



## Kenya Organic Agriculture Network

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### BOARD CHARTER

### OPERATING PROCEDURES OF THE BOARD AND COMMITTEES

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## **FOREWORD**

Kenya Organic Agriculture Network (KOAN) is committed to fulfilling its mission of promoting organic agriculture for improved livelihoods among small holder farmers in Kenya. A Board Charter is crucial in an organization for prudent and efficient operations of a Board. KOAN recognizes the importance of corporate governance and the role of different levels of governance. This policy contains statements of principles, policies and procedures related to governance structure of KOAN. It stipulates the roles and responsibilities of various functions of KOAN especially the Board, Secretariat and Committees that maybe established on delegated capacity by the Board. It is the responsibility of the Board, the CEO and Committee Members to ensure the provisions of this Board Charter are understood by all members, staff and that they are administered and applied uniformly in all instances.

**Signed,**

**Board Chairperson:**

**Date:**

## **PREFACE**

KOAN has developed this Board Charter in line with its resolution to promote best practices in governance. This is also in line with deliberate efforts towards institutional strengthening and improving efficiency as well. The Board, Management and Staff are aware that sound governance structures and procedures are integral in optimal running of the organization and achieving intended impacts. Thus, development of this Board Charter is yet another milestone in its pursuit of excellence in delivering its mandate and accomplishing its mission for the fulfillment of its vision. It's therefore prudent for all Board Members and Staffs to have a copy of the policy, read, understand and apply it.

**Signed,**

**CEO:**

**DATE:**

## **ABBREVIATIONS AND ACRONYMS**

AGM	Annual General Meeting
CEO	Chief Executive Officer
FAD	Finance and Administrative Department
FAM	Finance and Administrative Manager
GAAP	Generally Accepted Accounting Principles
IAS	International Accounting Standards
ICPAK	Institute of Certified Public Accountants of Kenya
KOAN	Kenya Organic Agriculture Network
LPO	Local Purchase Order
NGO	Non-Governmental Organization
POM	Programmes Operations Manager

## **1. PURPOSE OF THE CHARTER**

- i. The Board Charter sets out the role, composition and responsibilities of the Kenya Organic Agriculture Network Board of Directors (“the Board”).
- ii. The conduct of the Board is also governed by the KOAN Articles and Memorandum of Association
- iii. This Board Charter may be amended at any time by the Board in accordance with the decision-making procedures set out in the Charter.

### **1.1 Purpose of the Board**

#### **1.1.1 Compliance**

Conform with or Exceed all Legal Requirements

##### **a) Legal**

- i. Constantly check the mandate of KOAN as set by Articles and Memorandum of Understanding and ensure that management meets it.
- ii. Comply with directors’ responsibilities
- iii. Comply with the prevailing laws that apply to the organization

##### **b) Accountability**

- i. Monitor financial direction of the organization
- ii. Ensure compliance audits are performed and tax compliances are met

#### **1.1.2 Performance**

Assist the organization to perform to its best potential

##### **a) Strategy and policy**

- i. Approve Vision/mission and ensure it is embedded into the organization’s operations
- ii. Approve strategic plan and policies and monitor regularly
- iii. Overall performance of the organization board evaluation, succession planning report outcomes to stakeholders
- iv. Public Relations

##### **b) Risk management**

- i. Ensure up-to-date and effective risk profile and management strategy monitor critical risks
- ii. The Board, while meeting its responsibilities, is mindful of the organization’s mission and the objects of the organization as embodied in its Constitution.

## **2. ROLES AND RESPONSIBILITIES**

The Board has delegated authority for the operations and administration of the organization to the Chief Executive Officer (CEO). The functions of the Board are to:

2.1.1. Provide effective leadership and collaborate with the Executive management team in:

- i. Articulating the organization's values, vision, mission and strategies
- ii. Developing strategic (direction) plans and ordering strategic priorities including the strategic plan, performance contract, annual budget, procurement plan, training plans and media plans.
- iii. Maintaining open lines of communication and promulgating through the organization and with external stakeholders the values, vision, mission and strategies
- iv. Developing and maintaining an organization structure to support the achievement of agreed strategic objectives

2.1.2. Monitor the performance of the CEO against agreed performance indicators

2.1.3. Review and agree the annual plans and annual budget proposed by the management team

2.1.4. Monitor the achievement of the strategic and business plans and annual budget outcomes

2.1.5. Establish such committees, policies and procedures as will facilitate the more effective discharge of the Board's roles and responsibilities

2.1.6. Ensure, through the Board committees and others as appropriate, compliance obligations and functions are effectively discharged.

2.1.7. Initiate a Board self-evaluation program and follow-up action to deal with issues arising and arrange for directors to attend courses, seminars and participate in development programs as the Board judges appropriate.

2.1.8. Ensure that all significant systems and procedures are in place for the organization to run effectively, efficiently, and meet all legal and contractual requirements.

2.1.9. Ensure that all significant risks are adequately considered and accounted for by the management team.

2.1.10. Ensure that organization has appropriate corporate governance structures in place including standards of ethical behaviour and promoting a culture of corporate and social responsibility.

2.1.11. The Board has no operational involvement in the conduct of organization's business activities and delivery of services. Its role is confined to setting and reviewing policy.

### **3. MEMBERSHIP AND TERM**

3.1.1 The KOAN Articles and Memorandum of Association provides for a maximum of Eleven (11) Directors. It also stipulates that the quorum of the directors shall be a minimum of two thirds for business to be transacted.

