

# **MARSABIT WATER AND SEWERAGE COMPANY**

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# **BOARD CHARTER**

## **A. INTRODUCTION**

This Board of Directors Charter (the Charter) defines the Board's roles and responsibilities as well as functions and structures in a way that supports the members in carrying out their strategic oversight function. It provides the Board members with an opportunity to think creatively and critically about how their strategic and operational plans align with the organization's strategic direction and expectations, with respect to governance. The Charter will help the Board in directing the organization to maximize the long-term value of services provided for all stakeholders. It is therefore imperative for Board members to understand their individual and collective roles with the purpose of helping the organization fulfill its mandate.

The Charter has been adopted by Marsabit Water and Sewerage Company Limited (MARWASCO), and is complementary to the requirements regarding the Board and Board members contained in applicable Kenyan laws and Regulations. In particular, the principles and policies contained in the Charter are in addition to and are not intended to change or interpret any statute, law or regulation.

The Board of directors will review this Charter at least annually and, if appropriate, revise this Charter from time to time. This Charter is available to all members of the Board for application and is posted on the organization's website for the information of stakeholders.

## **B. STATEMENT ON GOOD GOVERNANCE**

The Company has adopted high standards and applies strict rules of conduct, based on the best corporate practices. As part of this commitment, the Board adheres to good corporate governance by embracing the following principles:

1. To observe high standards of ethical and moral behavior;
  2. To act in the best interests of MARWASCO;
  3. To remunerate and promote fairly and responsibly;
  4. To recognize the legitimate interests of all stakeholders; and
  5. To ensure that the organization acts as a good corporate citizen.
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In general, Board members shall act in the best interest of the MARWASCO and uphold their fiduciary responsibilities and duty of care. This involves not disclosing confidential information, avoiding real and perceived conflicts of interest, and favoring the interests of the organization over other interests. They will act honestly and in good faith so as to create a culture built on principles of integrity, accountability and transparency.

### **C. GUIDING PRINCIPLES**

In line with Section 3 of the Leadership and Integrity Act 19 of 2012 of the Laws of Kenya, the Board of directors shall respect the values, principles and the requirements of the Constitution, including:

1. The national values and principles provided for under Article 10 of the Constitution;
2. The rights and fundamental freedoms provided for under Chapter Four of the Constitution;
3. The responsibilities of leadership provided for under Article 73 of the Constitution;
4. The principles governing the conduct of public officers provided for under Article 75 of the Constitution;
5. The educational, ethical and moral requirements in accordance with Article 99 (1) (b) and 193 (1) (b) of the Constitution;
6. The values and principles of Public Service as provided for under Article 232 of the Constitution.

### **D. THE BOARD OF DIRECTORS**

The Board of Directors is the body of elected members nominated by the stakeholders and elected at the Annual General Meeting through an open, transparent and participatory process in line with WASREB Corporate Governance Guidelines. The directors jointly oversee the activities of the Company. The Board is expected to provide strategic direction, exercise control and remain accountable through effective leadership, enterprise, integrity and good judgment.

The Board of directors should be diverse in its composition, independent but flexible, pragmatic, objective and focused on balanced and sustainable performance of the organization.

## **1. Size of the Board.**

The Board comprises of Seven (7) members, Five (4) Male and Two (3) Female. Board Chair, one (1) Representing Department of Water, one (1) Representing Department of Finance, one (1) representing Large Consumers, one (1) representing private enterprise, One (1) representing PWD and One (1) representing Youth. The managing director is the Board Secretary in the composition.

## **2. Board Composition**

The Board shall ensure that:

- a) Its composition complies with requirements in the Constitution of Kenya and any applicable legislation;
- b) Its members can act independently;
- c) Each Board member understands the broad outline of MARWASCO's policies;
- d) Each Board member is in good standing professionally where applicable, and has sufficient expertise to perform his or her role as a Board member; and
- e) At least one member is a financial expert, meaning that he or she has expertise in financial management and accounting.

The Board will, in consultation with the Audit, Risk and Compliance committee, and taking into consideration the nature of MARWASCO's mandate, prepare its profile including size, composition and members' expertise for stakeholder information.

