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Kumb. Na. CBD. 40/229/01/05

03 Agosti 2022

Watendaji Wakuu,
Taasisi, Mashirika ya Umma Wakala za Serikali,
TANZANIA BARA.

**YAH: KUWASILISHA MWONGOZO WA KUANDAA MWONGOZO WA UENDESHAJI WA
MAJUKUMU YA BODI ZA WAKURUGENZI KATIKA TAASISI, MASHIRIKA YA
UMMA NA WAKALA ZA SERIKALI ULIOHUISHWA**

Tafadhali rejea somo tajwa hapo juu na barua kutoka Ofisi hii yenye Kumb. Na. CKA.18/35/01/14 ya tarehe 11 Septemba 2015.

2. Kupitia barua tajwa hapo juu, Ofisi hii iliwasilisha kwenu Mwongozo wa kuandaa Mwongozo wa Uendeshaji wa Majukumu ya Bodi za Wakurugenzi katika Taasisi, Mashirika ya Umma na Wakala za Serikali (*Board Charter Guidelines for Public and Statutory Corporations*) Mwongozo huo ulitolewa kwa lengo la kuwezesha kila Taasisi, Shirika la Umma na Wakala ya Serikali kuandaa Mwongozo mahsusi wa Uendeshaji wa Shughuli za Bodi ya Wakurugenzi za Taasisi husika (*Board Charter*). Aidha, kila Taasisi ilipaswa kuwasilisha rasimu ya Mwongozo wa Uendeshaji wa Shughuli za Bodi ya Taasisi husika katika Ofisi hii kwa uchambuzi na idhini ya kutumika rasmi.
3. Hata hivyo, tangu kuanza kutumika kwa Mwongozo huo, kumekuwepo na mabadiliko mbalimbali katika Sera na Miongozo ya uendeshaji wa Taasisi, Mashirika ya Umma na Wakala za Serikali na hivyo Mwongozo huo umefanyiwa mapitio ili kuendana na mabadiliko.

Vilevile, mapitio yamelenga katika kuimarisha misingi ya utawala bora na kuongeza uwajibikaji katika uendeshaji wa Bodi za Wakurugenzi za Taasisi, Mashirika ya Umma na Wakala za Serikali na hivyo kusababisha kuongeza tija katika utendaji kazi wa Taasisi zinazosimamiwa na Bodi hizo.

4. Hivyo, kwa barua hii, nawasilisha kwenu Mwongozo wa Kuandaa Mwongozo wa Uendeshaji wa Majukumu ya Bodi ya Wakurugenzi uliohuishwa. Aidha, uandaaji/mapitio ya Mwongozo wa Uendeshaji wa Shughuli za Bodi (*Board Charter*) katika Taasisi unayoismamia kuanzia tarehe ya barua hii, uzingatie Mwongozo uliohuishwa. Mwongozo husika umeambatishwa pamoja na barua hii kwa urahisi wa rejea.

5. Nawatakia utekelezaji mwema.



Mgonya A. Benedicto

MSAJILI WA HAZINA

Nakala: Katibu Mkuu Kiongozi,
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DODOMA.



Jiandae kuhesabiwa Siku ya Jumanne tarehe 23 Agosti, 2022

THE UNITED REPUBLIC OF TANZANIA



OFFICE OF THE TREASURY REGISTRAR

**BOARD CHARTER GUIDELINES FOR PUBLIC AND
STATUTORY CORPORATIONS**

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LIST OF ABBREVIATIONS

- OTR** - Office of the Treasury Registrar
- PSCs** - Public and Statutory Corporations

FOREWORD

In order to enhance effective Governance in PSCs, the Office of the Treasury Registrar has decided to issue these Board Charter Guidelines, which will be used by all PSCs in preparing their Board Charters as guiding instruments for key roles and responsibilities of Boards of Directors. These guidelines specify a number of issues considered important in the governance process including roles and responsibilities of the Board of Directors both individually and collectively. These guidelines illustrate working relationship between the Board of Directors, Management and Stakeholders as key elements for effective governance in PSCs.

