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**AGRICULTURAL AND RURAL
DEVELOPMENT AUTHORITY
BOARD CHARTER**

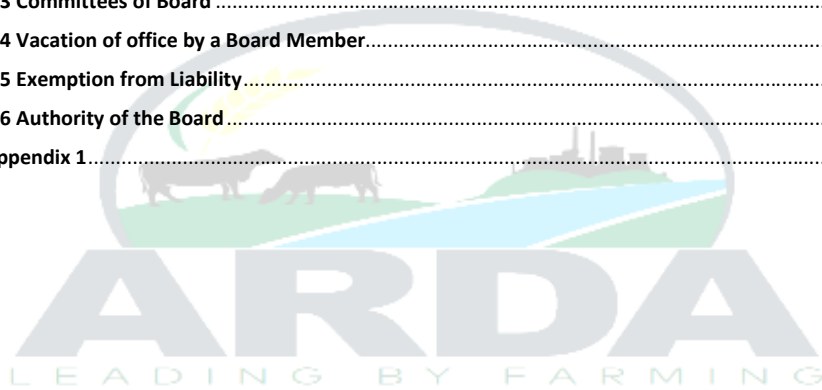
A large, faded version of the ARDA logo is visible in the background, serving as a watermark. It includes the circular emblem and the text 'ARDA LEADING BY FARMING'.

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1.1 Introduction

The Agricultural and Rural Development Authority (hereinafter called “ARDA” or “The Authority”) is an Authority established in terms of Agricultural and Rural Development Authority Act [Chapter 18:01]. Section 4 of this Act stipulates that “The operations of the Authority shall, subject to this Act, be controlled by a Board appointed in terms of this part”.

The Board’s scope of responsibility for governance, conduct, authority, competencies and objectivity to perform its functions of strategic guidance and monitoring of management shall be guided by the Board Charter.

The Board, duly appointed in terms of the ARDA Act, has drawn up this Charter which shall be interpreted in conjunction the following provisions;

- Zimbabwe Corporate Governance Framework for State Enterprises and Parastatals (2010)
- Public Entities Corporate Governance Act Chapter 10:31 & Public Entities Corporate Governance (General) Regulations, (2018)
- Companies and Other Business Entities Act [Chapter 24:31]
- Public Finance Management Act [Chapter 22:19]
- OECD Guidelines on Corporate Governance of State-Owned Enterprises (2015)

1.2 Purpose, Scope & Application of the Board Charter

The purpose and scope of this Charter is to clearly outline the role, composition and responsibilities of the Board. It is a fundamental part of corporate governance requirements.

Specifically, this Charter will set out;

- The roles, responsibilities and procedures for the Board;
- The roles and responsibilities of the Board Chairperson;
- The roles and responsibilities of the Board Secretary;
- The fiduciary duties of Directors
- Other Procedural matters with respect to the performance of the Board business;

The Board shall conduct its business in accordance with the provisions of this Charter. This Charter is applicable to all members of the entity’s Board, Executive Management and all employees of the entity.

The Board Charter shall give effect to the following principles;

- The efficient and economic use of available resources
- The provision of services impartially, fairly, equitably and without bias
- 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 Authority’s interaction with them
- Co-operation with government institutions and other public entities
- Openness and transparency in the internal workings and procedures of the Authority, in its dealings with the public
- Maximising human resources of the Authority

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- Generally directed at ensuring efficiency, effectiveness, responsibility, accountability and honesty in the procedures, operations and activities of the Authority.

1.2.1 Application of other laws

In addition to this code, members of the entity's board and staff must comply with the following laws:

The Constitution of Zimbabwe (No.20) of 2013 which is the supreme law of Zimbabwe.

The Companies and Other Business Entities Act (Chapter 24:31)

The Public Entities Corporate Governance Act [Chapter 10:31] sets out their duties, and contains a detailed code of conduct which they must obey.

The Public Finance Management Act [Chapter22:19], in section 45, states that employees of public entities must:

- Comply with the entity's financial management systems.
- Ensure the entity's resources and assets are used effectively, efficiently, economically and transparently.
- Prevent irregular, pointless and wasteful expenditure and,
- Manage and safeguard the entity's assets.

The Labour Act [Chapter 28:01] which defines the fundamental rights of employees, defines unfair labour practices, regulates conditions of employment and other related matters.

Members of the Entity's Board and staff are expected to read and understand these laws. Copies of them are available at the offices of the Company Secretary.

1.3 Responsibilities of the Board

The Board has the necessary authority, competencies and objectivity to carry out their functions of strategic guidance to management. They will act with integrity at all times. The Board should ensure that the evaluation of its own performance and that of its committees, its Chair and its individual members support continued improvement in its performance and effectiveness.

