1. INTRODUCTION

The Board of Directors (Board) believes that strong corporate governance is essential for delivering sustainable value, enhancing business integrity and maintaining supporters’ confidence towards achieving the Organisation’s corporate/charity objectives and vision.

The purpose of this Board Charter is to promote the highest standards of Corporate and charity Governance within the Organisation and to clarify, among others, the roles and responsibilities of the Board. This Board Charter serves not only as a reminder of the Board’s roles and responsibilities but also as a general statement of intent and expectation as to how the Board discharges its duties and responsibilities.

This Board Charter has been endorsed by the Board and is subject to review by the Board from time to time, to ensure the Organisation remains at the forefront of best practices in corporate and Charity governance.

2. ROLES OF THE BOARD

2.1 Board Composition

2.1.1 Number of Directors

The Articles of Association specifies that the number of Directors shall not be more than five (5) (Section 1, Article iv. g). The Board has power under the Articles of Association to appoint a Director to fill a casual vacancy or as an additional Director.

2.1.2 Independence and Make-up

(i) The Board should comprise at least two (2) Directors or 1/3 of the Board of Directors who are Independent Directors;

(ii) The Chairperson must be a non-executive member of the Board;
(iii) Where the Chairperson is not an Independent Director, the Board should comprise a majority of Independent Directors to ensure balance of power and authority on the Board; and

(iv) The Board shall not have more than one (1) Executive Director and only up to two (2) Executive Directors under exceptional circumstances.

2.1.3 Office of Directors

Election of Directors takes place each triennial at the annual general meeting of the Company where one third (1/3) of the Directors, or, if their number is not three (3) or a multiple of three (3), then the number nearest to one third (1/3) shall retire from office and the retiring Directors are eligible for re-election. A retiring Director shall retain office until the close of the meeting at which he/she retires.

2.2 Roles of the Board/Terms of Reference

The Board is the ultimate decision-making body of the Organisation. It sets the strategic direction and vision of the Organisation. The Board takes full responsibility in leading, governing, guiding and monitoring the entire performance of the organisation and enforces standards of accountability, all with a view to enabling Management to execute its responsibilities effectively.

The Board has overall responsibility for putting in place a framework of good corporate and charity governance within the organisation, including the processes for financial reporting, risk management and compliance. Board members bring their independent judgement, diverse knowledge and experience in deliberations on issues pertaining to strategy, performance, resources and business conduct.

The Board has adopted a schedule of matters specifically reserved for its approval which include, amongst others, reviewing and approving the following:

- Strategic/projects plans and annual budget.
- New investments, divestments, mergers and acquisitions, corporate restructuring, including the establishment of subsidiaries, joint ventures or strategic alliances both locally and abroad.
• Acquisition and disposal of significant assets of the organisation.

• Annual financial statements and the quarterly financial results prior to release to government authorities.

• Appointment of new Directors, CEO and other senior management positions based on recommendations of the Organisation human resource department.

• Related transactions and capital financing.

• The long-term (3-5 years) Risk Appetite Statement as well as the annual Risk Appetite Review.

The overall principal responsibilities of the Board are as follows:

• Providing clear objectives and policies within which the senior management of the organisation is to operate.

• Ensuring that there are adequate controls and systems in place to facilitate the implementation of the organisation’s policies.

• Monitoring Management’s success in implementing the approved strategies, plans and budget within the approved risk appetites.

• Understanding the principal risks of all aspects of the businesses in which the organisation is engaged in, setting of risk appetites, and ensuring that systems are in place to effectively monitor and manage these risks with a view to the long-term viability and success of the organisation.

• Monitoring and assessing development which may affect the Organisation’s strategic plans.

• Reviewing the adequacy and the integrity of the organisation’s internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

• Avoiding conflicts of interest and ensuring disclosure of possible conflicts of interest.
• Upholding and observing banking and relevant laws, rules and regulations.

The Board also assumes the following six responsibilities as required under the Laws Of the Republic Of Uganda to facilitate the Board in discharging its fiduciary and leadership functions:

• Reviewing and adopting a strategic plan for the Organisation.

• Overseeing the conduct of the Organisation’s business to determine whether the Organisation is being properly managed.

• Identifying principal risks, setting of risk appetites, and ensuring the implementation of appropriate internal controls and mitigation measures.

• Succession planning, including ensuring all candidates appointed to senior management positions are of sufficient calibre and programmes are in place to provide for the orderly succession of senior management.

• Overseeing the development and implementation of donor communications policy for the Organisation.

• Reviewing the adequacy and the integrity of the Organisation’s management information and internal control systems.

Apart from the aforesaid principal responsibilities of the Board, the Board has also delegated specific responsibilities to several Board Committees. While the Board Committees have the authority to examine particular issues, they will report to the Board with their decisions and/or recommendations and the ultimate responsibility on all matters lies with the Board Of Directors.

2.3 Separation of position of Chairperson and Organisation CEO

To ensure balance of authority, increased accountability and a greater capacity for independent decision making, the roles of Chairperson and Organisation Chief Executive Officer (CEO) are distinct and separate with a clear division of responsibilities between the Chairperson and CEO, so that no individual or organisation dominates the decision-making process.
2.4 Roles of Chairperson

The Board is led by a Chairperson who is responsible for the leadership and management of the Board and ensuring the Board and its Committees function effectively. The Chairman assumes the formal role of a leader and chairs all Board meetings, leads discussions among Directors and provides leadership to the Board in its oversight of management.

The Chairperson facilitates the flow of information between Management and the Board, and in consultation with Management, sets the agenda for each Board meeting. Other key roles of a Chairman are to ensure, among others:

(i) The smooth functioning of the Board, the governance structure and inculcating positive culture in the Board;

(ii) Guidelines and procedures are in place to govern the Board’s operations and conduct;

(iii) All relevant issues are on agenda for Board Meeting and all Directors are able to participate in the Board activities;

(iv) The Board debates strategic and critical issues;

(v) The Board receives the necessary information on a timely basis from the management;

(vi) Avenues are provided for all Directors to participate openly in the discussion;

(vii) That he/she provides leadership to the Board and is responsible for the developmental needs of the Board; and

(viii) Leading the Board in oversight of management.
2.5 Role of Organisation Chief Executive Officer

The CEO assumes the overall responsibility for the implementation of the Organisation’s strategy and in carrying out the Board’s directions, managing the businesses of the Organisation and driving performance within strategic goals and commercial/noncommercial objectives. The Organisation CEO heads the Organisation Management Committee (the Executive), the highest management committee in the Organisation and leads the management team in carrying out the organisation’s strategy and vision of the Organisation. As Organisation CEO, he is accountable to the Board for the day-to-day management and operations of the Organisation’s business.

The key roles of Organisation CEO include, among others:

(i) Developing strategic direction;

(ii) Ensuring strategies and organisation policies are effectively implemented;

(iii) Ensuring Board decisions are implemented and Board directions are responded to;

(iv) Providing directions in the implementation of short and long term business plans;

(v) Providing strong leadership that is, effectively communicating a vision, management philosophy and business strategy to the employees;

(vi) Keeping the Board fully informed of all important aspects of the Organisation’s operations and ensuring sufficient information is distributed to Board members;

(vii) Ensuring the day-to-day business affairs of the Organisation are effectively managed;

(viii) Develop CEO Focus Areas annually including quantitative targets such as Returns, Total donor Return, Dividend Policy, Loan Growth, Deposits Growth etc;

(ix) Together with the Board sets objective, visions, targets and strategic direction of the Organisation; and
(x) Together with management sets corporate theme and corporate tagline for the Organisation.

2.6 Senior Independent Non-Executive Director

The Board has appointed a Senior Independent Director who serves as the point of contact between the Independent Directors and the Chairperson on sensitive issues and acts as a designated contact to whom donors’ concerns or queries may be raised, as an alternative to the formal channel of communication with donors.

The Board has also provided an avenue for donors’ queries to be emailed directly to the Senior Independent Director at efiSID@efiug.org or directed to 253 Absolom Kalule Road Maganjo B, 24660 Kampala Uganda.

2.7 Roles of Board Committees

The Board delegates specific responsibilities to the Board Committees comprising of:-

(i) Administration And Budget Committee (ABC)
(ii) Board Risk & Compensation Review Committee (BRCRC)
(iii) Executive Committee (EC)

The said Committees operate within clearly defined roles and responsibilities as set out in terms of reference of each of the Committees. The Board Committees report to the Board on their deliberations, findings and recommendations.

The Chairpersons of the ABC, BRCRC and EC report to the Board on matters dealt with at their respective Board Committee Meetings. Minutes of the ABC, BRCRC and EC are presented at the Board meetings for further discussion and direction. While these Committees have the authority to deliberate on matters delegated to them, all decisions and/or recommendations made by these Committees will be brought to the attention of the Board, who is collectively responsible for the Organisation’s success, business, strategy, risk management, operational and financial performance.
2.7.1 Administration And Budget Committee

The key responsibilities of Administration And Budget Committee are to ensure high corporate governance practices whilst providing oversight on the Organisation’s financial reporting, disclosure, regulatory compliance, risk management and monitoring of internal control processes within the Organisation. The Administration And Budget Committee meets regularly to amongst others, review the quarterly results, full year financial statements, audit reports which include observations pertaining to risk management and internal controls, as well as related party transactions.

The Committee also reviews the procedure for appointment of Directors, Board Committees and Key Senior Management of the Organisation and their remuneration package. It also oversees the nomination and remuneration package of Directors and Key Senior Management of regional subsidiaries and joint-venture entities within the Organisation and undertakes individual assessment of Directors eligible for new appointment and reappointment prior to submission to regulators for approval.

2.7.2 Board Risk & Compensation Review Committee

The primary responsibility of the Board Risk & Compensation Review Committee is to ensure that the integrated risk management functions within the Organisation are effectively discharged. The BRCRC assists the Board in, among others, formulating and reviewing the risk strategy of the organisation, approving and reviewing Organisation risk management policies, setting risk appetite, reviewing risk profile and ensuring a “risk-awareness” culture is embedded within the Organisation.

The BRCRC assists the Board in ensuring that there is a common oversight of the employees' remuneration and compensation paradigm. It also determines the provision and allocation of staff bonuses as well as salary increments and adjustments if required and applicable not forgetting that EFI Fosters voluntary work

2.7.3 Executive Committee

The EC Manages the Technical and Non-Technical aspects of the Board Policies. It is the implementing body of the Charity and is comprised of Assistant Directors, Managers and Coordinators. The Sub-committees of the Executive Constitute EFI’s Departments And Divisions
3. BOARD FUNCTIONS

3.1 Ethics and Compliance

3.1.1 Code of Ethics for the Board

The Board of Directors observes the following Code of Ethics:-

(i) The Code of Conduct for Directors, Officers and Employees in the Nongovernment Act Of the Republic of Uganda:

(ii) The Companies Act, 2012 (CA); and


The Code of Ethics provide guidance for proper standards of conduct and sound and prudent business practices as well as standard of ethical behaviour for Directors, based on principles of integrity, responsibility, sincerity and corporate social responsibility.

Duty of Care and Diligence

All Directors shall at all times exercise his/her powers for a proper purpose and in good faith in the best interest of the Company. He/she shall exercise reasonable care, skill and diligence with the knowledge, skill and experience which may reasonably be expected of a Director having the same responsibilities; and any additional knowledge, skill and experience which he/she in fact has.

Business Judgment

A Director who makes a business judgment is deemed to meet the requirements of the duty as aforesaid and the equivalent duties under the common law and in equity if he/she:

(i) Makes the business judgment in good faith for a proper purpose;
(ii) Does not have a material personal interest in the subject matter of the business judgment;
(iii) Is informed about the subject matter of the business judgment to the extent the Director reasonably believes to be appropriate under the circumstances; and
(iv) Reasonably believes that the business judgment is in the best interest of the Company.

Reliance on Information Provided by Others

A Director in exercising his/her duties may merely rely on information, professional or expert advice, opinions, reports or statements including financial statements and other financial data, prepared, presented or made by:

(i) Any officer of the Organisation whom the Director believes on reasonable grounds to be reliable and competent in relation to the matters concerned;
(ii) Any other person retained by the Organisation as to matters involving skills or expertise in relation to matters that the Director believes on reasonable grounds to be within the person’s professional or expert competence;
(iii) Another Director in relation to matters within the Director’s authority; or
(iv) Any committee to the Board of Directors of which the Director did not serve in relation to matters within the committee’s authority.

