



**ZIMBABWE WOMEN'S MICROFINANCE BANK LIMITED  
(ZWMB)**

**BOARD CHARTER FRAMEWORK**

## 1. PREAMBLE

The Zimbabwe Women's Microfinance Bank "ZWMB" came into being through the promulgation of the ZWMB Articles of Association on 27 January 2017. The Memorandum and Articles of Association provide that the operations of the bank shall be controlled by a Board constituted in terms of the Articles of Association.

Consequently, the Board shall be guided by the Charter as outlined below to ensure that the bank is properly structured and effectively administered to execute its duties properly and fulfill its mandate as stipulated in the Memo & Articles of Association. Board members are accountable to the shareholders of the Bank for the proper management of its business and affairs. This is to be undertaken in accordance with the duties and obligations imposed upon the Board by the national laws governing the existence and operations of the bank.

In accordance with the Public Entities Corporate Governance Act, herein referred to as PECOGo (Chapter 10:31), the board of ZWMB is mandated to conduct the business and affairs of the entity in accordance with the provisions of Good Corporate Governance. This Board Charter is prepared subject to section 26 and 27 of the Act.

## 2. INTRODUCTION

- 2.1 The board of directors of ZWMB ("the board") acknowledges the need for a board charter as recommended by Public Entities Corporate Governance Act (Chapter 10:31).
- 2.2 This Board Charter sets out principles for the operation of the ZWMB Board of Directors. Its main purpose is to describe the functions of the board and to regulate the directors in the discharge of their oversight functions so that the interests of the Corporation are safeguarded.
- 2.3 Whilst this Charter of necessity includes references to minimum acceptable standards of governance, in pursuit of its underlying ideals, it is critical that substance prevails over form. The Board reaffirms its intention to exceed these corporate governance standards wherever reasonable, having due consideration to:
  - ZWMB Memo & Articles of Association
  - Microfinance Act (Chapter 24:29)

- Public Entities Corporate Governance Act (Chapter 10:31).
- Public Entities Corporate Governance Regulations SI 168/2018.
- Public Finance Management Act (Chapter 22:19)
- RBZ Corporate Governance guideline no.01-2004/ & Addendum 2004 – all sections
  
- Banking Act (Chapter 24:20) –S45-52 as amended
- Banking regulations SI 205/2000
- RBZ Act (Chapter 22:15)
- Deposit Protection Corporation Act (Chapter 24:29)
  
- Each Director will be given a copy of this Charter and it will constitute an integral part of each Director’s terms and conditions of appointment.

### **3. PURPOSE OF THE BOARD CHARTER**

3.1 The purpose of this board charter is to set out the board’s role and responsibilities of ensuring efficiency, effectiveness, responsibility, accountability and honesty in the procedures, operations and activities of ZWMB as well as the requirements for its composition concerned and meeting procedures and gives effect to the following principles:

- (a) The promotion and maintenance of a high standard of professional ethics; and
- (b) Efficient and economic use of available resources; and
- (c) The provision of services impartially, fairly, equitably and without bias; and
- (d) Responsiveness to the needs of the people of Zimbabwe, including the prompt and sensitive processing of complaints by members of the public with respect to the entity’s interaction with them; and
- (e) Co-operation with governmental institutions and other public entities; and
- (f) Openness and transparency in the internal workings and procedures of the public entity concerned, and in its dealings with the public; and
- (g) The maximising of the human resources of the public entity concerned; and
- (h) Commercial viability, in the case of a public commercial entity;

3.2 This Charter is not an “all inclusive” document and should be read as a broad expression of principles.

## 4. BOARD COMPOSITION

### 4.1 Size of the Board

4.1.1 The Company's Articles of Association provides:

- a) For the number of directors to be between five (5) and twelve(12);
- b) That the board will comprise of a Chairperson appointed by the Board;
- c) That a vice-chair may be appointed by the Board from among their number.
- d) That the Chief Executive Officer and the Chief Finance Officer will be ex officio members of the board.

*(Terms of reference will be the Memorandum and Articles of Association for further details).*

### 4.2 Proportion of independent Board Members to other Board Members

As a guiding principle, the Board shall ensure that there shall be a greater number of independent non-executive directors on the Board of directors to create a sustainable balance of power and to prevent the dominance of the Board by one individual or by a small number of individuals.

### 4.3 DEFINITION OF INDEPENDENCE APPLIED

4.3.1 In selecting independent non-executive directors, the Board shall ensure that the non-executive director:

- a) Has not been an employee of the company for the past three years.
- b) Has or had not, within the past three years, a material business relationship with the company.
- c) Had not received or does not receive additional remuneration from the company apart from a director's fee, does not participate in the company's share option or a performance related pay scheme, or is not a member of the company's pension scheme.
- d) Does not have close family ties with any of the company's advisors, directors or senior employees.
- e) Does not hold cross-directorships or does not have significant links with other directors through involvement in other companies or bodies.
- f) Does not represent a significant shareholder or;
- g) Does not have any relationship which could materially interfere with his or her ability to act independently.

