

Kraaibosch Governance Framework

The purpose of the Governance Framework is to guide how Members shall engage with the Kraaibosch Country Estate and Kraaibosch Manor Homeowners Association, the Trustees of the Association, Management, relevant regulatory structures or authorities and stakeholders.

Furthermore, the purpose is to achieve the key objectives of good governance for the collective benefit of all Kraaibosch Members, and to ensure that the Board of Trustees are empowered to be democratic, accountable, responsive, ethical and compliant with the principles stated in part 6.3 of the King IV report on Governance.

([https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA King IV Report - WebVersion.pdf](https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf), pg. 91).

To this end, the Governance Framework supports the KHOA Values which are: **Respect, Fairness, Transparency, Accountability and Integrity**. These Values shall govern the day to day living and all engagements of the Association.

1. Mandate, roles and responsibilities

In describing the mandates, roles and responsibilities of each governance level for the Kraaibosch Association, it is imperative that a clear delegation of authority is established and that an explicit separation of duties is created whenever possible and practical. Where this is not feasible, mitigating mechanisms should be established.

Home Owners Association (HOA): The Homeowners Association comprises all members as defined in the Kraaibosch HOA Constitution, is the highest governing structure of the Association and its pinnacle decision making body. The roles and responsibilities of the HOA are to provide fiduciary oversight over matters specified in the Constitution or required by law that have not been delegated to the Board of Trustees. These could include approval of the annual financial statements, approval of the annual budget, the appointment of the Trustees (BOT), approving delegations to the Trustees (BOT) and approving amendments to the Constitution etc. These matters are typically dealt with during scheduled Annual General Meetings or Special Annual General Meetings.

Board of Trustees (BOT): The BOT is appointed by the Kraaibosch HOA in accordance with the specifications in the Kraaibosch Homeowners Association Constitution. The role and mandate

of the Trustees is determined by the authority delegated to it by the HOA. The tasks of the BOT would be to provide governance oversight over the affairs of the Kraaibosch Country Estate and Kraaibosch Manor HOA, to represent the legal authority of the Association, to uphold the provisions of the HOA Constitution, to execute such functions delegated by the Constitution or the HOA and to hold Management accountable for the responsible, compliant and sustainable management of the affairs of the Estate and Manor. The role of the Trustees is thus to focus on providing governance oversight, strategy and accountability. It is not the function of the BOT to manage the affairs of the Association. Note that it is a delegated role of the BOT to be the legal authority of the HOA and that Trustees are provided with indemnity according to Art 26 of the Constitution and ensured by an indemnity policy.

In order to facilitate the smooth running of the affairs of the Association, the Trustees should ensure the existence and timely review of approved operating procedures to guide Management in the execution of its management responsibility (e.g. procedures for the procurement of goods and services, human resource practices, architectural guidelines, estate rules, fines framework, reporting requirement to facilitate constitutional and legal compliance etc.).

Management: The mandate of Management is to manage the daily affairs of the Association in accordance with the powers and duties delegated to it by the Trustees (BOT) of the Kraaibosch Country Estate and the Kraaibosch Manor HOA. The roles and responsibilities of Management is to focus on the responsible management and execution of its delegated roles, functions and duties, to be procedurally compliant, to implement the policies and strategies, as determined by the HOA and the BOT, to comply to all set protocol, procedures and guidelines as determined by the BOT and to fulfill the required reporting requirements set by the Trustees and the HOA. Mandates for management decision making are delegated to management by the BOT through specific delegations or through approved policies.

Capacity enhancement: In order to ensure that Management is capable of executing its full mandate appropriately and responsibly, it is the duty of the HOA and BOT to ensure that Management is appropriately capacitated and empowered to carry out its functions. This can be achieved through the appropriate rightsizing and shape of the appointed Management, or where there are significant capacity or skills shortages, to complement the capacity of Management through the appointment of BOT/HOA Committees, or through the policy compliant appointment of external service providers.

BOT/HOA Committees: BOT/HOA Committees strictly have an advisory role and advise the Kraaibosch BOT and/or Management according to their respective mandates, delegated authorities or Fiduciary responsibilities. Committees have no decision making authority.

2. Kraibosch Organogram

The Kraibosch Organogram outlines the broad mandates, roles and responsibilities of the various structures and entities that collectively manage the affairs of the Kraibosch Homeowners Association. The prevailing governance organogram of the Kraibosch Estate and Kraibosch Manor is as follows:

