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| **Subject** | **Specification Document** |
| **Project Name** | **Board Induction Engagement** |
| **Reference** | **RFQ 26-27-72/DP SAPO Board Induction Programme** |

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## 1 Background

1.1. The South African Post Office SOC Ltd ("SAPO" or "the entity") is a Schedule 2 public entity in terms of the Public Finance Management Act, 1999 ("the PFMA"), and a state-owned company under the executive authority of the Minister of Communications and Digital Technologies. SAPO was placed under supervision and business rescue on 10 July 2023.

1.2. Over the course of the business rescue process, creditor debt was significantly reduced, the workforce was restructured through a Section 189A process, the entity returned to a positive net asset value and reported its lowest net loss in several years for the FY year ending 31 March 2026An application to terminate the business rescue proceedings was filed in the Pretoria High Court in June 2026, and a court date is still awaited.

1.3. A new Board was appointed by Cabinet and its tenure commenced on 22 June 2026. This is the operating environment into which incoming Board members must be inducted: an entity that is technically solvent but not yet fully stable, transitioning out of statutory business rescue, and requiring urgent, well-governed shareholder-led direction.

1.4. It is of critical importance that SAPO restores stakeholder and public trust not only in terms of financial recovery but also by demonstrating robust corporate governance and ethical leadership from the outset. For this reason, the induction programme must include a separate workshop session (module) specifically to corporate governance and ethical conduct.

## 2 Objective

2.1. The objective is to appoint qualified and experienced specialist service providers to plan, develop and deliver a structured, comprehensive induction programme for members of the new SAPO Board ("the Board").

2.2. The induction programme must be all – encompassing and equip the newly appointed Board members with appropriate regulatory, strategic and operational knowledge required to fulfil their fiduciary duties. The proposed induction programme must include content relevant to legislative and regulatory governance framework prescripts applicable to Schedule 2 Public Entities, and also any other applicable legislative and regulatory prescripts pertaining to exit from business rescue, business restructuring and turnaround.

2.3. The induction programme must in specific include a separate workshop session on corporate governance and ethical conduct. The appointed service providers' proposed team compliment must be led by an experienced Corporate Governance Specialist.

2.4. Specific delivery timelines (date of delivery/facilitation of the Board Induction Programme) will be agreed between SAPO and the appointed service provider upon appointment, having regard to the urgency of the Board's induction needs. No operational or branch site visits will be required, and the planned venue for the execution of this engagement will be in Pretoria, Gauteng.

2.5. The appointed service provider will be required to the plan, develop and deliver the Board Induction Programme within a period not exceeding a maximum of fifteen (15) working days from Purchase Order date.

2.6. The appointed service provider will be required to commence with the planning, development of the Board Induction Programme within 1 week from Purchase order date.

## 3 Scope of Work - Induction Programme Specific (Modules)

The appointed service provider must plan, develop and deliver an induction programme that follows a modular structure design, providing for different core modules that must be delivered through documentary briefing materials and facilitated workshop sessions.

### 3.1. Core Module 1: Governance Framework & Fiduciary Duties of Board Members

3.1.1. This module establishes the legal boundaries and expectations governing the Board's collective responsibility, and equip the newly appointed Board members with knowledge required to fulfil their fiduciary duties in terms of the following (but not limited to):

- **Constitutional and public-sector framework:** the Constitution of the Republic of South Africa, 1996, and the general fiduciary obligations of public office bearers.
- **Public Finance Management Act, 1999 (PFMA) and Treasury Regulations:** governance of Schedule 2 public entities, the role of the Accounting Authority (the Board), shareholder compacts, corporate/strategic planning, quarterly and annual reporting obligations, materiality and significance frameworks, and consequences of irregular, fruitless and wasteful expenditure.
- **Companies Act, 2008:** director duties of care, skill and diligence (section 76) and standards of conduct (section 77), personal liability, the statutory role of the Social and Ethics Committee (Regulation 43), the business rescue provisions (Chapter 6) relevant to SAPO's recent history, and requirements applicable to state-owned companies.
- **Postal-sector legislation:** the South African Post Office SOC Ltd Act and its amendments, the Postal Services Act.
- **King V Code on Corporate Governance for South Africa:** application of the King V Code's 13 principles (consolidated from King IV's 17 principles) to a state-owned entity, including the "apply and explain" regime, the four governance outcomes (ethical culture; performance and value creation; conformance and prudent control; and legitimacy), ethical leadership and the governance of ethics.
- **Protocol on Corporate Governance in the Public Sector:** the shareholder management framework applicable to SOEs and the relationship between the Board, the Executive Authority (Minister of Communications and Digital Technologies) and National Treasury.
- **Sector regulation:** the role of the Independent Communications Authority of South Africa (ICASA) as postal regulator, and SAPO's regulatory and licensing obligations.
- **Anti-corruption and integrity legislation:** the Prevention and Combating of Corrupt Activities Act, the Protected Disclosures Act (whistle-blower protection), and relevant provisions of the Public Administration Management Act insofar as applicable to SOE governance.
- **Other applicable legislation:** the Protection of Personal Information Act (POPIA), the Promotion of Access to Information Act (PAIA), the Employment Equity Act, the Broad-Based Black Economic Empowerment Act, occupational health and safety legislation, and applicable labour legislation given SAPO's recent large-scale retrenchment process.