## **3. Appointments of Board Members**

Whenever there is a vacancy in the Board, the vacancy will be advertised in a newspaper with national circulation and wide readership. Interested persons shall apply after being nominated by the relevant stakeholders' bodies thereafter he/she be elected during the Annual General Meeting. The directors representing the County Government of Marsabit shall be nominated by the Executive Committee member in charge of water services. The Board member representing National Treasury will be nominated by the Principal Secretary in charge of National Treasury. The names of elected directors will be filed with the Registrar of Companies.

#### **4. Disqualification of Director**

Board member will cease to be director if the person:

- a) Serves the Chairperson with a written notice of resignation or
- b) Is absent, without the permission of the Chairperson, from three consecutive meetings; or
- c) Is convicted of an offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding twenty thousand shillings; or
- d) Is incapacitated by prolonged physical or mental illness from performing his duties as a member of the Board or
- e) Is removed from office pursuant to section 139 of the Companies Act or by a special resolution of the company in general meeting or
- f) Ceases to be an official of the County Government of Marsabit or the National Treasury or
- g) Becomes bankrupt or makes an arrangement or composition with their creditors or
- h) Becomes prohibited from being a Director by reason of any order under section 189 of the Act or
- i) Becomes of unsound mind or
- j) He/ She or any persons to who he has personal ties transacts with the Company

The Board may also recommend the removal of a member based on non-performance, non-attendance of meetings, unethical conduct or as set out in any constitutive documents or applicable law.

Any removal of a Board member appointed by the County Government or National Treasury shall be through formal revocation.

The Managing Director will ensure that a record of the appointment letter and written acceptance by the Board member are kept in the personal file of the Board member.

## **5. Independence of Board Members**

All Board members, including those nominated by County Government of Marsabit and National Treasury, shall recognize that they owe their duties to MARWASCO and not their nominating stakeholder.

## **6. Term Limits**

Board members shall hold office for a period not exceeding three (3) years, and are eligible for re-election for another term of three (3) years. A Board member may be appointed for a cumulative term not exceeding six (6) years. The renewal of Board Member's tenure for a second term should be subject to an acceptable evaluation as determined during Board evaluations.

In determining which directors are to retire at the Annual General Meeting the process shall be guided by provisions of the Memorandum and Articles of Association as amended from time to time.

## **7. Resignation from the Board**

A Board member may resign at any time by giving notice, in writing, to the Chairperson of the Board and/ or the Managing Director of the Company.

The resignation shall take effect upon receipt of notice by the Chairperson or at any later time specified therein and unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

## **8. Chairperson of the Board**

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees. The role of the Chairperson includes approving the agenda for board meetings, Chairing the Board, Shareholders meetings (AGM), and Stakeholders conference and ensuring that a record of proceedings of all Board activities is kept.

The Chairperson is the spokesperson for the Board and is the principal contact for the *Managing Director*.

**The Chairperson ensures that:**

- a) The Board satisfies its duties and responsibilities;
- b) Board members when appointed participate in an induction programme and are thereafter continually developed based on identified development needs;
- c) Board members receive all information required for them to perform their duties;
- d) The Board develops and adheres to an annual work plan;
- e) The Board has sufficient time for consultation and decision-making;
- f) The Board constitutes committees and that the committee's function properly;
- g) The performance of the Board, Board members, and the Managing Director is evaluated annually;
- h) Problems relating to the performance of individual Board members are addressed;
- i) Internal disputes and conflicts of interest concerning individual Board members are addressed; and
- j) The Board has appropriate contact with the management.

**E. MANAGING DIRECTOR**

The Managing Director is the Chief Executive Officer of the Company and is the secretary of the Board. The Managing Director and the Board play separate and distinct roles but work together to achieve organizational goals.

The Board is responsible for appointing the Managing Director, through a competitive process, and for removing him/her. The Board shall also assist the Managing Director in selecting the management team and put in place a succession plan for both the Managing Director and the Corporate Management Team (CMT).

The Managing Director is responsible for overseeing the execution of the Boards directions and policies to ensure desirable outcomes. The Managing Director therefore serves as the link between the Board and the Management.

The Board should provide the Managing Director with:

- a) Refined performance goals and authority levels;
- b) A competitive remuneration package;
- c) Regular formal performance review feedback;
- d) Constructive informal feedback on job performance;

- e) Reward for exceptional performance; and
- f) Prompt response to request for guidance or assistance.