### 4.4 TERMS LIMITS

- a) The initial term for each Board member may not be less than two (2) years and not be more than four (4) years.

- b) Board members are eligible to remain on the board as deemed appropriate by the shareholder for a second consecutive four (4) year term before stepping down.
- c) The maximum term permitted under the PECOGO Act is four years and may be renewed for only one further such term.

#### 4.5 RECRUITMENT PROCESS

- a) The Board shall, subject to Articles 81 to 92.7 (appointment of directors by rotation, removal of directors, alternate directors and appointment to fill a casual vacancy) of the Memo & Articles of Association, consider appointments to the Board of Directors as a whole with assistance from the Human Resources and Nominations committee which is responsible for nominations in a formal and transparent manner.
- b) In the interest of continuity, the ZWMB has seen it important to establish a plan to prepare for vacancies on the Board.
- c) The Human Resources and Nominations Committee should actively seek and vet appropriate candidates for Board directorship on a continual basis.
- d) The Human Resources and Nominations Committee should collect resumes for consideration and the candidates should be on the Corporate Governance Unit database as per provisions of section 6 of the PECOGO.
- e) The Human Resources and Nominations Committee will send its recommendations to the Board.
- f) Before recommending a candidate for appointment by the Minister of Women Affairs, Community, SMEs Development the Board should consider:
  - The collective skills, knowledge and experience required on the Board
  - The skills, knowledge and experience of the candidate
  - The capacity of the candidate to dedicate the necessary time to discharge duties.
  - Any other checks or investigations the Board may determine to be necessary for the appointment of the right candidate.
  - Fitness and probity criteria is met
- g) A director, is appointed after approval by the registrar under these circumstances:
  - A subscriber to the memorandum upon formation of the company;
  - Individually appointed by ordinary resolution of the company in a general meeting;
  - Appointed by the shareholder after receiving recommendations from existing Board to fill a casual vacancy until the next annual general meeting.
  - Appointed by the shareholder in terms of section 11 of PECOGO

## **4.6 SELECTION OF BOARD CHAIR**

- a) The Board shall appoint an independent non-executive member as chair to provide leadership against the specified set criterion for appointment of directors.
- b) The chair shall ensure effective functioning of the Board and its Committees by ensuring the following:
  - Overseeing the formulation and implementation of strategic plans and policies;
  - Effective management of Board meetings and ensuring that the time devoted to the meetings is used productively;
  - Ensure that good relations are maintained with the company's major shareholders and its strategic stakeholders;

### **4.6.1 (a) The Board shall appoint an independent Deputy Chairperson**

(b) The Deputy Chairperson will preside during Board meetings in the absence of the Chairperson.

- (c) In the event that the Chairperson vacates office, the Deputy Chairperson will assume the office of the Chairperson until the Minister appoints a replacement.

## **4.7 RESIGNATION OF A BOARD MEMBER**

- a) Board members are entitled to resign
- b) Where a Board member resigns, the shareholder through the head of the line Ministry shall endeavor to ascertain from the member the reasons for his or her resignation and communicate the reasons without delay to the Corporate Governance Unit within the Office of the President and cabinet.
- c) Where two or more board members resign simultaneously or within one month, the line Minister may conduct an investigation.

## **4.8 DISMISSAL OF BOARD MEMBERS**

No board member shall be dismissed or required to vacate his or her office unless-

- a) he or she has been guilty of conduct inconsistent with his or her membership of the entity;
- b) he or she has become disqualified for appointment to the board

- c) where he or she was appointed to the board by virtue of having a particular qualification, he or she has ceased to have that qualification
- d) he or she, whether individually or together with other members of the board has failed to draw up a strategic plan or to comply with its provisions or to attain any material objective set out in it
- e) he or she, has been absent, without just cause and without leave of the board or its chairperson, from three or more consecutive meetings of the board

4.8.1 The Minister has to give 7 days' written notice to the CGU advising of the intended dismissal

## 5. OBJECTIVES OF THE BOARD OF DIRECTORS

- a) The objective of the Board is to maintain and build the Bank's capacity to generate value for the Bank's beneficiaries who are primarily micro, small to medium enterprises, farmers and other stakeholders in accordance with the dictates of the ZWMB Memo & Articles of Association.
- b) The Board is to bring an independent and objective view to ZWMB's decisions and to oversee the performance and activities of management.
- c) The Board of Directors shall exercise leadership, enterprise, integrity and shrewd judgment in directing the Bank and shall always act in the best interest of ZWMB.
- d) Ensure that the principles of corporate governance are applied in their dealings in respect of, and on behalf of ZWMB;
- e) Consider matters and act as a body, to avoid the danger of individuals becoming a dominating force.
- f) The Board will review and update this Charter on an annual basis.

## 6. DUTIES AND RESPONSIBILITIES

- a) The major duties and responsibilities of the Board of Directors are as follows;
- b) Appointment of the Chief Executive Officer ("CEO"), with the approval of the President for a period not longer than 5 years and, where appropriate, removing the CEO.
- c) Board must ensure that the chief executive officer and the chief finance officer are appointed in terms of written contracts of employment.
- d) Ratifying the appointment and, where appropriate, the removal of senior executives, including the Chief Finance Officer and Board Secretary.
- e) Contribute to, evaluating, approving and monitoring the strategic plans and work plans of the Bank.

- f) Evaluating, approving and monitoring the performance objectives and implementation of strategy by management;
- g) Ensure that budgets are produced annually and presented and ratified by the shareholder.
- h) Ensure that there are adequate policies and systems in place that are aimed at improving ZWMB's financial performance and ensuring fulfillment of ZWMB's strategic plans and overall mandate.
- i) Review the Bank's policies and their ongoing implementation to assess the extent to which ZWMB is implementing its policies and managing its compliance and other risks and operations effectively at least once every year.
- j) Ensuring that appropriate and robust systems, processes and policies are designed to ensure that ZWMB's activities are subject to adequate and appropriate internal controls and that the risks associated with ZWMB's operations are identified, assessed and appropriately managed
- k) Ensure the establishment and or appointment of an internal audit function (includes outsourcing) staffed with qualified personnel to perform internal audit functions, covering the traditional function of financial audit as well as the function of management audit.
- l) Appointing the external auditor (based on recommendations of the Audit Committee) and the appointment of a new external auditor when any vacancy arises, provided that any appointment made by the Board must be ratified by members at the next annual general meeting of the Bank
- m) The Director should ensure that they have developed clear definitions of the levels of materiality or sensitivity to determine the scope of delegation of authority and ensure that it reserves specific powers and authority to itself. Delegated authority must be in writing and evaluated on a regular basis.
- n) The Board should commit sufficient time to be fully informed of the condition of the business, the direction they are steering the institution, and apply immediate remedial measures when the need arises.
- o) The Board, as whole and or individual Directors, may if necessary, solicit independent professional advice at the expense of ZWMB through the Board Secretary. This process must be followed in accordance with ZWMB's Procurement Policy and Procedures. The Chair of the Board shall ensure that all Directors are familiar with such procedure and comply with it.
- p) It shall be the duty of each Director to ensure that they familiarize themselves with the requirements of the ZWMB Memo & Articles of Association, organisational policies and other regulatory instruments affecting ZWMB.
- q) Advise the Institutional Investors on all matters concerning establishment of new schemes, governance, management and administration of any investment schemes and funds and on all matters concerning and incidental to the Bank.



## **7. RISK MANAGEMENT AND INTERNAL CONTROLS, POLICY AND PROCESSES**

- a) Management shall identify and quantify risks and initiate management methodologies to mitigate against the effect of such risks.
- b) Such risk management shall be reviewed by the Risk Committee, which shall recommend acceptance by the Board.
- c) The Risk Committee shall also review and report to the Board on the appropriateness of risk funding methodologies, which shall include but not restricted to Insurance.
- d) Risk management shall form an important part of internal audit and external audit task. The Audit Committee shall ensure that risk management is included and forms an important part of the audit programme.
- e) The audit function shall report to the Audit Committee on any perceived deficiencies in risk management. These reports shall form an important part of the review of risk management systems.
- f) The Risk Committees shall, on behalf of the Board, ensure that risk management remains relevant to changes in the risk of the company. This shall entail regular reports, at periods of not less 3 months review and amendment of risk management.
- g) The Audit and Risk Committees shall report to the Board on its findings on risk management and internal controls. The Board shall consider the report and decide whether or not the risk management and internal controls are adequate.
- h) The Board shall in turn report to members on risk management and internal controls.

## **8. EXPECTED PERSONAL AND PROFESSIONAL CHARACTERISTICS OF DIRECTORS**

The following characteristics and traits outline the framework for the conduct of Board of Directors:

- a) **Conduct and Accountability:** Directors must demonstrate high ethical standards and conduct in their personal and professional lives and be accountable for their decisions in their capacity as Directors.
- b) **Judgment:** Directors must demonstrate to the satisfaction of stakeholders, a capacity to provide sound advice on a broad range of agricultural, financial, social, commercial, industry developmental and community issues.
- c) **Financial Literacy:** Directors must demonstrate a sound level of financial literacy including the ability to understand financial statements to evaluate the financial health and performance of ZWMB.

- d) Teamwork: Directors must demonstrate the ability to cooperate with the other Directors to optimize the effectiveness of the Board.
- e) Communication: Directors must demonstrate willingness to listen as well as to communicate their opinions openly and in a respectful manner.
- f) Experience: Directors must demonstrate a high level of achievement in their personal and professional lives that reflects high standards of personal and professional conduct.
- g) Knowledge: A basic knowledge and understanding of the conduct of the business and of the statutory and regulatory requirements that govern the activities of such institution.
- h) Commitment: Ability and willingness to devote the time to effectively fulfill role as a Director.
- i) Integrity and strong sense of ethics in personal and business dealings.

## **9. BOARD CHAIR**

**9.1** The Board Chair is member of the Board and as such is subject to the Board of Directors.

**9.2** The Chair provides overall leadership to the Board without limiting the principle of collective responsibility for Board decisions, but at the same time being aware of individual responsibility of Directors by ensuring that all directors are made aware of their roles, responsibilities and duties through a tailor-made induction programme buttressed by a formal programme of continuing professional education;

### **9.3 THE CHAIRPERSON OF THE BOARD SHOULD-**

- a) Not be a member of the audit committee or its chairperson
- b) Be a member of and may chair the nomination committee;
- c) Set the ethical tone for the Board and the Bank.
- d) Formulate together with the chief executive officer and the company secretary, the annual plan of work of the Board on the basis of agreed objectives and play an active part in setting the agenda of Board meetings so as to have a clear understanding of the objectives of the meetings;
- e) Preside at Board meetings and ensure that the time devoted to the meetings is used productively;
- f) The Chair shall ensure that discussions result in logical and understandable outcomes.
- g) Ensuring that there is a clear distinction of accountabilities versus responsibilities between the Board and Management and that the relationships are conducted in

a professional manner.

- h) Address internal disputes and conflicts of interest concerning individual Directors and addressing problems related to the performance of the Board as a collective or of the individual Directors.
- i) Effectively leading the Board and maintaining cohesion and focus on the Board's activities and responsibilities and above all ensuring that the Board individually and collectively acts honestly, lawfully and in the best interests of the Bank.
- j) Encourage collegiality among Board members but without inhibiting candid debate and creative tension in Board meetings;
- k) Effectively manage conflicts of interest of Board members in ways which ensure that directors concerned recuse themselves from participating in discussions and decisions in which they are conflicted unless they are required to provide specific input during any such discussions;
- l) Ensure that the information in the Board pack is couched in simple and understandable language;
- m) Act as the link between the Board and management, and particularly between the Board and the chief executive officer;
- n) Ensure that complete, timely, relevant, accurate, honest and accessible information is placed before the Board to enable the Board to make informed decision;
- o) Monitor how the members of the Board work together and how individual directors perform and interact at meetings;
- p) Know the strengths and weaknesses of each Board member and take appropriate measures to address any weaknesses without losing sight of human frailties;
- q) Develop the skills and enhance the confidence of directors by encouraging them to speak and actively contribute at Board meetings;
- r) Ensuring that decisions made by the Board are executed timeously and effectively;
- s) Ensuring that chairpersons of committees attend and actively participate at annual and extraordinary general meetings and stakeholder inter-face meetings;
- t) Liaising with chairpersons of Board committees on matters of interest;
- u) Actively participating in the selection of Directors and overseeing a formal succession plan for the Board, CEO and certain senior management appointments.
- v) Monitor the performance of the CEO in line with the agreed procedure to be determined by the Human Resources and Nomination Committee.
- w) Build and maintain stakeholders' trust and confidence in the Bank.

- x) Ensure that the necessary meetings of the Board of Directors and committees are appropriately and timeously scheduled through the Board Secretary.
- y) Set the agenda for the meetings of the Board through the Board Secretary.
- z) Ensuring that members receive the relevant papers at least 5 working days before the date of the meeting.
- aa) Regularly meeting with the CEO to determine the 'health' of the Bank and its executive leadership and report to the Board on any matters of major concern.
- bb) Encouraging equal participation from all Directors during meetings and to ensure that no Director dominates discussions
- cc) Performing such other leadership roles as may from time to time be dictated by the circumstances and or may be assigned to the Chair by the Board of Directors.

## **a) 10. ROLE OF CEO**

- b) The chief executive officer should be appointed by the Board and be accountable to it.
- c) The chief executive officer is in charge of the day to day running of the Bank by ensuring the business of the Bank is properly managed within the approved framework of delegated authority, strategies, policies, budgets and that business plans are timeously developed and presented to the Board for its consideration and approval and Board decisions are effectively implemented;
- d) Promote a corporate culture that ensures sustainable ethical practices, encourages individual integrity and fulfils the social responsibility objectives and imperatives of the company;
- e) The bank complies with all relevant laws; and
- f) The bank applies all recommended best practice standards, failing which they must explain the failure to the Board and stakeholders.
- g) The collective responsibility of management vests in the chief executive officer who bears the ultimate responsibility for all decisions and management functions.
- h) Subject to the PECOGO Act, the chief executive officer's remuneration should be based on individual company and should also be performance and incentive based, and such remuneration should be approved by the Board.
- i) The chief executive officer should not be a chairperson or director of any company outside the group without the written approval of the Chairman.
- j) Appoint the management team and ensure proper succession planning
- k) Develop and recommend to the Board yearly business plans and budgets that support the company's long term strategies;
- l) Monitor and report to the Board on the performance of the company and its conformance with compliance imperatives;
- m) Establish an organizational structure appropriate to the achievement of the company's strategies; and
- n) Set the tone, provide ethical leadership and create a good ethical environment for management and the general workforce.
- o) The CEO should consistently strive to achieve the Bank's financial and operating goals and objectives, and ensure that the day-to-day business affairs of the Bank are appropriately managed.
- p) The Chief Executive Officer (CEO) is an ex-officio member of the Board with voting rights and is accountable to the Board.

- q) The CEO will have voting rights on matters before the Board but shall not vote in the committees or on matters in which the CEO is directly affected or concerned.
- r) Timeously providing the Board with relevant and appropriate information to achieve the necessary strategic objectives and to comply with its legislative, regulatory and other obligations;
- s) Refrain from acting in any manner which undermines the authority of the Chair of the Board or the Board with any employees of ZWMB;
- t) Ensuring that the strategic objectives of ZWMB are included in all the operations of ZWMB, the Corporate Strategy, Business Plan and Key Performance Indicators
- u) Liaising and consulting with the Chair of the Board as required by Board policies and resolutions;
- v) Ensuring continuous improvement in the quality and value of ZWMB's products and services and maintenance of its competitive positions;
- w) Compiling management accounts monthly and provide such management accounts to the Board on a quarterly basis;
- x) Ensuring that the Board Secretary is provided with the information required for Board Packs timeously to ensure that Board Packs are received by Directors at least **5 working days** prior to any meeting.

## 11. SECRETARY TO THE BOARD

- a) The Board should be assisted by a competent Board Secretary who shall be accountable to the Board, through the Chair, on all governance matters, with all directors having access to the Company Secretary for advice or assistance on governance matters.
- b) The Company Secretary shall support the effectiveness of the board by:
  - Monitoring that board policy and procedures are followed and
  - Coordinating the completion and dispatch of board agendas, briefing papers and minutes.
- c) The Company Secretary shall be responsible for and advising on best practice in governance, championing the compliance framework to safeguard the integrity of the organization, promoting, and sounding the board on high standards of ethical and corporate behavior and bridging the interests of the Board, management and stakeholders.
- d) Secretary shall have a direct channel of communication with the chairperson and being available to provide comprehensive practical support and advice to chairpersons of the Board and Board committees;
- e) Being responsible for the proper compilation and timely circulation of Board packs;

- f) Assisting the chairpersons of the Board and Board committees in drafting yearly work plans.
- g) Obtaining appropriate responses to or feedback on specific agenda items and matters arising from meetings of the Board committees;
- h) Raising any matters that may warrant the attention of the Board.
- i) Must ensure that proper compilation of Board papers and minutes of Board and Board committee meetings are circulated to the Directors in a timely manner, after the approval of the Chair of the relevant Board committee.
- j) Shall have a dual reporting to the Board for all Board related issues and administratively to the to the CEO
- k) Responsible for ensuring that:-
  - i. the charter of the company and the terms of reference of the Board and its committees are kept up to date;
  - ii. sittings of the Board and Board committees are properly recorded and that minutes are circulated with the approval of the relevant chairperson;
  - iii. Board resolutions are implemented timely and effectively;
  - iv. Board members are collectively and individually evaluated annually; and
  - v. His or her role, functions and duties are assessed by the Board annually and any amendments thereto are effected;

## 12. DIRECTOR EVALUATION

- a) The Board shall enter into a performance contract with the line Minister
- b) An annual evaluation of the Board's performance shall be undertaken ;
- c) The Chair should ensure that Directors know that they will be subject to a performance review, know the criteria used for evaluation, and know the procedures that will be followed.
- d) The evaluation shall be undertaken through the Human Resources & Nominations Committee by a Board appointed Independent Consultant;
- e) Such review shall be by means of peer and self-evaluation of the Board, its committees, individual directors and elected officers of the Board, based on a Board determined objective and measurable criteria and a Board approved evaluation tool.
- f) Should a deficiency in a Director's performance be identified, a plan should be developed and implemented for the Director to acquire the necessary skills or develop appropriate behavioural patterns.

## 12.1 ASSESSMENT OF INDIVIDUAL BOARD MEMBER PERFORMANCE

- a) The individual board members shall be assessed for performance through self-assessment and assessment by other board members for a 360 degree assessment.
- b) Independent evaluators may also be engaged for this assessment
- c) The Human Resources and Nomination Committee comprising of the Chair shall appraise the performance of the CEO and the results thereof shall be considered by the Board.
- d) The evaluation of the CEO shall be based on objective and measurable criteria including performance of the business, accomplishment of long-term strategic objectives, and development of management among other things.