A formal process, either externally facilitated or not in accordance with methodology approved by the Board, should be followed for evaluating the performance of the Board, its Committees, its Chair and its individual member at least annually.

1.3.1 Mandate

The Board is assigned a clear mandate and ultimate responsibility for the enterprise's performance. The role of Board is clearly defined in legislation, according to the ARDA Act. The Board will be fully accountable to the principals, act in the best interest of the Authority and treat all shareholders equitably.

1.3.2 Strategy, Supervision & Remuneration

The Board shall effectively carry out their functions of setting Strategic Direction, based on broad mandates and objectives set by the Government. They should set executive remuneration levels that are in the long-term interest of the Authority.

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1.3.3 Board Composition

The Board composition shall allow the exercise of objective and independent judgement. All Board members, including any public officials, are nominated based on qualifications and have equivalent legal responsibilities.

When determining the requisite number and composition of the Board Committees, the following factors should be considered;

- The appropriate mix of knowledge, skills and experience, including the business, commercial and industry experience needed to govern the Authority.
- The appropriate mix of Executive, Non-executive and Independent Non-Executive.

1.3.4 Conflict of Interest

Independent Board Members, where applicable, shall be free of any material interests or relationships with the Authority, its Management, Partners and Shareholders and the state ownership entity that could jeopardise their exercise of objective judgement. Mechanisms should be implemented to avoid conflicts of interest preventing Board members from objectively carrying out their Board duties and to limit political interference in Board processes.

Duty to disclose conflict of interest:

If a Director has a personal interest in respect of a matter to be considered at a meeting of the Board of Directors, or knows that an associate has a personal financial interest in the matter, the Director —

(a) must disclose the interest and its general nature before the matter is considered at the meeting; and

(b) must disclose to the meeting any material information relating to the matter, and known to the person; and

(c) may disclose any observations or pertinent insights relating to the matter if requested to do so by the other persons; and

(d) if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in paragraph (b) or (c); and

(e) must not take part in the consideration of the matter, except to the extent contemplated in paragraphs (b) and (c); and

(f) while absent from the meeting in terms of this subsection—

(i) is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors or members are present to constitute the meeting; and

(ii) is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted.

and

(g) must not execute any document on behalf of the Authority in relation to the matter unless specifically requested or directed to do so by the Board.

If a Director acquires a personal financial interest in an agreement or other matter in which the Authority has a material interest or knows that an associate has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the Authority, the Director

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must promptly disclose to the Board the nature and extent of that interest, and the material circumstances relating to the Director's acquisition of that interest.

Board members and management to annually sign off the declaration of interests.

1.3.5 Boardroom Efficiency

The Chair shall assume responsibility for boardroom efficiency. The Board should maintain arms-length relationship with management as far as reasonably possible.

1.3.6 Specialised Committees

Board should consider setting up specialised committees, composed of independent and qualified members, to support the full board in performing its functions, particularly in respect to audit, risk management and remuneration. The establishment of specialised committees should improve boardroom efficiency and should not detract from the responsibility of the full Board.

1.3.8 Performance Evaluation

The Board should, under the Chair's oversight, carry out an annual, well-structured evaluation to appraise their performance and efficiency.

1.3.9 Independent Professional Advice

Individual directors or the board as a whole should be entitled, at the expense of the Authority, to take independent professional advice in connection with their duties, if they consider it necessary, but only after following due process.

1.4 Directors' Fiduciary Duties

The Board has fiduciary duties to the Authority, its principals and stakeholders to carry out its responsibilities in the following manner;

At common law, Directors are subject to fiduciary duties requiring them to exercise their powers in good faith and for the benefit of the company.

They also have the duty to display reasonable care, skill and diligence in carrying out their duties. As such, Directors will need to comply with both the duties set out in the Companies Act and in terms of the common law, except where the common law duty is specifically amended or conflicts with the Companies Act.

A breach of these duties may render a Director or an Officer of the company personally liable to the company or third parties regardless of the Director or Officer's knowledge of these obligations.

1.5 Roles and Responsibilities of The Board Chairperson

The Board Chairperson should be an independent Non-Executive member of the Board.

1.5.1 Managing conflicts of interest. It is not sufficient merely to table a register of interests. All internal and external legal requirements must be met. The Chairman must ask affected directors to recuse themselves from discussions and decisions in which they have a conflict, unless they are requested to provide specific input, in which event they should not be party to the decision.

1.5.2 Acting as the link between the Board and Management.

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- 1.5.3 Being collegial with Board members and management while at the same time maintaining an arm's length relationship.
- 1.5.4 Ensuring that Directors play a full and constructive role in the affairs of the Authority.
- 1.5.5 Ensuring that complete, timely, relevant, accurate, honest and accessible information is placed before the Board to enable Directors to reach an informed decision;
- 1.5.6 Monitoring how the Board works together and how individual Directors perform and interact at meeting.
- 1.5.7 The Chairman should meet with individual Directors once a year about evaluating their performance. The Chairman should know Board members' strengths and weaknesses.
- 1.5.8 Mentoring to develop skill and enhance Directors' confidence (especially those new to the role) and encouraging them to speak up and make an active contribution at meetings. The mentoring role is encouraged to maximise the potential of the Board;
- 1.5.9 Ensuring that all Directors are appropriately made aware of their responsibilities through a tailored induction programme.
- 1.5.10 Ensuring that good relations are maintained with the Authority's major shareholders and its strategic stakeholders, and presiding over shareholders' meetings; building and maintaining stakeholders' trust and confidence in the Authority;
- 1.5.11 Ensuring that decisions by the Board are executed.
- 1.5.12 The Chairman's ability to add value to the company, and the Chairman's actual performance against criteria developed from his formalised role and functions, should form part of a yearly evaluation by the Board.
- 1.5.13 The Chairman, together with the Board, should carefully consider the number of outside Chairmanships that he holds. The relative size and complexity of the companies in question should be taken into account. In this regard, Chairmen of Boards and Board Committees should apply their minds, in an intellectually honest manner, and be satisfied that they have the ability and capacity to discharge their duties.
- 1.5.14 With regard to the Chairman serving on other committees:
 - The Chairman should not be a member of the Audit committee;
 - The Chairman should not chair the Remuneration Committee,
 - The Chairman should be a member of the Nomination Committee and may also be its Chairman; and,
 - The Chairman should not chair the Risk Committee but may be a member of it.
 - There should be a succession plan for the position of the Chairman.

1.6 Responsibilities of The Corporate Secretary/ Secretary to the Board

The Board should be assisted by a competent, suitably qualified and experienced Company Secretary

The appointment of a Company Secretary in state-owned companies is mandatory under the Public Entities Corporate Governance Act Chapter 10:31 & Public Entities Corporate Governance (General) Regulations, (2018).

Furthermore, the Act contains various provisions regarding the appointment, removal and duties of the Company Secretary.

The Board should be aware of the Company Secretary's duties and should empower the Company Secretary to properly fulfil those duties. As gatekeeper of good governance, it is important for the Company Secretary to maintain an arms-length relationship with the Board and its Directors, as far as reasonably possible.

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- 1.6.1 The company secretary will ideally not be a director of the company.
- 1.6.2 The company secretary will assist the nomination committee and ensure that the procedure for the appointment of directors is properly carried out.
- 1.6.3 The Company Secretary will assist in the proper induction, orientation, ongoing training and education of directors, including assessing the specific training needs of Directors and Executive Management in their fiduciary and other governance responsibilities.
- 1.6.4 The individual Directors, and the Board collectively, should look to the Company Secretary for guidance on their responsibilities and duties and how such responsibilities and duties should be properly discharged in the best interests of the company.
- 1.6.5 The Company Secretary will provide a central source of guidance and advice to the Board, and within the company, on matters of good governance and of changes in legislation.
- 1.6.6 The Company Secretary in consultation with the CEO will have a direct channel of communication to the Chairman and should be available to provide comprehensive practical support and guidance to Directors, with particular emphasis on supporting the non-executive directors, the Chairman of the Board and the Chairman of Committees and the Audit Committee.
- 1.6.7 The Company Secretary shall ensure that the Board and Board Committee Charters and terms of reference are kept up to date.
- 1.6.8 The Company Secretary shall be responsible for ensuring the proper compilation and timely circulation of Board papers and for assisting the Chairman of the Board and Committees with drafting of yearly work plans.
- 1.6.9 The Company Secretary shall have the duty to obtain appropriate responses and feedback to specific agenda items and matters arising from earlier meetings in Board and Board Committee deliberations. The Company Secretary's role should also be to raise matters in consultation with the CEO, that may warrant the attention of the Board.
- 1.7.1 The Company Secretary shall ensure that the proceedings of Board and Committee meetings are properly recorded and that minutes of meetings are circulated to the Directors in a timely manner, after the approval by the Chairman of the Board or relevant Board Committee.
- 1.7.2 The Company Secretary shall assist the Board with the yearly evaluation of the Board, its individual Directors and Executive Management.

1.8 Role of The Chief Executive Officer

The Board should appoint the Chief Executive Officer (CEO) and provide input on Executive Directors appointments.

The collective responsibilities of management vest in the CEO and as such the CEO bears ultimate responsibility for all management functions. The Board delegates to management via the CEO, who will in turn delegate to those reporting to him.

In delegating Authority to management (through the CEO), the Board and its Directors do not abdicate their duties and responsibilities. In delegating Authority, the Board should establish Performance Appraisals to hold management accountable for decisions and actions delegated to them.

The CEO plays a critical role in the operations and success of the company's business. The role and functions of the CEO should be formalised and the Board should evaluate the performance of the CEO against criteria developed from these.

The governing body should formally evaluate the performance of the CEO against agreed performance measures and targets at least annually.

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- 1.8.1 The CEO should consistently strive to achieve the Authority's financial and operating goals and objectives, and ensure that the day-to-day business affairs of the company are properly managed within the approved framework of delegated Authority.
- 1.8.2 The CEO should endeavour to ensure that a long-term strategy of the Authority is developed and recommended to the board to create added value for and positive relations with stakeholders.
- 1.8.3 The CEO should ensure that a positive and constructive work climate conducive to attracting, retaining and motivating employees at all levels in the company is maintained.
- 1.8.4 The CEO should foster a corporate culture that promotes sustainable ethical practices, encourages individual integrity and fulfils social responsibility objectives and imperatives.
- 1.8.5 The CEO should serve as the chief representative of the company and act as liaison for communication for the Authority.

The functions of the CEO include:

- 1.8.6 Recommending or appointing the executive and management team and ensuring proper succession planning and performance appraisals;
- 1.8.7 Developing the authority's strategy for consideration and approval by the Board;
- 1.8.8 Developing and recommending to the Board yearly business plans and budgets that support the Authority's long-term strategy;
- 1.8.9 Monitoring and reporting to the Board the performance of the Authority and its conformance with compliance imperatives;
- 1.8.10 Establishing an organisational structure for the Authority which is necessary to enable execution of its strategic planning;
- 1.8.11 Setting the tone in providing ethical leadership and creating an ethical environment;
- 1.8.12 Ensuring that the Authority complies with all relevant laws and corporate governance principles; and
- 1.8.13 Ensuring that the Authority applies all recommended best practices and, if not, that the failure to do so is justifiably explained.
- 1.8.14 Board should also ensure that a succession plan is in place for the CEO, and other members of executive, senior management and officers.

1.9 Roles and Responsibilities of The Compliance Officer

The Compliance Officer shall;

- 1.9.1 Ensure that the Authority, through its Board members and members of staff comply with the relevant provisions of the Public Entities Corporate Governance Act [Chapter 10:31], the Public Entities Corporate Governance (General) Regulations, 2018, any manuals, code and instructions made or issued under the said Act and Regulations.
- 1.9.2 Ensure that once a year every member of the Authority's Board and senior staff is given an opportunity to read the ARDA Act, the Authority's Board Charter and Code of Ethics;
- 1.9.3 Ensure that once every year, every member of the entity's Board and senior staff signs a statement to the effect that he/she has performed his/her duties in full compliance with the enactments and documents referred immediately above.

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2.1 Training and Development

The induction of and ongoing training and development of directors shall be conducted through a formal process.

- 2.1.1 The Board shall establish a formal induction programme to familiarise incoming Directors with the Authority's operations, its business environment, and the sustainability issues relevant to its business. It should also introduce them to members of senior management and their respective duties and responsibilities.
- 2.1.2 An appropriate induction programme should meet the specific needs of both the Authority and the individual and should enable any new Director to make the maximum contribution as quickly as possible.
- 2.1.3 New Directors with no or limited Board experience should be developed and receive education about their duties, responsibilities, powers and potential liabilities.
- 2.1.4 Training and development will help to enhance governance practices within the Board itself and be in the best interests of the Authority.
- 2.1.5 Directors should receive regular briefings on matters relevant to the business of the Authority, changes in risks and laws applicable to the business of the Authority, including accounting standards and policies, and the environment in which it operates.
- 2.1.6 Incompetent or unsuitable directors shall be removed, taking relevant legal and other requirements into consideration.

2.2 Meetings and decisions of the Board

The Board shall meet for the dispatch of business and adjourn, close and otherwise regulate its meetings and proceedings as it thinks fit.

- 2.2.1 The Chairman of the Board may himself at any time, and shall at the request in writing of not less than two members, convene a special meeting of the Board, which meeting in the latter case shall be convened for a date not less than seven days or more than thirty days after the receipt of such request.
- 2.2.2 The Chairman shall preside at all meetings of the Board at which he is present.
- 2.2.3 If at any meeting of the Board the chairman is absent— (a) if a Deputy Chairman has been appointed, he shall preside;
- 2.2.4 If no Deputy Chairman has been appointed or the Deputy Chairman is absent, the members who are present at that meeting shall elect one of their number to preside;
- 2.2.5 And at that meeting the Deputy Chairman or member so elected, as the case may be, shall have all the powers and discharge all the duties of the Chairman except that in the event of an equality of votes he shall not have a casting vote.
- 2.2.6 Three members shall form a quorum at a meeting of the Board:
- 2.2.7 Provided that if at any time the Board consists of more than six members, the quorum shall be such number as the Minister may fix by notice in writing to the Board.
- 2.2.8 All acts, matters or things authorized or required to be done by the Board may be decided by a majority vote at a meeting of the Board at which a quorum is present.
- 2.2.9 At all meetings of the Board each member present shall have one vote on a question before the Board and, in the event of an equality of votes, the Chairman shall have, in addition to a deliberative vote, a casting vote.
- 2.2.10 Any proposal circulated among all members and agreed to in writing by a majority of all members shall be of the same force and effect as a resolution passed at a duly constituted meeting of the Board and shall be incorporated in the minutes of the next succeeding meeting of the Board.

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2.2.11 Provided that if a member requires that such a proposal shall be placed before a meeting of the Board, this subsection shall not apply to such proposal.

2.3 Committees of Board

2.3.1 For the better exercise of its functions and powers the Board may establish one or more Committees in which may be vested or on which may be imposed such of the functions and powers of the Board as the Board may direct:

2.3.2 Provided that the vesting or imposition of any such functions and powers in a Committee shall not thereby divest the Board of such functions and powers and the Board may amend or rescind any decision of any such committee in the exercise of its functions and powers.

2.3.3 The Chairman of the Board or of a Committee may at any time and at any place convene a meeting of that Committee.

2.3.4 Each Committee will have its own charter to guide them towards upholding effective corporate governance in fulfilling their respective mandates

2.4 Vacation of office by a Board Member

A member shall vacate his office and his office shall become vacant—

2.4.1 One month after the date he gives notice in writing to the Minister of his intention to resign his office or after the expiration of such shorter period as he and the Minister may agree; or

2.4.2 Thirty days after the date he is sentenced by a court to imprisonment referred to in paragraph (b) of section seven after conviction of an offence referred to in that paragraph:

2.4.3 Provided that, if during the said period of thirty days an application for a free pardon is made or an appeal is filed, the question whether the member is to vacate his office shall not be determined until the final disposal of such application or appeal, whereupon the member shall forthwith vacate his office and his office shall become vacant unless he is granted a free pardon, his conviction is set aside, his sentence is reduced to a term of imprisonment of less than six months or a punishment other than imprisonment is substituted; or

2.4.4 If he becomes disqualified in terms of paragraph (a) of section seven to hold office as a member; or

2.4.5 If he is required in terms of section nine to vacate his office; or

2.4.6 If he is absent from three consecutive meetings of the Board or of any committee of the Board of which he is a member and of which he has had notice, without the permission of the Board.

2.5 Exemption from Liability

No liability shall attach to the Authority or to any member of the Board or any Committee of the Board for any loss or damage sustained by any person as a result of the bona fide exercise or performance by the Board or a Committee thereof or by any employee or agent of the Authority of any power conferred upon the Authority by this Charter:

Provided that this section shall not be construed so as to prevent any person from recovering by action in any competent court compensation for any loss or damage sustained by him which was caused by negligence or breach of contract.

2.6 Authority of the Board

The Board shall reserve certain matters and decisions, as set out below, to itself and may not delegate same to any other person unless otherwise agreed:

2.6.1 Approval of the audited annual report and annual financial statements of the Authority;

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2.6.2 Approval of the Risk Management plan;

2.6.3 Approval of the Audit Plan

2.6.4 Approval of the Authority's policies,

2.6.5 Approval of the Authority's Code of Conduct and Ethics;

2.6.7 Review of performance in the light of the Authority's strategic aims and objectives,

2.6.9 Approval of Board resolutions;

2.6.10 Approval of donations;



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CURRENT OTHER INTERESTS (PLEASE COMPLETE IN CAPITAL LETTERS)

NAME OF INTEREST	PERIOD HELD	INTEREST	NATURE OF INTEREST	EXTENT OF INTEREST (E.G., SHAREHOLDING, FEES, CONSULTANCY, SALARY, GRANTS ETC)



SIGNATURE	PRINT NAME	DATE