Board Charters shall be prepared using these guidelines as a benchmark to enhance good governance in PSCs and promote standards of self-regulation in line with existing Government Circulars, Laws and Regulations. The guidelines have set out direction for Boards of Directors and Board Committees in discharging their roles and responsibilities in the most effective manner.



.....
Mgonya A. Benedicto
Treasury Registrar

CHAPTER ONE

AN OVERVIEW OF THE OFFICE OF THE TREASURY REGISTRAR

1.1 Introduction

This Chapter outlines the Historical Background, Vision, Mission, Core Values and Main Functions of the Office of the Treasury Registrar.

The Office of the Treasury Registrar (OTR) is established as a Body Corporate under Section 3 of the Treasury Registrar (Powers and Functions) Act Cap.370. The main purpose of establishing the Office is to hold all investments and other properties including investment comprised of paid-up capital of Public and Statutory Corporations (PSCs) as well as in private investments where the Government owns shares or interests in trust for the President and for the purposes of the Government of the United Republic of Tanzania.

1.2 Vision, Mission and Core Values

1.2.1 Vision

To be the leading Supervisory Body in East Africa in overseeing Government investments and Interests in Public and Privatized Entities.

1.2.2 Mission

To ensure effective and sustainable contribution of Public and Privatized Entities to national development by focusing on operational excellence and commercial viability.

1.2.3 Core Values

In pursuit of its Vision and Mission, the Office of the Treasury Registrar is committed to the following Core Values: -

- (i) **Integrity:** We are committed to be honest and impartial in all aspects of our services when dealing with our Sstakeholders.
- (ii) **Transparency:** We uphold the standards of ethics, honesty and openness in our actions.
- (iii) **Excellency:** We seek to perform our duties with high levels of creativity and innovativeness to meet our customers' expectations.
- (iv) **Accountability:** We are dedicated to shape and sustain an organization that values and promotes the sense of responsibility.
- (v) **Professionalism:** We are committed to deliver our services with credibility using the knowledge and skills at our disposal.
- (vi) **Team work:** We are committed to work jointly and collaboratively engage our stakeholders to achieve desirable goals.

1.3 Main Functions of the OTR

Pursuant to Section 10 of The Treasury Registrar (Powers and Functions) Act CAP.370, the OTR is charged with the following functions: -

- (i) To keep or cause to be kept under permanent review the business and affairs of all persons and bodies of persons in respect of which the Treasury Registrar holds any property or any interest in the property pursuant to the Treasury Registrar's Act;
- (ii) Without prejudice to the generality of above-mentioned function in item (i), and in furtherance of that provision as stipulated in Section 10 Cap 370, the Treasury Registrar shall, in particular;
 - a. Render advice to the Government relating to the establishment of Public or Statutory Corporations and vesting of any business or property in those organizations;

- b. Review the financial performance of PSCs with a view to recommending measures aimed at amalgamation, reorganization, disestablishment, or improvement of their performance;
- c. Set financial targets and other performance criteria to be pursued by any PSC;
- d. Evaluate from time to time the performance and effectiveness of the Board or Management of PSCs and recommend to the Government for remedial or improvement measures designed to ensure proper and more efficient utilization of resources of those Corporations;
- e. Approve equity investment of Public Corporations in other Public Corporations or Companies;
- f. Invest or dispose of investments in PSCs;
- g. Ensure that every PSC enters into Performance Contract with the Treasury Registrar immediately after the appointment of its Governing Body;
- h. Monitor and Evaluate training programs in PSCs;
- i. Direct or approve the adoption, application, or amendment of financial regulations so as to ensure the proper accounting of the income and expenditure of PSCs;
- j. Examine and approve Organization and Salary Structures, Schemes of Services, and Incentive Packages of PSCs;
- k. Monitor capital grants, subsidies, capital funds, reserves, or retained earnings earned by PSCs and any other public investments;
- m. Consider, recommend, or approve Corporate and Annual Plans of PSCs; Monitor and evaluate performance of PSCs; and
- n. Make follow-up and ensure dividends, remittances and loans from PSCs are paid when are due.

Other functions of the Office of the Treasury Registrar are stipulated and provided for under the Public Corporations Act, Cap. 257, Budget Act No. 11 of 2015, National Bank of Commerce (Reorganization and Vesting of Assets and Liabilities) Act, Cap. 404 and Public Finance Act, Cap. 348.

CHAPTER TWO

BOARD CHARTER GUIDELINES

2.1 Introduction

This Chapter outlines the rationale for Board Charter Guidelines as well as Components of the Board Charter as essential governance tool in PSCs.

2.2 Rationale for Board Charter Guidelines

As part of its core mandates as stipulated under Section 10 (2) (e) and Section 10 (5) of the Treasury Registrar (Powers and Functions) Act Cap.370, the Office of the Treasury Registrar is empowered to evaluate from time to time the performance and effectiveness of Boards of Directors of Public and Statutory Corporations (PSCs) and recommend remedial measures to the Government. In implementing such role, the Office of the Treasury Registrar, among other things, is required to ensure that, PSCs have all the necessary instruments to effectively discharge their key roles and responsibilities. Among such instruments is the Board Charter which guides PSCs on various issues related to the conduct of Boards of Directors as oversight bodies.

The Office of the Treasury Registrar initially issued Board Charter Guidelines to all PSCs in 2015. Since then, there has been a number of reforms undertaken by the Government to improve governance in PSCs which necessitated review of such guidelines. Such reforms involve changes in various legislations and issuance of various Circulars and Guidelines as follows: -

- (a) Amendment of the Public Service Act, CAP 298 of 2016 with regards to remunerations in the Public Service;
- (b) Various Government Circulars and Guidelines that have been issued from time to time regarding the conduct of Board of Directors' functions. These include: -
 - (i) The Treasury Registrar's Circular No. 12 of 2015 regarding various issues related to the management and control of Board affairs;
 - (ii) The Treasury Registrar's Circular No. 1 of 2016 regarding allowances for Board Members as they travel on official duties inside or outside the country;

- (iii) The Treasury Registrar's Circular No. 1 of 2020 regarding Annual Directors' Fees for Board Members; and
- (iv) The Chief Secretary's Circular No. 1 of 2021 regarding to appointment, monitoring, supervision and evaluation of Board Members in PSCs.

These Board Charter Guidelines are therefore intended to provide a framework to be used by PSCs in preparing their Board Charters as governance tools. Through Board Charters, different players in PSCs will have a common understanding of their roles, responsibilities and expected contributions towards attainment of Organizational goals.

2.3 Scope and Applicability of Board Charter Guidelines

These Board Charter Guidelines will be applicable to all PSCs as defined in the Public Corporations Act CAP 257. A Public Corporation as per the Public Corporations Act CAP 257 is defined as any Corporation established under that Act or any other law and in which the Government or its agent owns 51% or more of the shares.

2.4 Components of the Board Charter

2.4.1 Introduction

The introduction part of the Board Charter shall cover a brief historical background, Vision, Mission, Core Values and Main Functions of the respective Public/Statutory Corporation as stipulated in the Establishment Act/Instrument.

2.4.2 Establishment of the Board

The Board Charter shall specify the relevant Section under the Establishment Act/Instrument which provides for establishment of the Board of Directors as the oversight body of the particular Public/Statutory Corporation.

2.4.3 Powers and Functions of the Board

The Board Charter shall outline the Powers and Functions of the Board as stipulated in the Establishment Act/Instrument of the respective Public/Statutory Corporation. Some of the key roles and responsibilities of the Board of Directors have been stipulated under Section 3.1.2 (Chapter 3).

2.4.4 Board Appointments, Size, Composition and Diversity

2.4.4.1 Board Appointments and Diversity

Appointments of Board Members shall consider key issues stipulated in the Establishment Act/Instrument, the Chief Secretary's Circular No.1 of 2021 with regards to appointments, monitoring, supervision and assessment of Board Members in PSCs and other Government Circulars issued from time to time. The Board Charter shall as well specify the manner in which new Board appointments may take place in the event of the following: -

- (i) If the existing Board comes to an end; and
- (ii) If a Board Member is terminated, resigned or dead.

In addition, the Board Charter shall specify key issues related to Board appointments including the relevant appointing authorities for the Board Chairperson, Vice Chairperson, Secretary and other Members of the Board and various key considerations during appointment including gender equality balance of competencies, skills and experience in respect of the PSCs key roles and responsibilities. The Board Charter should also specify the modality for appointment of Board Members.

2.4.4.2 Board Size and Composition

The Board Charter should specify the size and composition of the Board according to the Establishment Act/Instrument. In this case, the Board Charter shall specify qualification and the number of Members required to constitute the Board and their respective representation from different sectors. If the Establishment Act/Instrument is silent about that, the number of members should not be less than eight (8) and not more than ten (10).

2.4.5 Roles of the Board Chairperson

The Board Charter shall specify the roles of the Board Chairperson as stipulated in the PSC's Establishment Act/Instrument. The roles of the Board Chairperson shall include: -

- (i) To provide overall leadership for the Board;
- (ii) To ensure the Board works as a team in discharging its roles and responsibilities in the most effective manner;
- (iii) To ensure good governance practices and procedures are in place and existence of constructive relationships between the Board of Directors and Management; and
- (iv) To lead the Board Evaluation process and institute a culture of transparency and team work among Board Members.

2.4.6 Roles of the Board Secretary

The Board Charter shall specify the roles of the Board Secretary as stipulated in the PSC's Establishment Act/Instrument. Key roles of the Board Secretary shall include: -

- (i) To provide guidance to the Board on its duties, responsibilities and other governance issues;
- (ii) To ensure all Board Committees are properly constituted and provided with clear terms of reference;
- (iii) To ensure Board Members are timely notified about Board Meetings and Board Papers are timely circulated;
- (iv) To ensure that each Board Member is made aware of and provided with guidance as to their duties, responsibilities and powers;
- (v) To ensure that the applicable rules and regulations for the conduct of the affairs of the Board are complied with;
- (vi) To coordinate induction programs for new Board Members and in collaboration with the Board, develop mechanisms for providing continuous education and training for Board members in order to improve Institutional governance; and
- (vii) To guide the Board of Directors on the Board Evaluation process.

2.4.7 Roles of the Chief Executive Officer

The Board Charter shall outline the appointing authority of the Chief Executive Officer and his/her specific roles and responsibilities according to requirements of the Establishment Act/Instrument. If the Establishment Act/Instrument requires the Chief Executive Officer to be the Secretary to the Board, such duty should also be reflected as part of his/her key roles and responsibilities.

2.4.8 Board Committees

The Board Charter shall specify the following with regards to Board Committees: -

- (i) Number of Board Committees required and their respective composition. In order to avoid conflict of interest, the Board Chairperson should not be a Committee Member but rather maintain his/her independence as the overseer of the Board's functions;
- (ii) The purpose of establishment of each Board Committee;
- (iii) The tenure in Office for Members of Board Committees;
- (iv) Key qualifications and the manner in which Board Committee Members shall be appointed. Each Board Committee shall be composed of Members with relevant skills and experience in relation to the key duties and responsibilities of such Committee;
- (v) Duties and responsibilities of each Board Committee including Terms of Reference which shall set out its mandate, delegated authorities, operations and reporting mechanisms to the Board; and
- (vi) The manner in which Board Committee meetings will be handled.

As part of the composition of Board Committees, the Board Charter shall also specify whether Members outside the Board can be co-opted in order to provide technical expertise for more effective discharge of the Board's functions.

2.4.9 Board Meetings

The Board Charter shall specify the following with regards to Board Meetings: -

- (i) The minimum number of Members required to constitute a quorum and consequences of absence of quorum;
- (ii) How disagreements among Members of the Board will be resolved;
- (iii) Whether Members outside the Board may take part in any deliberations and how their participation may be considered in decision making;
- (iv) The manner in which minutes and any other Board resolutions shall be recorded;
- (v) Declaration of interest in case a Board Member has personal interest on any matter to be discussed and deliberated by the Board;
- (vi) The manner in which external professional advice may be sought by the Board or its Committees for more effective discharge of the Board's functions;
- (vii) The timeline and manner in which Board papers will be availed to Board Members;
- (viii) Attendance in Board Meetings and consequences for non-attendance; and
- (ix) The modality by which Board meetings will be conducted and notification procedures.

The Board Charter shall also specify the following key issues as stipulated and emphasized in various Circulars and Guidelines issued by the Government through the Office of the Treasury Registrar.

- (i) Ordinary Board meetings shall be held quarterly (4 meetings per year) plus two (2) extraordinary meetings when deemed necessary;
- (ii) If there is an urgent need to conduct more than six (6) Board meetings per year, permission must be granted by the Treasury Registrar;
- (iii) Circular Resolution shall be used as one of the means for making Board decisions; and
- (iv) Board and Board Committee meetings shall be held at the Head Office. However, if circumstances require such meetings to be held out of the Head Office, approval must be granted by the Treasury Registrar.

2.4.10 Remuneration of Board Members

The Board Charter should specify that, remunerations/entitlements for all Board Members shall be paid in accordance with Government Circulars and Guidelines reviewed from time to time.

2.4.11 Relationship between the Board and Management

The Board Charter shall clearly specify the working relationship between the Board and Management. The matter of emphasis on this area shall be; the Board of Directors is ultimately responsible for the stewardship of the Institution's business affairs. It does not actively manage but rather oversees the day-to-day management functions. The Management is responsible for executing day to day functions in order to ensure Institutional objectives are effectively achieved.

2.4.12 Board Induction and Continuous Skills Development

The Board Charter shall specify the manner in which training for Members of the Board of Directors may be administered. Key issues for consideration under this item shall be: -

- (i) Mandatory orientation/induction programs for newly appointed Board Members; and
- (ii) Continuous professional development of Board Members to keep members abreast of latest developments in the sector and professional development in their respective professional bodies, best practices in corporate governance and critical issues relating to operations of PSCs Boards.

As part of orientation/induction programs for newly appointed Board Members, the Board Charter shall specify key areas of focus in such training including the following: -

- (i) The Organization's Background, Vision, Mission, Core Values and Main Functions;
- (ii) Operational instruments/guidelines governing Institutional conduct;
- (iii) Corporate governance principles and practices;

- (iv) Financial management;
- (v) Policy instruments including Risk Management Policy and other policies;
- (vi) Internal controls;
- (vii) Codes of Ethics and Conduct; etc.

2.4.13 Board Performance Evaluation

The Board Charter shall specify the manner in which assessment and evaluation of the Board's performance shall be conducted. The evaluation shall involve the Board as a whole, its Committees, Individual Members, the Chairperson and the Board Secretary as stipulated in the Board Performance Evaluation Guideline.

2.4.14 Conflict of Interest

In order to avoid conflict of interest and in observance of good governance practices, Permanent Secretaries should not be Board Members in Institutions under their Ministries. Regional Commissioners, District Commissioners, Members of Parliament, Councilors and other related political figures are also not recommended to be Board Members in PSCs. This should be clearly stated in the Board Charter under this Item.

2.4.15 Reporting/Communication Mechanism with key Stakeholders

The Board Charter shall define the engagement mechanism with various key Stakeholders regarding several issues related to Institutional performance and other related matters.

2.4.16 Cessation of Board Membership

The Board Charter shall specify the grounds under which Board membership can be terminated including voluntary resignation.

2.4.17 Handover

To ensure proper transition between the outgoing and the newly appointed Board of Directors, the Board Charter shall stipulate handover procedure and report guideline to provide successors with key information regarding the milestones and works in progress.

2.4.18 Approval of Board Charters

Board Charters shall be submitted to the Board of Directors for review and endorsement. Once endorsed by the Board, all Board Charters shall be submitted to the Office of the Treasury Registrar for further review and final approval.

2.4.19 Commencement and Review of Board Charters

All Board Charters shall come into effect after being approved by the Treasury Registrar and shall be reviewed as deemed necessary. In such event, the Treasury Registrar will issue revised guidelines for review of Board Charters in PSCs and resubmission to the Office of the Treasury Registrar for subsequent approval.

CHAPTER THREE GENERAL OBLIGATIONS

3.1 Introduction

This Chapter outlines the general obligations of Board Members as well as some of the key issues of consideration for effective conduct of Boards of Directors in PSCs. These include key qualifications of prospective Board Members, roles of Directors and their rights.

3.2 Qualifications of Prospective Board Members

Appointment of the Board of Directors shall be guided by the Establishment Act/Instrument of the respective Public/Statutory Corporation. However, for effective leadership and good governance in PSCs, appointing authorities normally ensure an adequate mix taking into consideration the following qualifications: -

- (i) Skills and competencies in core functions of the respective PSC;
- (ii) At least one Board Member shall be a finance expert with adequate knowledge and experience in financial management or accounting and shall be a bona fide Member of the professional body regulating the accountancy profession and in compliance with the requirements thereof;
- (iii) Expertise in human resource management and/or administration; and
- (iv) Expertise in law.

3.3 Roles of Directors

Boards of Directors have the primary responsibility of fostering PSCs long-term objectives consistent with Directors' fiduciary duties/responsibilities. Each Director shall accord sufficient time to his/her role and act consistently in accordance with his/her fiduciary duties. The Board Charter shall explicitly describe the roles of Board of Directors including but not limited to the following;

- (i) To set forth policies that will guide the PSC Management in the conduct of its day-to-day activities;
- (ii) To ensure the effectiveness and integrity of the PSC's governance process;
- (iii) To analyze and approve the PSC's short/long term plans;

- (iv) To identify key risk areas and key performance indicators for the PSC;
- (v) To ensure that the PSC abides to all statutory requirements as related to the respective establishing laws;
- (vi) To account for the PSC's performance to Shareholders;
- (vii) To approve the PSC's annual budget and to ensure that the usage of funds is effectively managed and controlled;
- (viii) To analyze and endorse the PSC's operational instruments including Organization Structure, Scheme of Service, Staff Regulations, Financial Regulations and Incentive Scheme and thereafter submit the same to the Office of the Treasury Registrar for analysis and further actions;
- (ix) To enter into performance contracts with Chief Executive Officers and ensure that the agreed performance targets are effectively and efficiently achieved;
- (x) To approve and monitor the progress of major capital expenditures, acquisitions and divestitures;
- (xi) To approve and foster a corporate culture which requires the PSC Management team and every employee to operate to a high level of ethical and professional behavior; and
- (xii) To ensure that the Corporation's goals are clearly established and the relevant strategies for achieving them are in place.

3.4 Rights of Directors

The Board Charter shall specify rights of Directors including but not limited to the following: -

- (i) Upon appointment, each Director shall be oriented on various key issues related to the PSCs conduct including the Establishment, Objectives, Vision, Mission, Core Values, Codes of Ethics and Conduct and associated policies and standards;
- (ii) Each Board Member is entitled to receive professional training and development in his/her area of expertise in order to enhance his/her professional skills;
- (iii) All Directors are encouraged to attend periodic training to ensure that they are kept up to date on relevant legal developments or changes in best practices for corporate governance;

- (iv) Each Director is entitled to receive all important instruments with regards to the PSC operations including the Corporate Strategic Plan which outlines the strategic direction of the PSC;
- (v) Each Director has the right to inspect books of accounts;
- (vi) Each Director has the right to receive remunerations/entitlements as stipulated in Government Circulars and Guidelines; and
- (vii) Each Director is entitled to request and receive advice from the Board Secretary who is responsible for advising the Board on all governance issues concerning the Board and its procedures.

CHAPTER FOUR

BOARD OF DIRECTORS' CODE OF ETHICS AND CONDUCT

4.1 Introduction

This Chapter outlines key ethical considerations that must be observed by Board Members in execution of their key roles and responsibilities.

4.2 Code of Ethics and Conduct

Ethics is an important aspect of corporate governance and management. It creates and sustains confidence of shareholders, stakeholders, investors and the public. The Code of Ethics and Conduct sets out expectations for individual behavior necessary to enable Board Members carry out their roles with integrity and in compliance with prevailing laws and regulations.

Each PSC shall ensure that, a formal Code of Ethics and Conduct is in place defining acceptable standards of conduct for Board Members. The Code of Ethics and Conduct shall be made available to all Board Members soon after their appointment. The Board of Directors' Code of Ethics and Conduct Guideline is attached (**Annexure I**).

BOARD OF DIRECTORS' CODE OF ETHICS AND CONDUCT GUIDELINE

(As adopted incurrent year)

I. PREAMBLE

The Board of Directors of **(insert name of the institution)** has adopted this Code of Ethics and Conduct for Directors. The **(insert name of the institution)** is proud of its reputation for integrity and honesty and is committed to these core values. Maintaining organization's reputation depends on maintaining the highest standards of conduct in all business endeavors. The **(insert name of the institution)** Directors have a responsibility to lead by example, acting with truth, sincerity and fairness in all decisions.

The principles set forth in this document describe how Directors shall conduct themselves. This Code does not address every expectation or condition regarding proper and ethical business conduct. Each Director is expected to comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for Directors. Directors are encouraged to bring questions about particular circumstances that may be relevant to one or more of the provisions of this Code to the attention of the Chairman of the Board of Directors, who may consult with inside or outside legal counsel as appropriate.

II. PURPOSE

(Here insert a description of purpose/reason/rationale of the Institutional establishment). The Board of Directors hereby establishes its Code of Ethics and Conduct to provide guidance to its members regarding ethical and behavioral considerations and/or actions as they address their duties and obligations during their appointment.

Compliance with the provisions of this Code may facilitate the board to enhance relationships and foster teamwork among Board members and also with staff; and to build respect, confidence, and credibility with the public.

III. CODE OF ETHICS

Members of the board (including ex officio members of the board) shall at all times abide by and conform to the following Code of Ethics in their capacity as board members:

- a. Board members shall act with integrity and in an ethical and professional manner in their interactions with each other and the public.
- b. Board members shall maintain high ethical and moral character, both professionally and personally, so that their behavior may reflect positively upon the Board of an organization and the Public.
- c. Board members shall act with competence and shall strive to maintain and enhance their competence and that of their fellow Board members.
- d. Board members shall use proper care and exercise independent professional judgment in the performance of their duties.
- e. Board members shall maintain confidentiality about all matters that are considered in closed meetings and except as the Board of Directors may otherwise require or as otherwise required by Law, no board member shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of the organization and each member of the board may uphold the strict confidentiality of all meetings and other deliberations and communications of the board of directors.

- f. No member of the Board of Directors may use any information provided by the Institution or acquired as a consequence of the board member's service to the organization in any manner other than in furtherance of his or her board duties. Further, no member of the Board of Directors may misuse organization property or resources and may at all times keep the organization's property secure and not allow any person not authorized by the Board of Directors to have or use such property.

- g. The Board of Directors must act at all times in the best interests of the Institution and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, board members may identify the conflict and, as required, remove themselves from all discussion and voting on the matter. Specifically, board members shall follow these guidelines:
 - a. Avoid placing and avoid the appearance of placing one's own self-interest or any third-party interest above that of the organization; while the receipt of incidental personal or third-party benefit may necessarily flow from certain organization activities, such benefit must be merely incidental to the primary benefit to the organization and its purposes;

 - b. Do not abuse board membership by improperly using board membership or the organization's staff, services, equipment, resources, or property for personal or third-party gain or pleasure; board members shall not represent to third parties that their authority as a board member extends any further than that which it actually extends;

 - c. Do not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect the organization;

 - d. Do not engage in or facilitate any discriminatory or harassing behavior directed toward organization staff, members, officers, directors, meeting

attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to the **(Insert name of the Institution)**;

- e. Do not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to the organization without fully disclosing such items to the board of directors; and
- f. Provide goods or services to the association as a paid vendor to the organization only after full disclosure to, and advance approval by, the board, and pursuant to any related procedures adopted by the board.
- g. Board members shall receive no payments from the organization or from any other transactions except for appropriate compensation for their services and reimbursement for expenses as provided by law.
- h. Board members shall exercise due diligence to avoid breaches of duty via negligence, intentional action or omission, and unauthorized communications with individuals trying to influence by improper means or seeking to receive personal gains through Board decisions;
- i. Board members recognize that all Board decisions and actions are to be based on integrity, competence, and independent judgment on the merits and benefits to the organization and the Public; and
- j. No Member of the Board of Directors shall persuade or attempt to persuade any employee of the organization to leave the employment of the organization or to become employed by any person or entity other than the organization. Furthermore, no Member of the Board of Directors shall persuade or attempt to persuade any member, exhibitor, advertiser, sponsor, subscriber, supplier, contractor, or any other person or entity

with an actual or potential relationship to or with the association to terminate, curtail, or not enter into its relationship to or with the organization, or to in any way reduce the monetary or other benefits to the organization of such relationship.

IV. STANDARDS OF CONDUCT

Board Member shall comply with the following standards of conduct:

- a. Board Members shall not engage in conduct that would compromise, discredit, or diminish the integrity of the PSCs.
- b. The Board shall respect the authority of the Chief Executive Officer and may provide instruction and direction only to the Chief Executive Officer. The Board may not instruct the Chief Executive Officer in regards to specific operational decisions.
- c. No individual member shall give orders or instructions to any employee of the organization. This does not preclude an individual member from offering his or her opinion, based upon his or her expertise and/or experience, when an employee of the organization requests such an opinion;
- d. Board members must recognize that, as individuals or as subgroups, they lack the authority to give orders or direction to the Chief Executive Officer except when such instruction is given according to the Board's Governance Manual or specific delegation;
- e. Individual Board members are not to become involved in operational management of the Organization;
- f. Board members shall operate with the understanding that they represent Public;
- g. Board members may strive to establish sound working relationships with each other by taking time to know and appreciate each other as individuals;
- h. Board members may be respectful of each other and may not make use of Board meetings to upstage or embarrass colleagues;
- j. Board members may respectfully consider the opinions of others during deliberations, strive for integration of viewpoints or consensus building in decision-making, and may respect the corporate judgment of the Board in regard to its decisions;

- k. Board members may refrain from using Board meetings or regulation approval processes to advance their personal agenda;
- l. Board members may strive to cultivate and maintain good relations with the public, press, and constituent groups; however, they may recognize their limitations to speak for the organization;
- m. Individual Board members shall refer all proposals or other communications regarding potential or existing programs, contracts, or services to the Chief Executive Officer;
- n. Board members shall not communicate with persons under consideration for selection by the Board and/or the Chief Executive Officer for contracts, acquisitions, etc. while the procurement process is in progress; and
- o. A Board member shall not participate in a breach of this Code of Ethics and Conduct by another member, contribute to the concealment of such breach, or knowingly or negligently allow such breach to occur.

V. GIFTS

A Board member shall not solicit or receive a gift or favor from any person, company, or organization, or from any intermediary interest, that may compromise or appear to compromise the independent judgment of the member regarding his or her obligations to the Board.

VI. GENERAL PROVISIONS

- a. The provisions contained herein do not excuse any Board member from other restrictions of other Laws regarding conflicts of interest.
- b. Any breach of this Code of Ethics and Conduct shall be reported to the appropriate Committee. The Committee may investigate, as appropriate, and report its findings and recommendations to the Board.
- c. All Board members may sign an affirmation pledging to honor and follow, according to both the letter and the spirit, this Code of Ethics and Conduct.

- d. Members of the board affirm their endorsement of the code and acknowledge their commitment to uphold its principles and obligations by accepting and retaining membership on the board.
- e. Upon termination of service, a retiring board member shall promptly return to the organization all documents, electronic and hard files, reference materials, and other property entrusted to the board member for the purpose of fulfilling his or her job responsibilities. Such return shall not abrogate the retiring board member from his or her continuing obligations of confidentiality with respect to information acquired as a consequence of his or her tenure on the board of directors.

VII. INTERPRETATION

The final interpretation of these codes is vested with the Treasury Registrar.

VIII. EFFECTIVE DATE AND REVIEW

These codes of Ethics and Conduct shall become effective and applicable from the date of approval the Codes by the Treasury Registrar and shall be reviewed from time to time as deemed necessary by the Treasury Registrar.

XV. DECLARATION OF COMPLIANCE WITH THE BOARD OF DIRECTORS' CODE OF ETHICS AND CONDUCT

I (*State name in full*) being a Board Chairperson/Member of (*Name of the Institution*), do hereby assert that I read and understand the Board of Directors' Code of Ethics and Conduct and hereby declare that I shall abide them in my entire period as Chairperson/Member of (*Name of the Institution*).