- **Board Committees:** the legal boundaries and expectations governing the responsibility of Board members appointed to the different SAPO Board committees such as the Audit & Risk - , Remuneration & Performance - and Social & Ethics Committees as per the agreed Memorandum of Incorporation (MOI).

**3.2. Core Module 2: Risk Management and Regulatory Compliance and Procurement Governance**

3.2.1. Directors must understand the enterprise risk framework to ensure organizational resilience and include the following elements,

- The enterprise risk management framework and the current top organisational risks, including funding risk, operational continuity risk and reputational risk.
- The roles of internal audit, the Auditor-General of South Africa (as external auditor of a public entity), and the Audit and Risk Committee.
- Supply chain management and procurement governance under the PFMA, PPPFA Regulations and Treasury Regulations, including irregular expenditure prevention.
- Role of Financial Misconduct Committee( iro deemed irregular expenditure) incl Consequence Management Process
- Role of Board ito write – off of irregular expenditure (ito Irregular Expenditure Framework)
- Delegation of Authority Framework
- Materiality & Significant Framework

**3.3. Core Module 3: Financial Oversight**

3.3.1. This module bridges the gap between raw data and governance – level insights and include the following elements,

- How to read and interrogate SAPO's financial statements, budget, and quarterly performance reports, with reference to the entity's current financial position.

**3.4. Core Module 4: Key Stakeholders and Regulatory Landscape**

3.4.1. The newly appointed Board should understand the organizational pulse which is necessary to ensure that the Board balance commercial success with legal, regulatory and social accountability, and include the following elements,

- Mapping of key stakeholders: the Executive Authority (Minister and DCDT), National Treasury, Parliament's Portfolio Committee on Communications and Digital Technologies, ICASA, Postbank, SASSA (where relevant to social grant payment services), organised labour, and customers/the public.
- Protocols for shareholder reporting, ministerial engagement and intergovernmental relations applicable to Schedule 2 Public Entities.

**3.5. Core Module 5: Corporate Governance and Ethical Conduct**

3.5.1. Given SAPO's transition out of business rescue and the imperative to demonstrate restored governance integrity to its shareholder, employees, creditors and the public. The newly appointed Board must understand the foundational framework that keeps an organisation legally compliant, financially viable and socially trusted, and include the following elements,

**3.5.1.1 Corporate Governance Framework and Board Operations**

- Governance philosophy and King V (underpinned by King IV principles - explained) that covers the four governance outcomes of the King V Code i.e. Ethical culture; performance and value creation; conformance and prudent control; and legitimacy including the King V Code ito the 13 consolidated principles, and their practical application to a recovering state-owned entity.
- Board Charter and structures: the Board Charter, Delegation of Authority Framework, and the division of responsibilities between the Board, Board committees and management.
- Board committees: the mandates and terms of reference of Board committees, in particular the Social and Ethics Committee's statutory oversight role in respect of ethics, and the Audit and Risk Committee's assurance role.
- Roles and separation of powers: the distinction between the roles of the Chairperson, Chief Executive Officer, Company Secretary and individual non-executive directors, and the importance of the separation of oversight from management.
- Meeting and decision-making governance: meeting protocols, board pack conventions, record-keeping and minute-taking standards, quorum requirements, and matters reserved for Board approval.
- Performance evaluation: Board and individual director performance evaluation processes as a governance accountability mechanism.