## 13. DIRECTOR DEVELOPMENT

- a) The Board should establish a formal orientation programme to familiarise incoming Directors with the Bank's operations, senior management and its business environment, and to introduce them to their fiduciary duties and responsibilities.
- b) The Chair should promote mentoring to enhance Directors' confidence (especially those new to the role) through a Board induction / Board orientation process. An appropriate introduction programme should meet the specific needs of both the Bank and the individual and should enable any new Director to make the maximum contribution as quickly as possible.

### 13.1 ORIENTATION (INDUCTION)

- a) The Chairman and Company Secretary shall ensure that each new director is provided with a comprehensive orientation training which shall introduce the director to the company's business and business environment as well as to his rights, duties and responsibilities as a director.
- b) Such orientation training should be open to long serving directors in addition to newly appointed directors.
- c) The Company Secretary should be available to directors to provide;
  - Guidance in the performance of their duties.
  - Access to external independent professional advice at the company's expense.
  - Directors should be provided with ongoing training in their duties.
- d) The Board as an entity should be regularly evaluated by directors to ensure effective decision making.
- e) In line with good corporate governance practice, the Board should consider the advantages of the regular evaluation of the performance of individual directors.



## **14. ACCESS TO INFORMATION, INDEPENDENT ADVICE AND CONTINUING DEVELOPMENT**

- a) Management shall provide the Board and its Committees with information in a form, timeframe and quality that enables the Board to effectively discharge its responsibilities and duties.
- b) Directors shall be entitled to request and receive such additional information as they consider necessary to support informed decision-making.
- c) Any Director may take such independent legal, financial or other advice as they consider necessary, at ZWMB's cost. Any Director seeking independent advice must first discuss the request with the Chair who will facilitate obtaining such advice and, where appropriate, disseminate the advice to all Directors.
- d) The Directors are expected to understand the ZWMB structure, its operations and key developments affecting the organization and may receive periodic presentations to assist in achieving such an understanding.

## **15 TRANSACTION OF BUSINESS OF AN URGENT NATURE**

If it is not practicable to hold a meeting of the Board for the transaction of business of an urgent nature, the Chair, shall call for a Board Executive Committee meeting or if the urgency does not permit calling of such meeting, the Chair after consulting such of the other non-executive Directors as are available in the circumstances, may deal with the business and, as soon as practicable thereafter, or at the next Board meeting shall give to the Board, full particulars of the nature and extent of the urgency of the business, the circumstances in which the urgency arose, and the action taken in the matter for approval/ratification and recording/minuting.

## **16 BOARD COMMITTEES**

16.1 In accordance with the PECOGO Act, and for the better exercise of its functions, the Board shall establish Committees vested with such powers (not exceeding its own) as the Board may determine, from time to time.

16.2 The following are the standing committees of ZWMB;

- i. The Audit Committee
- ii. Risk Committee
- iii. The Human Resources & Nominations Committee;
- iv. The Credit Granting Committee
- v. Loans Review Committee
- vi. Board Executive Committee

- 16.3** The Board of Directors may form ad-hoc committees from time to time to deal with special tasks.
- 16.4** The Board should delegate certain functions to well-structured committees without abdicating its own responsibility.
- 16.5** Board committees with formally established terms of reference, criteria for appointment, life span, role and function constitute an important element of the governance process and should be established with clearly agreed reporting procedures and a written scope of authority.
- 16.6** Committees should be appropriately constituted, taking into account any relevant legislation and the objectives of the Bank. The composition of Board committees should be disclosed in the integrated report.
- 16.7** All committees of the Board should be chaired by a non-executive Director.
- 16.8** The Committee structure, membership and mandates must be reviewed regularly.
- 16.9** Board committees should only comprise members of the Board. External parties, such as paid advisers, may be present at committee meetings by invitation but may not vote.

## **17 COMMITTEE COMPOSITION GUIDELINES**

- a) Board Committees must be constituted having regard to the skills, expertise and experience of the Director relevant to the respective Committees' mandates.
- b) The Board Chair should not be a member of the Audit Committee but maybe a member of the Human Resources & Nominations committee and may also be its Chair.
- c) Where appropriate or necessary, independent external professionals with relevant skills and expertise may be co-opted as Advisors to the Committees to assist or bolster the Committees where there is a shortage of such skills or expertise. Such co-opted professionals shall have the status of invitees to the Committee, shall not form part of the quorum for meetings and shall have no voting rights
- d) The CEO should not be a member of the Audit or the Credit and Loans Committee but may attend by invitation.
- e) All committees should have at least three non-executive directors
- f) The quorum for all committees shall be two non-executive Directors
- g) The CEO or members of staff do not vote on any matters presented to the committees
- h) The Audit Committee should be chaired by a qualified and practicing chartered accountant
- i) The Board Secretary, his or her nominee shall be the secretary for the committees

