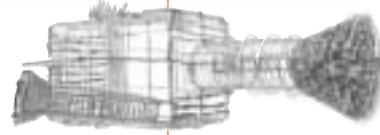


SECTION 1

governance



The Board



Board members are appointed by the President of South Africa.

- Six Board members are appointed on the recommendation of Parliament, after a public nomination process (K Mkonza, M Boloka, K Cullinan, C Moerdyk, N Ntshingila and G Reddy).
- Three Board members are appointed directly by the President – one of whom must be from the commercial print media and another from the broadcast media (C. Molusi, T Trew, broadcast media position vacant)

Ms Nomhle Canca, a board member, who was appointed by the President in terms of Section 4(c) of the MDDA Act from commercial broadcasters, resigned during the period under review due to other work commitments. She has been replaced by Ms Felleng Sekha.

As required by the Act, the Board collectively represents a cross section of the population of South Africa and a wide range of backgrounds and skills including media experience (both community and commercial), journalism,

The Board

Kanyisiwe Mkonza (chair-person)
Kerry Cullinan
Tony Trew
Govin Reddy
Mashilo Boloka
Chris Moerdyk
Connie Molusi

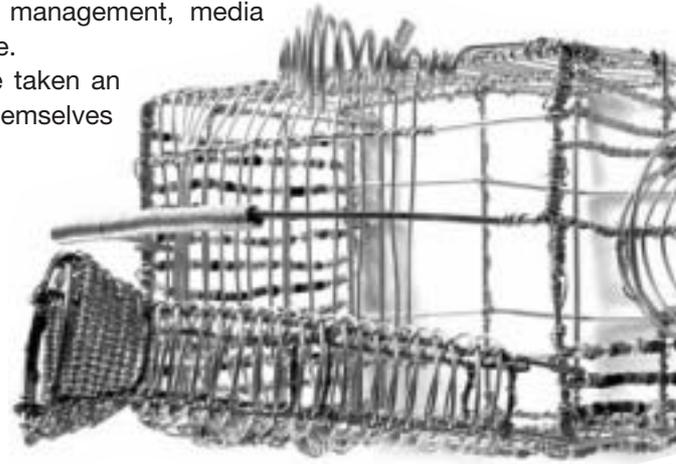
Inset -

Nunu Ntshingila

advertising, governance, financial management, media training, and development expertise.

All members of the Board have taken an oath or affirmation committing themselves to:

- Fairness
- Freedom of expression
- Openness
- Accountability, and
- Upholding and protecting the Constitution and other laws of South Africa.



Code of Ethics

The Board has adopted a Code of Ethics to ensure each member acts with integrity when performing his or her responsibilities on behalf of the MDDA.

The Code outlines the Board's fiduciary duties and defines its responsibilities towards stakeholders, staff members, and government. In terms of the Code each member of the Board must make an annual declaration of interests in order to ensure decisions are fair and to protect the Agency against perceptions of bias or conflict of interest.

Meetings

Section 10 of the Act specifies that the Board must meet at least four times a year. In addition no more than eight special meetings should be held annually. During the period under review the Board met quarterly as required. No further Board meetings were necessary.

Board meeting dates

29 April 2004
 26 July 2004 (continued on 12 August)
 25 November 2004
 21 February 2005

Attendance of meetings

Board Member	Meetings attended
Kanyisiwe Mkonza	4
Mashilo Boloka	3
Kerry Cullinan	3
Chris Moerdyk	4
Connie Molusi	3
Nunu Ntshingila	1
Govin Reddy	4
Tony Trew	4

Note that Nunu Ntshingila was excused from three board meetings for health reasons

Committees

In line with the MDDA Financial Policy and principles of good governance, the Board has established three Committees.

Executive Committee

The Executive Committee is tasked with oversight of day to day management of the Agency and ensuring the MDDA meets performance targets. The Executive Committee includes the Chairperson (Kanyisiwe Mkonza), one Board member (Govin Reddy), the CEO and Chief Financial Officer.

All Executive Committee members attended all meetings. (See table on page 11.)

Remuneration Committee

This Committee is responsible for overseeing the performance management policy of the MDDA and for deciding on remuneration issues (inflation linked increases and salary grading). The Committee met once during the year under review (17 March 2005) It includes the Chairperson, the Board representative to the Executive Committee and one other Board member (Mashilo Boloka).

All Remuneration Committee members attended the meeting.

Audit Committee

In recognition of the need to ensure transparency and good corporate governance, the Board has established an Audit Committee in line with the Public Finance Management Act and Treasury Regulations.

The Board resolved to share the Audit Committee with the Government Communication and Information System (GCIS) and the International Marketing Council (IMC) as allowed by the PFMA.

The chairperson and majority of members are independent of the MDDA.

The CEO, the Chief Financial Officer, a representative of Internal Audit and a representative from the Office of the Auditor General are ex officio members of the Committee.

Tender Committee

The Tender Committee is an ad hoc committee established to ensure that transparent and fair procedures are implemented when acquiring goods and/or services. Nunu Ntshingila was appointed by the Board as the Chairperson of the Tender Committee. Her alternate is Tony Trew. The CEO and CFO both serve on the Committee.

There was one Tender Committee meeting during the period under review. Tenders for establishing the MDDA IT infrastructure and for appointment of the internal auditors were considered at this meeting.

Exco Meetings

19 April 2004
11 June 2004
08 September 2004
13 October 2004
27 January 2005
17 March 2005

Board payments

The following table reflects payments made to Board members for attendance of meetings and workshops during the year.¹

Chairperson	R 37 365.00
Board Member – Mr. M. Boloka	R 6 178.00 ²
Board Member – Ms. K. Cullinan	R 3 973.00
Board Member – Mr. C. Moerdyk	R 11 353.00 ³
Board Member – Mr. C. Molusi	R 3 405.00
Board Member – Ms. N. Ntshilinga	R 1 135.00
Board Member – Mr. G. Reddy	R 18 323.00 ⁴
Board Member – Mr T Trew	0 ⁵

Note

- 1 The figure in the financials attached is slightly higher as this reflects payments for Board members for meetings attended in the previous financial year.
- 2 For Board meetings, and Remuneration Committee meetings.
- 3 For Board and Audit Committee meetings.
- 4 For Board and Exco meetings.
- 5 Note that in terms of Government policy, public service employees do not receive remuneration for participation in public entities.