A Director’s reliance on information provided by others is deemed to be made on reasonable grounds if it was made in good faith; and after making an independent assessment of the information or advice, opinions, reports or statements, including financial statements and other financial data, having regard to the director’s knowledge of the Organisation and the complexity of the structure and operation of the Organisation.

3.1.2 Code of Ethics for employees

The Organisation has in place a standard minimum code of conduct for all its employees which encompass all aspects of its day-to-day business operations. New recruits are briefed on the code of ethics upon joining and are required to acknowledge in writing their acceptance and understanding of the code. Further reinforcement on the code is also done during the Organisation Orientation Programme. Directors and employees are expected to observe high standards of integrity and fair dealing in relation to customers, staff and regulators in the communities within which the Organisation operates.
3.2 Risk Management

The Organisation employs the Enterprise Wide Risk Management (EWRM) framework to manage its risks and opportunities effectively. The EWRM framework requires the Organisation to identify, evaluate, monitor, mitigate and report all material risks associated to its business and operations. The framework provides the Board and Management with a tool to anticipate and manage both the existing and potential risks, taking into consideration the changing risk profiles as dictated by changes in business strategies, operating and regulatory environments, and functional activities from time to time.

In ensuring the effective implementation of the EWRM framework, BRCRC is supported by the Administration And Budget Committee (ABC) and several risk committees.

3.3 Risk Appetite Statement (RAS)

Risk Appetite setting is performed once every five years and reviewed annually, to articulate the amount and type of risks the Organisation and Bank are willing to accept in line with the Organisation’s strategic goals.

The BRCRC sets the top-down risk appetite of the Organisation and thereafter submits to the Board for approval.

The ABC reviews the risk capacity assessment process, propose the risk appetite to the BRCRC, sets risk tolerance and risk limits on exposures and risk types, and reports compliance with RAS to the BRCRC.

Organisation Risk Management monitors overall compliance with the RAS, risk tolerance and risk limits, updates analysis with changes in external environment to the ABC and performs risk measurement of various material quantifiable risks.

3.4 Policy and Procedures

Clearly documented internal policies and procedures (P&Ps) of all business and charity units are approved by the Board for application across the Organisation. The P&Ps serve as day-to-day operational guides to ensure compliance with internal controls and applicable laws and regulations.
The P&Ps are reviewed and updated at least once in every 2 years or as and when necessary, to ensure continuous improvements in operational efficiency taking into consideration the changing industry profile on regulatory requirements, risks and internal control measures for mitigation, and new products and services. The P&Ps are made available to all employees via the Organisation’s intranet.

3.5 Environment, Health & Safety

The Organisation is committed to providing a workplace that protects employees’ safety and promotes their health and well-being.

The Occupational Safety and Health Sub-Committee (OSHA), a unit under Organisation Resources Managed by the Department Of Human Resource, is responsible for promoting a safe and healthy work culture within the Organisation. The OSHA assists in development of safety and health rules and safe systems of work, review effectiveness of safety and health programs and policy, study trends of incidents and illnesses and report to the Management any unsafe or unhealthy conditions or practices of work together with recommendations for corrective and preventive actions.

The OSHA undertakes inspection of workplace at least once every three (3) months and conducts investigations on major accidents and illnesses happening at the workplace.

Social Responsibility, Performance and Value Creation are among the Organisation’s Values that underpin its commitment to protecting the safety and health of the workforce and the communities where the Organisation operates.

3.6 Stakeholder/donor Communication

The Organisation has in place a regional Donor Relations (DR) system in ensuring the Organisation’s DR message is clearly coordinated and communicated. The DR activities are led by the Organisation Chief Executive and his/her deputies, supported by the Head of DR. They are in turn supported by other senior members of management including the Organisation CFO, and various other heads of operating divisions.
The DR activities focus on one-on-one meetings with pertinent shareholders/donors and larger organisation meetings. Regular analyst briefings and conference calls are conducted during the announcement of quarterly financial results.

3.7 Other Registrations Of Eliezah Foundation

The Organisation must established registration at the Uganda Registration Services Bureau, as a non-profit organisation limited by guarantee, where we will make legal community initiatives and philanthropic activities without operational limits.

The objectives of such registration are to:-

(i) Support the development and empowerment of broader communities;
(ii) Identify and implement quality projects within the key areas of focus, giving priority to those that are sustainable;
(iii) Build local capacity and have measurable and realistic outcomes, and build meaningful relationships and strategic partnerships with communities and key stakeholders/donors in achieving the Foundation’s vision; and
(iv) Realise organisation’s commitment to be a responsible charity entity, with active participation of its employees.

The focus areas which the Foundation supports are in Community Development, gender issues and Education.

The Organisation Sustainability Report is available at the Organisation’s Resource center website at www.efiug.org/crc

4. ENSURING EFFICIENCY

4.1 Selection of Candidates

The ABC is responsible for identifying and nominating suitable candidates for appointments to the Board for approval, either to fill vacancies or as addition to meet the changing needs of the Organisation. Before recommending an appointment to the Board, the ABC undertakes a thorough and comprehensive evaluation
of the candidate based on a set of criteria adopted by the Board. The ABC also takes into account the Organisation’s businesses and matches the capabilities and contribution expected for a particular appointment.

The Chairperson of the ABC conducts an interaction session with the proposed candidates and assesses the candidates based on the following aspects:

(i) Specific knowledge, skill and working experience of the candidate
(ii) Training attended by the candidate
(iii) Time commitment by the candidate
(iv) Independence and conflicts of interest
(v) External directorships of the candidate

The Fit and Proper Policy also outlines the following criteria for assessment of the suitability of the candidate for appointment:

(i) Probity, personal integrity and reputation, where the candidate must have personal qualities such as honesty, integrity, diligence, independence of mind and fairness.
(ii) Competence and capability, where the candidate must have the skills, working experience, capability and commitment necessary to carry out the role.
(iii) Financial integrity, where the candidate must manage his debts or financial affairs prudently.

The process for identifying and nominating new candidates for appointment as a Director entails the following steps:

Nomination Framework
4.2 Appointment to Board

The appointment process is conducted in accordance with the Revised Organisation’s Policies and Procedures on (Fit and Proper for Key Responsible Persons) (Fit and Proper Policy). The Fit and Proper Policy sets out a formal process for appointment of Directors, other committee chairpersons and Chief Executive Officer. Proper assessments are conducted on candidates and the ABC confirms that the candidates are fit and proper for their respective roles.

4.3 Restriction on Directorships

The directorships are capped to 5 in listed companies. The Organisation CEO shall not hold more than five (5) directorships within the Organisation.

Each Director confirms their time commitment to the Board at the time of appointment. In addition, they shall notify the Chairperson before accepting any new directorship which includes an indication of time that will be spent on the new appointment.

4.4 Terms of Appointment

Each triennial, 1/3 of the Directors retire from office at the Annual General Meeting, and being eligible, may offer themselves for re-election at the Annual General Meeting. In addition, all Directors shall retire from office once at least, every 3 years, but shall be eligible for re-election at the Annual General Meeting.

Directors appointed during a financial year hold office until the next Annual General Meeting and if eligible, may offer themselves for re-election at the Annual General Meeting.

A Director who is up to retirement by rotation but does not offer himself for reelection shall retire at the conclusion of the Annual General Meeting but can be re-appointed by a board’s decision.
4.5 Tenure of Independent Directors
The tenure of service of Independent Directors is capped at the maximum limit of nine (9) years or upon reaching the age of 70 years, whichever is earlier. An Independent Director who has served the company for nine (9) years may continue to serve the Organisation in the capacity of Independent Director.

The ABC undertakes assessment of the independence of the Independent Directors, upon admission, annually and as and when new interest or relationship develops.

4.6 Succession Planning
The ABC oversees the succession planning of Key Senior Management across the Organisation and together with the other committees, the ABC is committed to building senior leadership bench strength.

The EFI LEAD Leadership Programme (ELP) had been launched, with the primary objectives of building leadership competencies, embedding leadership culture across the Organisation and supporting the Organisation’s corporate vision. It is also a platform for identifying future leaders of the Organisation within our served communities.

The ABC adopts a comprehensive 360-degree leadership assessment for the Organisation CEO, chairpersons and other Directors in the Organisation. This provides the Board with an indication of how the leaders have demonstrated EFI’s leadership competencies, their strengths and areas for improvements. This assessment also provides a platform for the leaders to receive constructive feedback.

4.7 Board Diversity
The Board shall at all times promotes and welcomes diversity and gender mix in its composition and gives due recognition to the financial, technical and business experience of the Directors.

The Board believes the presence of diverse nationalities and gender mix on the Board can widen the Board’s perspectives in effectively discharging its duties and responsibilities as well as aid the Board in its decision-making process.
4.8 Directors’ Remuneration

The Organisation has in place a remuneration framework for Directors and Key Senior Management of the Organisation. The framework is sufficient to attract, retain and remunerate Directors for their contribution to the Organisation. This framework includes fees, monthly and meeting allowances for Non-Executive Directors which are based on industry standards and set by reference to the responsibilities taken on by them. In order that it remains competitive and consistent with the culture, objective and strategy of the Organisation, the compensation framework of Non-Executive Directors are reviewed periodically to ensure that they remain competitive.

The compensation packages of the CEO and Key Senior Management are based on Key Performance Indicators (KPIs) that are linked to the Organisation’s and the individual’s performances.

The review of the remuneration framework of the Non-Executive Directors of the Organisation is conducted every 3 years.

4.9 Board Effectiveness Assessment

4.9.1 The ABC reviews annually the effectiveness of the Board and Board Committees as well as the performance of individual Directors.

4.9.1 The Organisation has introduced the Board Effectiveness Assessment (BEA) questionnaire for evaluation of the performance of the Board, Board Committees and individual Directors.

4.9.3 The evaluation takes place early in the year and involves Directors completing the BEA questionnaire, covering the Board and Board Committees processes and, the effectiveness and contribution of each of the Directors to the Board and Board Committees.

4.9.4 The Directors’ responses are collated and a comprehensive summary of the findings and recommendations will be submitted to the ABC for deliberation, after which, the findings and recommendations are escalated to the Board Committees and Board for further review and proposed actions.
4.9.5 The deliberations of the ABC on the findings of the BEA are duly minuted at the meetings of the ABC, Board Committees and Board respectively.

The BEA exercise entails the Directors’ feedback on areas which affect the performance of the Board which, amongst others, include the following:

(i) Board structure, objectives and conduct.
(ii) Interaction and communication with Management and Stakeholders.
(iii) Corporate Governance.
(iv) Accountability and Audit

4.10 Directors Training & Development

4.10.1 Information Pack

Directors receive an information pack giving details of the disclosure the Directors are required to make in order to comply with the various laws and regulations and other relevant corporate and charity information pertaining to the Organisation.

4.10.2 Induction Programme

Newly appointed Directors attend an induction programme which is tailored to meet their individual needs. This includes meeting with Key Senior Management to enable them to build up a detailed understanding of the Organisation’s business and strategy, and the key risks and issues with which they are faced. The induction programme is supplemented by ongoing training and development programmes.

During the induction programme, the newly appointed Directors will be briefed by the relevant Heads of Divisions on the functions and areas of responsibility of their respective divisions. This serves to familiarise the Directors with the operations and organisational structure of the Organisation as well as to provide them with a platform in establishing effective channel of communication and interaction with Management.
4.10.3 Evaluation of Training Needs

The Board evaluates the training needs on a continuous basis and determines areas that would further their understanding of the issues facing the Organisation. The organisation Secretary (Executive Secretary) facilitates in organising internal and external programmes, training sessions, briefings, workshops and seminars for Directors. Directors may request that training programmes on specific subjects be arranged in order to facilitate them in discharging their duties effectively.

5. PROCESSES OF BOARD

5.1 Board Meetings

5.1.1 Proceeding

The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. A Director may at any time and the Secretary shall on his requisition summon a meeting of the Directors.

5.1.2 Notice of Meeting

Unless otherwise determined by the Directors from time to time, seven (7) days’ notice of all Directors’ meeting shall be given to all Directors. Any Director may waive notice of any meeting either prospectively or retrospectively.

5.1.3 Quorum for Board Meeting

Under the Articles of Association, the quorum shall comprise a majority of the number of Directors, of which one (1) must be an Independent Director.
5.1.4 Frequency of Meeting

The Board shall meet regularly to discuss business strategy, financial performance, potential strategic acquisitions or alliances, matters pertaining to compliance and governance as well as reports on matters deliberated by the respective Board Committees. On a quarterly basis, amongst others, the Board reviews financial performance of the major subsidiaries, risk management and compliance reports and approves the quarterly results of the Organisation at its meeting.

5.1.5 Attendance at Board Meeting

Individual Directors shall attend at least 75% of the Board Meetings held in each calendar year. The office of a Director shall become vacant if a Director is absent from more than 50% of the total Board Meetings held in a year.

Management is invited to attend Board and Committee Meetings to provide inputs as and when necessary.

5.1.6 Conflict of Interest

The Companies Act 2012, Bursa Listing Requirements and BAFIA subject the Directors to disclosure requirements.

Directors shall comply with the Companies Act 2012 in connection with disclosure and declaration of interests in the Organisation and interest in any contract or proposed contract with the organisation which include the nature, character and extent of any office or possession of any property, whether directly or indirectly duties or interests that might be created in conflict with his/her duty or interest as a Director of the organisation. General notice given by a Director is tabled at the Board Meetings and the declarations made are recorded in the minutes of the Board Meeting, in line with the Companies Act, 2012.

Internal Policies and Procedures are in place to address potential conflict of interest situations with guidance. Internal Policies and Procedures are in place to address potential conflict of interest situations with guidance such as Guidelines on general Transactions and Exposure with Connected Parties, Related Party Transaction Policies and Procedures and Conflict Management.
5.1.6 Voting

Any question arising at a Board Meeting is decided by a majority of votes and the Chairperson has a second and casting vote. The chairperson will have authority to cast extra vote after second vote if there’s a tie. A Director is required to abstain from deliberations and voting in respect of any contract or proposed contract or arrangement in which he/she has direct or indirect interest.

The Chairperson and the Board may, if deemed necessary and appropriate request an interested Director to excuse himself/herself in the deliberation.

5.1.8 Right of Directors to access information and advice

Management provides the Board and Committees with information in a form, within acceptable timeframe and quality that enable them to discharge their duties and responsibilities effectively.

Directors are entitled to request and receive additional information they consider necessary in order to make informed decisions, including the following:

(i) Obtaining full and unrestricted access to any information pertaining to the Organisation;
(ii) Obtaining full and unrestricted access to the advice and services of the Secretary General, and or the executive secretary; and
(iii) Obtaining professional independent advice, at the Organisation’s expense.

In this respect, the Organisation had established a formal procedure for Directors to consult advisers and independent advice in legal, financial, governance or other expert advice in the course of their duties.

5.2 Committee Meetings

The Board Committees meet quarterly at the minimum and as and when the need arises, to deliberate on matters under their purview.
5.3 Financial Reporting

The Board of Directors is responsible to ensure that the financial statements are prepared for each financial year and that it gives a true and fair view of the state of affairs of the Organisation. The administration and Budget Committee ensures that the financial statements comply with applicable financial reporting standard.

The financial statements are prepared on a going concern basis. In preparing the financial statements, appropriate accounting policies are applied consistently and supported by reasonable and prudent judgments and estimates.

5.4 Non-Financial Reporting

The financial performance is not the sole indicator of the overall performance of the Organisation. Nonfinancial performance indicators are equally important in ensuring sustainability. The Organisation enhances the reporting of non-financial information from time to time. By referring to the Global Reporting Initiative as a guide, the Organisation puts in place the necessary steps to measure, disclose and be accountable to donors for the economic, environmental and social impact of its activities. The Organisation assesses regularly the impact of its business operations and activities on the communities it operates in and has included capacity Building responsibility as part of the Organisation’s charity and business planning process.

5.5 Decision-making

All strategic decisions and investments decisions are made at Board Meetings after due processes, discussions and deliberations. Where appropriate, decisions are also taken by way of circular resolutions in between scheduled meetings. Such resolutions are signed by the Directors and valid as if it has been passed at a Board Meeting duly called and constituted.

5.6 Monitoring

The Organisation Compliance framework lays down mechanisms and tools to ensure consistency and efficiency in managing compliance risk in all entities within the Organisation. Reviews are conducted by Organisation Compliance to assess the degree of compliance with regulatory requirements by entities/departments/units within the Organisation. The respective entity Boards, as well as the Organisation Board, are provided with compliance reports on a regular basis to facilitate the Boards having a holistic and overall view of all compliance matters across the Organisation.