#### 3.5.1.2 Ethical Conduct, Integrity and Anti-Corruption

- Ethical leadership and tone at the top: the Board's individual and collective responsibility to set and model an ethical organisational culture, particularly significant given SAPO's recovery from a period associated more broadly with weakened SOE governance and state capture-era failures across the sector.
- Fiduciary duties and standard of conduct: directors' fiduciary duties and standard of care under sections 76 and 77 of the Companies Act and the common law, and the consequences of breach, including personal liability.
- Code of conduct and ethics: the SAPO Code of Conduct/Ethics applicable to Board members, and its alignment with the Executive Ethics Code and other applicable public-sector ethics instruments.
- Conflicts of interest: identification, declaration and ongoing management of actual, potential and perceived conflicts of interest, related-party transactions, and outside business interests, including the mechanics of the register of interests.
- Gifts, hospitality and undue influence: the entity's policy on the acceptance of gifts, hospitality and sponsorships, and safeguards against undue influence, particularly from suppliers, bidders and other third parties.
- Anti-corruption and fraud prevention: obligations under the Prevention and Combating of Corrupt Activities Act, red flags for corruption and fraud in a public-entity/procurement context, and SAPO's fraud prevention framework.
- Whistle-blowing and protected disclosures: the operation of SAPO's whistle-blowing/ethics hotline, protections under the Protected Disclosures Act, and the Board's obligations on receipt of a disclosure.
- Consequence management: the framework for addressing unethical conduct or governance breaches at Board and executive level.
- Confidentiality and information ethics: handling of confidential, commercially sensitive or price-sensitive information, insider-information risks, POPIA obligations, and ethical protocols for engagement with media, government and other stakeholders.
- Lessons from SAPO's own governance history: a candid, facilitated reflection on the governance weaknesses that contributed to SAPO's financial distress and business rescue, and the specific governance and ethics safeguards now in place or required to prevent recurrence.

- Sign-off: each Board member must, on completion of this module, sign a written acknowledgement confirming receipt and understanding of the Code of Conduct/Ethics, the conflict-of-interest policy and the whistle-blowing policy (an integrity declaration), to be retained by the Company Secretary.

## 4 Experience, Qualifications, Knowledge & Client Reference Requirements

The appointed service providers' proposed team compliment must be led by two (2) experienced Corporate Governance Specialists who will be responsible for the planning, design, delivery and facilitation of the Board Induction Programme presented in alignment with the scope of work contained in the specification. The proposed Corporate Governance Specialists must comply with the following requirements:

### 4.1.1 Experience:

- A minimum of five (5) years' experience in advising, planning, design, delivery and facilitating corporate governance and ethics training (Board Induction Programmes or similar).
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- Two (2) of the minimum of five (5) years' experience must relate to corporate governance and ethics training provided to Schedule 2 Public Entities a) placed under/or exiting business rescue or b) business restructuring or c) turnaround.
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- A comprehensive CV of the proposed Corporate Governance Specialists assigned to the project must be provided that confirms -

➢ five (5) years' experience in advising, planning, design, delivery and facilitating corporate governance and ethics training (Board Induction Programmes or similar).

➢ two (2) of the minimum of five (5) years' experience must relate to corporate governance and ethics training provided to Schedule 2 Public Entities a) placed under/or exiting business rescue or b) business restructuring or c) turnaround.

### 4.1.2 Qualifications & Membership to Professional Bodies:

Bidders must demonstrate their specialisation in corporate governance & ethics in guiding & advising Board Members on best practices for managing the company in relation to government laws, industry rules and ethical standards.

The two (2) Corporate Governance Specialists assigned to the project must provide proof of their a) qualifications that may include ANY of the listed qualifications/designations and b) active membership to ANY of the listed professional bodies as follows:

#### 4.1.2.1 Corporate Governance:

<u>Qualification/Designation:</u>
- Occupational Certificate Governance Practitioner(NQF Level 7)
- Chartered Secretary (CS) Stream (NQF Level 8)
- Chartered Governance Professional (CGP) (NQF Level 8)
- IIE Post Graduate Diploma in Corporate Governance(NQF Level 8)
- Chartered Director
- Ethics Officer Certification (EOCP)

Professional Bodies:

- Chartered Governance Institute of South Africa (CGISA)
- Institute of Directors in Southern Africa (IoDSA)
- Ethics Institute
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**4.1.2.2 Legal:**

Qualification/Designation:

- LLB
- BA Law/BCom Law (NQF Level 7)

Professional Bodies:

- Legal Practice Council (LPC)
- Law Society of South Africa (LSSA)
- Corporate Counsel Association of South Africa (CCASA).

**4.1.2.3 Finance:**

Qualification/Designation:

- BCom (NQF Level 7),
- Postgraduate Diploma (NQF Level 8)
- Honours/Master's Degrees

Professional Bodies:

- South African Institute of Professional Accountants (SAIPA)
- Chartered Institute for Business Accountants (CIBA)
- Chartered Institute of Government Finance Audit & Risk Officers (CIGFARO).

