.
- Assurance providers, professional advisors and senior managers may attend committee meetings by invitation but may not vote on any decisions taken by the committee.
- The role of the secretary of the committee is carried out by the company secretary who (or his/her delegate) must therefore be present at all committee meetings.
- If the appointed Chair of the committee is absent during a scheduled meeting, one of the members present must be elected to fulfill the role of the Chair for that meeting only.

### 6.3. Agenda and Minutes

- A comprehensive yearly work plan is compiled by the company secretary to inform meeting agendas and must include all relevant matters that the committee is responsible for (including all matters within these terms of reference). The plan is formally approved by the board to ensure that critical issues is dealt with annually and less critical matters are dealt with at least every 3 years.
- The annual plan is considered when establishing the time, length and agendas of committee meetings.
- In order to generate an agenda, the Chair may meet with the General manger, chief finance officer, chief operations officer, chief risk officer and company secretary to discuss important issues.



- Each committee member receives a detailed agenda with supporting documentation at least one week before each meeting from the company secretary.
- All committee members are required to be fully prepared for meetings so that they can provide constructive and relevant input into discussions and decisions taken by the committee.
- Minutes of committee meetings are circulated for review by members as soon as possible and is formally approved and signed by the Chair at the following meeting.

#### 6.4. Quorum

- The quorum for committee meetings is two-thirds of members for meetings to be duly constituted.
- Non-member attendees at board committee meetings (i.e. by invitation) may take part in meeting deliberations but are not included in the quorum for committee meetings and may therefore not vote on any decisions being taken by the committee.

## 7. Evaluation

- 7.1. The board annually evaluates the effectiveness and overall performance of individual members of the executive committee, its Chair, and the overall committee and takes corrective steps to close any shortcomings that may be identified.

## 8. Approval of these Terms of Reference

This charter –

- 8.1 is issued under oversight of the board and compliance thereto is monitored by the company secretary and SA Heart®'s internal and external auditors;
- 8.2 will be officially reviewed at least annually by the board to ensure its adequacy and effectiveness in terms of SA Heart®'s dynamic business environment;
- 8.3 will be amended on an *ad hoc* basis in the event that a deficiency or inadequacy is identified that requires immediate rectification; and
- 8.4 will be adhered to at all times, unless exception to, or relaxation of its requirements have been formally approved by the Board prior to its application.

This charter is hereby adopted and approved for implementation and takes effect upon signature by the Chair of the board.

Signed on this ..... day of ..... 2020 at .....

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Chair of the Board

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Company Secretary