The Managing Director shall:

- a) Demonstrate commitment to the Company's vision, mission, core values and mandate
- b) Achieve set performance objectives and targets
- c) Put in place effective administrative structures, processes and systems
- d) Provide regular, thorough and prompt communication to the Board on key technical, financial and administrative matters
- e) Effectively represent the Company to stakeholders and enhance its public image and
- f) Promptly respond to Board member's requests for information.
- g) Providing secretarial services to Board Meetings including ensuring that the Board work plan is prepared and adhered to, circulating board papers in advance of the meeting, keeping a record of attendance at meetings, keeping safe custody of the seal and a record of its usage, and preparing the Board for annual general meetings where applicable;
- h) Ensuring that the minutes of the Board and Board committees are promptly prepared and circulated.

## **F. COMPANY SECRETARY**

The Board should be assisted by a suitably qualified, competent and experienced Company Secretary who is in good professional standing with the Institute of Certified Secretaries of Kenya. The Company Secretary shall also satisfy the requirements of Chapter Six of the Constitution on leadership and integrity.

The Board should empower the Company Secretary to efficiently and effectively execute his or her duties and responsibilities. The Board is responsible for the appointment and removal of the Company Secretary.

**The principle duties of the Company Secretary are:**

- a) Providing guidance to the Board and Board members individually on their duties, responsibilities and powers and how these should be exercised in the best interests of the organization;
- b) Ensuring that board procedures are followed and reviewed regularly, and that the Board complies with the Law, rules and regulations;
- c) Assisting the Chairperson in organizing Board activities, including providing information, preparing agenda, issuing notices and preparing for meetings, board evaluations and board development programs;
- d) Providing secretarial services to the General Meetings and to Board Meetings when called upon to do so.
- e) Keeping the Board abreast of and informed on, current governance thinking and practice; and
- f) Coordinating the governance audit process.

**G. RELATIONSHIP BETWEEN BOARD AND MANAGEMENT**

The Board and Management should execute their mandate in an environment of mutual trust and respect having regard to the principles of good governance. In this regard, the Board shall provide clear and distinct lines of responsibility and accountability, and maintain effective channels of communication.

**H. COMMITTEES OF THE BOARD**

To effectively discharge its mandate, the Board shall establish committees with specific terms of reference.

The Board shall appoint into committees, members with requisite skills and competence to discharge allocated responsibilities. In the event that a committee lacks specific skills within its membership, the Board may, co-opt skilled non-Board members to serve on the committee provided that the chair of a committee or the Chairperson of the Board shall not be a co-opted member. The Board may, from time to time, rotate Board members between the committees.

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board.

The Chairperson of each committee, in consultation with the Board, will determine the frequency of committee meetings as is necessary to fulfill the Committees functions. However, in normal circumstances the committees should hold four (4) sitting in a financial year.

The Chairperson of each committee, in consultation with Management, will develop the committees' agenda. The Board will however determine the procedure and process within which committees may take independent professional advice at the organization's expense.

The committees will promptly recommend to the Board any actions taken for ratification and any major developments that they become aware of. The Board shall, as set out in the terms of reference of the respective committees, receive a report of the committee's findings and actions.

The Board has established the following standing committees:

- Audit and Risk Committee
- Technical Services Committee
- Finance and Administration Committee

The Board may establish any other committees to handle any special business.

The Terms of Reference of such ad hoc committee shall be developed by the Board.

## **1. PRACTICES OF THE BOARD**

### **I. Board Responsibilities**

The basic responsibility of the Board members is to exercise their best judgment and to act in a manner that they reasonably believe to be in the best interest of the Company and its stakeholders. In discharging that obligation, the members shall be entitled to rely on the honesty and integrity of the organization's management, staff and its external professional advisors and auditors.

In furtherance of its responsibilities, the Board will:

- a) Determine the Company's mission, vision, purpose and core values;
- b) Review, evaluate and approve, on a regular basis, long-term plans for the Company;
- c) Review, evaluate and approve the Company's budget and financial forecasts;
- d) Review, evaluate and approve major resource allocations and capital investments;

- e) Ensure that the procurement process is cost-effective and delivers value for money;
- f) Review and approve the operating and financial results of the Company;
- g) Ensure effective, accurate, timely and transparent disclosure of pertinent information on the Company's operations and performance;
- h) Ensure that effective processes and systems of risk management and internal controls are in place;
- i) Review, evaluate and approve the overall organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession;
- j) Review, evaluate and approve the remuneration structure of the organization
- k) Adopt, implement and monitor compliance with the organizations Code of Conduct and Ethics;
- l) Review on a quarterly basis the attainment of targets and objectives set out in the agreed performance measurement framework with the County Government of Nyeri;
- m) Review periodically the organization's strategic objectives and policies relating to sustainability and social responsibility investment;
- n) Protect the rights of shareholders and optimize shareholder value
- o) Enhance the organization's public image and ensure engagement with stakeholders through effective communication;
- p) Monitor compliance with the Constitution, all applicable laws, regulations and standards; and
- q) Review, monitor and ensure that the organization is effectively and consistently delivering on its mandate.

## **2. Responsibilities of Individual Board Members**

Each Board member shall:

- a) Exercise the highest degree of care, skill and diligence in discharging their duties;
- b) Act in the best interest of the organization and not for any other purpose;
- c) Act honestly at all times and must not place themselves in a situation where their personal interest's conflict with those of the organization;
- d) Exercise independent judgment;

- e) Devote sufficient time to carry out their responsibilities, regularly update their knowledge and enhance their skills;
- f) Promote and protect the image of the organization;
- g) Owe their duty to the organization and not to the nominating or appointing authority; and
- h) Owe the organization the duty to hold in confidence all information available to them by virtue of their position as a Board member.

### **3. Principles of Public Service**

The Board, in performing its functions, shall be guided by the principles of Public Service as provided in Chapter Thirteen of the Constitution of Kenya, which include:

- a) High standards of professional ethics;
- b) Efficient, effective and economic use of resources;
- c) Responsive, prompt, effective, impartial and equitable provision of services;
- d) Involvement of stakeholders in policy making;
- e) Accountability for administrative acts;
- f) Transparent and timely provision to the public of accurate information;
- g) Fair competition and merit as the basis of appointments and promotions;
- h) Affording adequate and equal opportunities for appointment, training and advancement, at all levels of the Company, of men and women, members of all ethnic groups and persons with disabilities.

### **4. Board and Committee Meetings**

Board meetings will be held at least four (4) times a year, and not more than 4 months shall elapse between the date of one meeting and the date of the next meeting. A schedule of dates of the meetings will be agreed upon by the Board members and set out in the Board work plan. Notices of the location and the timing of meetings will be issued prior to the meetings.

The Board work plan may be adjusted if deemed necessary by the Board.

In exceptional and justifiable circumstances, special meetings of the Board and committee may be held outside the approved board work plan with the approval of the Chairman.

The quorum for a Board meeting will be two thirds (2/3) of the total number of Directors. The quorum for committee meetings will not be less than two (2) members. Board members are expected to attend Board and meetings of the committees on which they serve.

The Chairperson, Managing Director or Committee Chairpersons may from time to time invite senior managers, other employees and advisors to attend Board or Committee meetings whenever deemed appropriate.

The Board should set aside adequate time, annually, to discuss strategy and policy matters.

### **5. Notice and Agenda for Meetings**

Notice and Agenda of Board and committee meetings will be issued by the Managing Director in consultation with the Chairperson of the Board or relevant committee at least seven (7) days before the date of the meeting. Each Board member is free to suggest the inclusion of items on the agenda by providing notice to the Chairperson at least fourteen (14) days prior to the meeting, to enable preparation. Additional agenda items may be included in the agenda during the meeting subject to approval by the Board or the committee.

Save for the additional agenda items, the agenda for the meetings will be aligned to the Boards work plan which will establish a schedule of agenda subjects to be discussed during the year to the degree this can be foreseen.

Except for urgent cases, as determined by the Chairperson, detailed agenda accompanied by relevant supporting documents and recommendations will be provided to the Board members at least seven (7) days prior to a meeting. Board members should review these materials in advance of the meeting to enhance effectiveness.

### **6. Venue of Meetings**

Board and committee meetings are generally held at the Company head office boardroom but may also take place elsewhere with relevant approvals. The time and venue of meetings should be clearly communicated in the notice of the meeting.

In addition, meetings of the Board or committees may be held by video conferencing, call or by any other means of communication approved by the Board, provided that all members have been given prior notification and they can communicate with each other simultaneously.

### **7. Attendance of Meetings**

The Managing Director shall attend all Full Board meetings and, if requested by the Board, other members of the senior management shall also attend a Board meeting in whole or in part.

A Board member who is unable to attend a meeting will explain their absence to the Chairperson and notify the Managing Director for the purpose of recording the apology.

## **8. Procedure of Meetings**

### **a) *Chairing of Meetings***

Board meetings shall be chaired by the Chairperson of the Board or in the case of a committee meeting, the Chairperson of that committee. In the absence of the Chairperson, one of the Board members designated by the Board members present at the meeting will chair.

### **b) *Constitution of the Meeting***

The Board meeting will be constituted in accordance with the Memorandum and Articles of Association and shall include a confirmation that there is quorum for the meeting to proceed and recording of attendance.

### **c) *Protocol of Board Meetings***

The Chairperson, having ensured that the meeting is properly constituted, will also ensure that at an appropriate time during the meeting, the minutes of the previous meeting are confirmed and matters arising there from handled. A special meeting of the Board or Board Committee will not discuss any matter other than that specified in the agenda.

### **d) *Virtual or Hybrid Meetings***

The conduct of Board and committee meetings may also be undertaken, through televideo conferencing, in the case where some of the participants will not be physically present. The following guiding principles shall apply:

1. The Managing Director shall ensure that the constitutive documents of the organization allow for tele-video conferencing;
2. The Managing Director shall ensure that the necessary arrangements are in place to facilitate effective and secure communication during the meeting;

3. On sending out the notice of the meeting, the Managing Director shall also confirm whether each Board member or participant will attend physically or through tele-video conferencing;
  4. At the start of the scheduled meeting and for the purpose of confirming quorum, a record of attendance shall be taken during which each Board member or participant will clearly state, for the record, their full name, location and give confirmation that they can clearly hear the others;
  5. All Board members or participants shall identify themselves for the record before speaking and must confirm that they can clearly hear and or see each other in the course of the meeting;
  6. If a statement of a Board member or participant in the meeting via tele-video conferencing is interrupted or garbled, the Chairperson shall request for a repeat or reiteration;
  7. The Chairperson should ensure that resolutions are clarified for record purposes; and
  8. The Chairperson should ensure that the agenda is suitable for tele-video conferencing.
  9. The proceedings of a virtual or Hybrid should be recorded by a suitable device approved by the Board.
- e) Decision-Making

The Board members, with the guidance of the Chairperson, should work towards unanimous adoption of resolutions. However, Board members are entitled to voice dissenting opinions and have these recorded in the minutes when unanimity cannot be reached.

Resolutions of the Board will be made at Board meetings or approved in writing by circulation, provided that in respect to the latter the proposed resolution is submitted to all Board members and none of them object to this form of adoption. Approval of resolutions by circulation shall be effected in writing by all Board members. Objection to this method of adoption or to the proposed resolution should also be in writing.

f) ***Resolutions and Minutes***

Minutes must be drawn up for every Board and committee meeting with resolutions highlighted therein. The minutes should be circulated to the Board members as soon as

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possible after the meeting. Upon confirmation, the minutes should be signed by the Chairperson and added to the records of the organization. Substantial corrections to previous minutes will be recorded in the minutes of the meeting where the corrections are made and adopted by the Board members. Urgent resolutions may be drawn up and signed immediately in the relevant meeting.

#### ***g) Implementation of Resolutions***

Generally, the Board delegates to the Managing Director responsibility to implement the resolutions of the Board. The Managing Director may delegate some of these responsibilities to senior management. The Board is responsible for monitoring the implementation of the resolutions.

#### ***9. Liability of Board Members***

A Board member shall not be liable for any act done in good faith in carrying out duties and responsibilities in the organization. However, there is no limitation of liability for negligence or breach of the member's duty of care to the organization or its stakeholders, or for acts or omissions not in good faith, or which involve intentional misconduct or violation of the law.

#### ***10. Conflict of Interest***

A conflict of interest may arise where a Board member or close family member such as a spouse, child, parent or sibling has private interests that could improperly influence the performance of the Board member's official duties and responsibilities. Conflict may also arise where a Board member uses their office for personal gain.

Board members are required to avoid conflict of interest and deal at arms-length in any matter that relates to the organization. However, a Board member who identifies an area of conflict shall be required to disclose any actual or potential conflict of interest to the Board. In so reporting, the Board member is required to provide all relevant information, including information which relates to their immediate family members by blood or marriage which is related to the area of conflict. When declared, the Board member shall abstain from decisions where the conflict exists.

The Managing Director should keep a record of conflicts of interest declared, for accountability purposes, and as a rule of good practice on appointment and on regular intervals or at any time when circumstances change, all members shall in good faith disclose to the Board for recording, any other business or interest likely to create a potential conflict of interest.

### ***11. Notice of other Directorships***

Board members should carefully consider the number of other boards on which they can serve, consistent with the time and energy necessary to satisfy the requirements of the organization provided that a Board member shall not serve in more than three boards of public or private organization concurrently.

In furtherance of these considerations, Board members should notify the Chairperson in a timely fashion before accepting an invitation to serve on the Board of another public or private body. This prior notice is to allow discussion with the Chairperson of the Board and to obtain legal advice on whether such other service will interfere with the Board members service on the organization's Board, impact the Board member's independence, or create an actual or apparent conflict of interest for the Board member.

### ***12. Board Members Access to Employees***

Board members should have full and free access to employees of the organization but such access should be arranged through the Managing Director. The Board members will use their judgment to ensure that any such access does not disrupt the operations of the organization.

### ***13. Independent Advisors***

Board members may individually and collectively seek independent advice in connection with their duties in the company as and when required. Independent professional advice for the purposes of this Charter shall include advice on matters of governance, the advice of accountants and other professional financial advisors on matters of law and other regulatory matters but shall exclude advice concerning the personal interests of the

director concerned, such as matters relating to their appointment or disputes with the organization.

#### ***14. Interaction with Stakeholders***

Only designated representatives of the organization shall communicate on behalf of the organization with the Government, media, stakeholders and the general public.

#### ***15. Board Induction and Continuous Skills Development***

The Board will provide new Board members with an effective induction programme in order to familiarize them with their responsibilities as directors, general principles of corporate governance and Board practices. The induction program will also provide the Board member with an orientation of the organization, strategic plans, financial status and policies, risk management, compliance programmes and the Code of Conduct and Ethics.

The Board will ensure that a competence needs assessment is carried out periodically and an annual development plan prepared to address identified gaps. In this regard, Board members will be provided with access to, or notice of, continuing development programs that are designed to keep members abreast of the latest developments in sector best practice, corporate governance and critical issues relating to the operation of public sector boards.

The Board will satisfy itself that its members are up-to-date with continuous professional development in their respective professional bodies.

#### ***16. Board Remuneration***

Board members shall be remunerated for their services in accordance with the prevailing relevant legislative provisions and or guidance from the relevant authority. In line with best practice, the remuneration should include sitting and travel allowances.

The Directors will be entitled to per diem equivalent to the Managing Director's per diem whenever they are conducting or attending organization's business outside its area of jurisdiction necessitating sleep over.

The Board Remuneration will be determined by a special Adhoc Remuneration Committee, appointed by the Chairman of the Board. The remuneration committee of the board will be made up of a maximum of five (5) members and a minimum of three (3) members. The Managing Director will be the secretary to the Board Remuneration committee.

The remuneration committee will determine all the allowances and other benefits payable to the board members including the chairman subject to the statutory guidelines and limitations of the board expenses as a percentage of total revenue.

The remuneration committee will meet once every term (every 3 years) to review the status of the company and determine the need to review the allowances and other benefits depending on the financial status of the company.

### ***17. Board Performance***

The Board will conduct an annual evaluation to appraise its performance. This evaluation will be carried out in accordance with the Board Evaluation Tool.

The Board evaluation provides an opportunity for Board members to identify strengths, collective skill gaps and individual areas of improvement. The Board will also review the performance of each committee against the agreed Terms of Reference. The Board will also evaluate the performance of the Managing Director.

### ***18. Board and Management Succession***

The Board will put in place a succession plan for both the Board and management and review the same regularly.

### ***19. Governance Audit***

The Board should ensure that a governance audit of the organization is undertaken on a bi-annual basis. The purpose of the governance audit is to ensure that the organization conforms to the highest standards of good governance. The governance audit should cover the following parameters among others:

- (a) Leadership and strategic management;
- (b) Transparency and disclosure;

- (c) Compliance with Laws and Regulations;
- (d) Communication with stakeholders; (e) Board independence and governance;
- (f) Board systems and procedures;
- (g) Consistent stakeholders' value enhancement; and
- (h) Corporate social responsibility and investment.

This Board Charter was approved under Min BOD.... **08/01/2024**..... of the Board of Directors Meeting held on the 08 January, 2024.

Signed



Date: **08/01/2024**

**Joseph G. Halakhe**  
**CHAIRMAN**  
**BOARD OF DIRECTORS MARWASCO**