**4.1.2.4 Audit:**

Qualification/Designation:

- B Com Honours in Internal Auditing (NQF Level 7 or 8)
- Certified Internal Auditor (CIA)
- B Com Accounting
- Postgraduate Diploma in Accounting (Honours)

Professional Bodies:

- Institute of Internal Auditors South Africa (IIASA)
- Independent Regulatory Board for Auditors (IRBA)
- South African Institute of Chartered Accountants (SIACA)
- South African Institute of Government Auditors (SAIGA)

### 4.1.3 Working knowledge:

Bidders must demonstrate comprehensive working knowledge of the King V Code (including King IV Code which underpins the consolidated King V Code), the Companies Act in specific Business rescue provisions), the PFMA, the Protocol on Corporate Governance in the Public Sector, and applicable anti-corruption and whistle-blower protection legislation.

Comprehensive CV's of the proposed Corporate Governance Specialists assigned to the project must be provided that confirms working knowledge of the King V Code (including King IV Code which underpins the consolidated King V Code), the Companies Act in specific Business rescue provisions), the PFMA, the Protocol on Corporate Governance in the Public Sector, and applicable anti-corruption and whistle-blower protection legislation.

#### 4.1.4 Client References – Bidding Company

A minimum of three (3) signed client references on the client/s letterhead must be submitted demonstrating a minimum of two (2) years' experience in providing governance-related services (induction and training and/or advisory) including specific training on corporate governance & ethics within the past five (5) years of bid closing date.

## 5 Deliverables

5.1. A brief induction needs-assessment (through engagement with the Company Secretary and relevant SAPO representatives).
5.2 A detailed induction programme agenda, clearly identifying the dedicated corporate governance and ethical conduct session(s)
5.3 Session materials/briefing packs and presentation slides for each induction session/module (electronic format), including a separate corporate governance and ethical conduct module as per the scope of work
5.4 Facilitated induction workshop(s), including the business rescue transition handover briefing and the separate governance and ethics module.
5.5 A post-induction evaluation report, including outcomes of any knowledge-check exercise and participant feedback.
5.6 A signed induction completion register, including individually signed integrity declarations.

## 6 Induction Engagement & Programme Timelines

6.1. The appointed service provider will be required to commence with the planning, development of the Board Induction Programme within 1 week from Purchase order date.
6.2 The appointed service provider will be required to the plan, develop and deliver the Board Induction Programme within a period not exceeding a maximum of fifteen (15) working days from Purchase Order date that will include the activities/deliverables as per the phases listed below:

| No | Activities/Deliverables |
|---|---|
| **Phase 1: Planning & Development of Induction Programme** | |
| 1 | Appointment of service provider and induction needs assessment |
| 2 | Development of the induction programme content, including the dedicated corporate governance and ethical conduct module |
| **Phase 2: Delivery/Execution of Services Induction Programme** | |
| 1 | Delivery of the core induction programme to all new Board members |
| 2 | Delivery of the dedicated corporate governance and ethical conduct briefing, led by the proposed Corporate Governance Specialist, including signed integrity declarations |
| 3 | Committee-specific deep-dive sessions, as per the scope of work |
| **Phase 3: Post – Induction/Close Out** | |

| No | Activities/Deliverables |
|---|---|
| 1 | Post-induction evaluation report, completion register and sign-off |

## 7 Contract Management and Reporting Requirements

7.1. The appointed service provider will report to the Company Secretary, or such other person as SAPO may designate, for the duration of the assignment.
7.2 Progress will be tracked against the timeline in Section 8, with sign-off required on completion of the engagement.
7.3 Any proposed change to scope, timeline or personnel (including substitution of the named Corporate Governance Specialist) requires prior written approval from SAPO.
7.4 All materials and reports developed under this assignment shall become the property of SAPO on delivery, subject to the terms of the resulting service agreement.

## 8 Confidentiality, Conflict of Interest and Independence Requirements

Given the commercially and politically sensitive nature of SAPO's business rescue exit, the appointed service provider including the proposed team compliment assigned to the engagement will be required to sign a confidentiality/non-disclosure undertaking prior to commencement of services.

## 9 Due Diligence/ Presentation

SAPO reserves the right to conduct a due diligence and/or request the bidder to do a presentation of their bid offering in order to verify the information submitted and confirm compliance with the scope of work as contained in the specification. The bidder will be disqualified should the information submitted not be verifiable and/or be found non–compliant to the scope of work as contained in the specification**.**