## 18 MEETINGS AND MATERIALS

- a) The Board shall meet at least four times a year, provided that the Chair subject to Corporate Governance Unit guidelines can convene a Special Board Meeting to transact any special business of the Bank.
- b) The agendas are specific to the tasks and duties of each committee as set apart from the TOR of the main Board of Directors.
- c) The Quorum at Board meetings shall be two thirds (2/3<sup>rds</sup>) of the Board membership at any point in time present throughout the meeting and voting on the matter for decision
- d) Minutes will be recorded for all meetings and circulated within seven (7) working days
- e) At meetings of the Board the Chair shall have a deliberative vote and, in addition, in the event of an equality of votes, a casting vote.
- f) If the Chair of the Board is absent from a meeting, the Vice Chair shall preside over the meeting in the event that both of them are absent, Directors present shall elect one of the non-executive Directors to act as Chair who will preside over the meeting and have all the powers to discharge all the duties of the Chair except that in the event of an equality of votes he/she shall not have a casting vote.
- g) The decision of the majority of the Directors present at a meeting of the Board shall constitute the decision of the Board.
- h) Directors are expected to participate fully, frankly and constructively in discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to bear in discharging their duties as Directors.
- i) Directors who are unable to attend shall advise the Chair at an early date and confirm in writing to the Board Secretary;
- j) Every Director must attend at least 75% of the Board of Directors and 75% of committee meetings where he or she is a member.
- k) A meeting of the Board or it's Committees may be virtual by means of electronic, telephonic conference or other audio or visual communication equipment. The persons attending a meeting in this way shall be considered present at the meeting.
- l) In the event that a director is not able to attend a meeting physically due to the fact that they have travelled or for any valid reason the Chair may at his or her discretion authorise the use of audio or video conferencing facilities for the participation of the Director;
- m) The Chair may for good reason request executive Directors to leave the Boardroom for any part of the Board meeting. This is especially so during deliberations relating to executive performance or remuneration;
- n) The Chair may excuse from the meeting or from any item on the agenda any of the attendees at a meeting who may have or may be considered by the Board to have a conflict of interest;

## **18.2 SETTING AGENDA, ADVANCED DISTRIBUTION OF BOARD MATERIALS**

- a) The notice of each BOD meeting, confirming the venue, time and date and enclosing an agenda of items to be discussed, shall be forwarded to each member of the Board not fewer than 5 working days prior to the date of the meeting.
- b) The advance distribution of the board materials shall be circulated not fewer than 5 working days prior to the date of the meeting.
- c) Where the Board has constituted different Committees, non-board members may be invited for their specific expertise. This will be restricted for purposes of identified and agreed areas of expert contribution.
- d) Minutes of the meetings of the Board of Directors and resolutions of Directors must be prepared by the Secretary within 7 days as required, approved by the Chair, and circulated to all members of the Board of Directors.

## **19 ANNUAL GENERAL MEETING**

- a) Subject to Section 33 of the PECOGO Act Cap 10:31, the Board shall convene an Annual General Meeting ("AGM") of stakeholders at such a time and place as shall be determined by the Directors.
- b) A meeting of the shareholders may be virtual by means of electronic, telephonic conference or other audio or visual communication equipment. The persons attending a meeting in this way shall be considered present at the meeting.
- c) The right to vote shall be reserved for identified key stakeholders or their representatives only.
- d) The Secretary to the Board of Directors shall give at least 21 days- notice in writing.
- e) Any member who wishes to raise any matter or move any motion at the AGM shall give notice to the Secretary in writing, of such matter or motion not less than thirty days before the AGM.
- f) The Chair of the Board of Directors who shall present his/her report shall chair the Annual General Meeting (AGM).
- g) The CEO/CFO shall present the financial report.
- h) Ordinary business of the AGM shall be:
  - i. To receive minutes of the previous AGM;
  - ii. To receive the Annual Report of the business of the Bank;
  - iii. To receive the Annual Audited Financial Statements of the Bank;
  - iv. To receive motions to be considered;
  - v. To open discussion of any matter concerning the operations of the Bank;
  - vi. To appoint Auditors and to approve their fees.

## **20 WRITTEN RESOLUTIONS / MINUTES OF THE BOARD OF DIRECTORS**

- a) The Board shall ensure that all proceedings are accurately captured and recorded.
- b) All resolutions signed by enough Directors to form a quorum, shall be valid and effectual;
- c) All minutes shall be circulated before the Board meeting and shall be confirmed at the first succeeding meeting of the Board.

## **21 CONFLICT OF INTERESTS**

- a) The duty of loyalty forbids Directors and officers from participating in a competing enterprise unless a majority of the disinterested Directors approve.
- b) Directors and officers who have an interest in a transaction to which ZWMB is an actual potential party are required to disclose their interest to the Board.
- c) The CEO and every Director shall upon appointment and thereafter annually disclose to the Board in full, any direct or indirect interests with the Bank
- d) A Director shall not take part in the consideration or discussion of, or vote on any question before the Board which relates to any matter in which he or she or his associate has an interest.
- e) The board member shall disclose any and all conflicts to the entity's board.
- f) The board of every public entity shall request all senior staff members of the entity to sign, as soon as possible after their first appointment, a document stating that they are aware of and will abide by their obligations under this section.
- g) Subject to S34 of PECOGO Act Cap 10:31 (Conflict of interest), the chief executive officer of every public entity shall request all members of the entity's board to sign, as soon as possible after their first appointment to the board, a document stating that they are aware of and will abide by their obligations under this section.
- h) Board members who have been requested to sign the document referred to in section (g) above shall not take part in any business of the board or receive any remuneration or allowance in respect of his or her membership of the board until they have signed the document

## **22 DIRECTOR REMUNERATION**

- a) Subject to Section 12 and 14 of the PECOGO Act, the Directors shall be paid a quarterly retainer and sitting allowances for both Board and committee meetings; the exact quantum of the fees will be determined by guidelines provided by the Minister responsible for administering PECOGO Act.
- b) The process of determining remuneration for the Directors shall be transparent, disclosed and approved by the members at the AGM in line with the principles of affordability, sustainability and reasonableness taking into account the non-profit nature of the Bank.
- c) The Board's remuneration shall be reviewed periodically.

#### **22.1 Expense reimbursement**

- a) Board members should not incur expenses without prior notification and approval of the full Board
- b) Pre-approved expenses incurred by the Board members will be reimbursed on submission of receipts of trip travel and overnight stay(s) for specific approved purposes.

### **23 COMMUNICATIONS WITHIN THE BOARD**

- c) Communication within the Board on substantive matters should be with all Directors, not selected members, and not with the chair alone.
- d) Executive Directors and non-executive Directors must refrain from forwarding or blind copying any e-mail communication either within the organization or from the organization to persons outside.
- e) Matters brought before the Board must not be discussed with ZWMB staff or persons outside the organisation.
- f) Stakeholders and other interested parties desiring to communicate with the Board should direct their enquiries and communication to the Chair, ZWMB Board of Directors, c/o Board Secretary.

### **24 RESERVATION OF POWERS**

- a) The Board has unfettered powers to direct and control the business of the Bank, and must delegate the day-to-day management to the CEO and not to other staff members.
- b) At all times, the Board must retain full and effective control over the direction and performance of ZWMB.
- c) The Board reserves the right to periodically review and amend the approval and authorisation limits of the CEO and Board Committees.
- d) The Board must delegate in a clear and transparent manner, such powers as are necessary for Management to run the business of ZWMB, while retaining sufficient powers to itself to control the management and strategic direction of ZWMB.
- e) In instances of crisis in the organisation, the Board may revoke any powers granted to Management to stabilise the Bank. The following matters, with

recommendations from Committees, as may be appropriate, shall be reserved for decision by the Board:

- i. Any restructuring of ZWMB;
- ii. Changes in the authorisation limits of the CEO, Board;
- iii. The approval of the Strategy, Corporate Plans and annual budgets;
- iv. Any subsequent material changes in strategic direction or material deviations in Strategy or Corporate Plans;
- v. Approval of Annual Financial Statements and Quarterly Reports.

#### **24.1 STATUTORY AND ADMINISTRATIVE**

- a) Appointment, removal or replacement of the external auditors of ZWMB;
- b) Frequency of meetings of the Board;
- c) Approval of all organisational policies.
- d) The prosecution, defence or settlement of legal or arbitration proceedings which are of a material nature and except in the ordinary course of business;
- e) Appointment of Executives or persons to strategic positions within the Bank;
- f) The appointment, removal or replacement of the Board Secretary;
- g) The formulation and amendment of the Code of Ethics;
- h) Recommending to the Institutional Investors to approve any ordinary or special resolutions in respect of ZWMB;
- i) Recommending that the Institutional Investors take a course of action proposed by the Board.

#### **25. COMMUNICATIONS POLICY**

- g) The Board should, in conjunction with management, set up a clearly defined communications policy.
- h) All matters which could have a material effect on the finances of the company or the interests of the members and stakeholders should be timeously communicated.
- i) Communication matters delegated to the chief executive officer shall be released timeously and at an agreed senior level.
- j) Transparency should be evident in all communications.
- k) Managers should be prohibited from making press statements, unless specifically authorized by the Board, or to the extent delegated, the chief executive.
- l) The disaster recovery plan should include a procedure for communication of information about the disaster. The procedure shall define the senior management and directors who may make public statements on behalf of the company.

## **25.1 CONTACT WITH MEDIA**

- a) The media shall interact through the Board Chair and/or Vice Chair, and the CEO.
- b) The primary contact with the financial intermediary is the Marketing and Public Relations executive.