3.1.2 The Board consists only of non-executive directors, drawn from actors in the organic value chain who include but not limited to:

- i. Farmers and farmer organizations
- ii. Input suppliers
- iii. Research and Training Institutions
- iv. Certification Bodies
- v. Traders/Consumers
- vi. NGOs

3.1.3 Gender will be considered to allow at least one third as per the Kenya Constitution.

3.1.4 No member of the Board may be a member of the paid staff of the organization except the Chief Executive Officer who is designated as the Board Secretary.

3.1.5 Directors are free from any interest and any business or other relationship which could reasonably be perceived to materially interfere with the director's ability to act in the best interests of the organization.

3.1.6 Membership of the Board shall be disclosed in the annual report.

3.1.7 The tenure policy is set by the Articles and Memorandum of Association.

### **4. BOARD MEETINGS**

#### **4.1 Regular Board Meetings**

- i. The Board is required to have quarterly and at minimum two (2) meetings per year
- ii. Notice of the time and place of each meeting of the Board shall be provided to the Board at least seven days in advance of the meeting.

#### **4.2 Emergency Board Meetings and Urgent Board Decisions**

- i. The Executive Board may call in-person Emergency Board Meetings only as necessary to address extraordinary circumstances.
- ii. The Board Chair and CEO, acting together, may take action on behalf of the Board when they consider the procedures for calling regular and emergency meetings for broad deliberations, are unable to accommodate the nature and urgency of the required



action to be taken. The full Board shall be notified of any decision immediately with a full explanation why such decision was deemed urgent. A full report on the decision shall be presented to the Board at its subsequent meeting. The Board will review and may modify or reverse, the decision.

## **5. CONDUCT OF BOARD MEETINGS**

### **5.1 Quorum of the Board**

The Board may conduct business only when two thirds majority of Board Members are present.

#### **5.1.1 General Conduct at Board Meetings**

- i. Meetings will generally be conducted by the Board Chair, the Vice-Chair, or such other person with a written delegation of authority by the Board Chair or Vice-Chair to perform such functions.
- ii. Interventions should be concise and will be limited to three minutes by the Board Chair or Vice-Chair unless previously scheduled as a speech or announcement.

#### **5.1.2 Attendance at Board Meetings**

Attendance by Board Members shall be recorded at the start of each Board Meeting by the Secretariat.

#### **5.1.3 Agenda of Board Meetings and Background Documentation**

The CEO in consultation with the Board, will develop the Board Meeting agenda and seek input from Board Members before sending a final agenda to the Board at least two weeks in advance of the meeting, which will be approved by the Board as a routine order of business at the beginning of each meeting. Background documentation for each agenda item should be circulated to at least two weeks in advance of Board Meetings, with items requiring decisions identified and prioritized.

#### **5.1.4 Rapporteur**

As a routine order of business, the CEO who is the Board Secretary will act as the Rapporteur for each Board meeting

#### **5.1.5 Motions of the Board**

- i. Motions present the Board with a proposed action to discuss or vote upon.
- ii. Motions by a Board Member must be seconded by another Board Member before the motion may be debated on the floor.
- iii. Motions may be amended by a Board Member during debates if the amendment is relevant to the original motion and is seconded by another Board Member. The

adoption of an amendment changes the motion on the floor; it does not adopt the original motion. A secondary amendment may be made to the primary amendment to the original motion, but the secondary amendment must be decided before the primary amendment. There may only be two amendments on the floor at one time.

- iv. Incidental motions relate to procedural issues that are generally not debatable and rarely amendable rather than the main issue or question debated on the floor. When an incidental motion is made, it must be acted upon before business can continue.

#### **5.1.6 Point of Order**

This is made when a Board Member feels the Board Chair or Vice-Chair is failing to operate within the rules, which requires the Board Chair or Vice-Chair to either defend his/ her action or accept the point;

#### **5.1.7 Point of Information**

This is made to obtain additional information on the subject being considered with the answer to be given by the Board Chair, Board Vice-Chair or relevant authority identified by either the Board Chair or Vice-Chair

#### **5.1.8 Division**

This is made by any Board Member to call for a verification of a vote that requires the Board Chair or Vice-Chair to re-take the vote to assure the Board of the vote.

#### **5.1.9 Permission to Withdraw a Motion**

This allows the Board Member to withdraw a motion with consent of the group, which the Board may handle by use of general consent.

#### **5.1.10 New Motions or Decision Points**

- i. A Board Member that wishes to introduce motions that are not on the agenda must first notify the Secretariat in advance of proposing the motion. The notice should be submitted as a typed (or written in block capital letters) draft of the motion indicating which constituency intends to propose it and expressing a preference for when the motion will be made. Motions should be submitted as far in advance as possible, but not later than one full week before the start of the Board Meeting.
- ii. The motion will be prepared in the appropriate format for review by the Board Chair and Vice-Chair, who will decide on the admissibility of the motion. The motion will be circulated to all Board Members at least 48 hours before the Board meeting and placed on the documents table for delegations to review before the motion is presented. The Board Chair and Vice-Chair shall invite the constituency making the

motion to introduce the motion at a time deemed appropriate by the Board Chair and Vice-Chair.

- iii. If delegations have advanced notice that they intend to introduce new motions during the Board meeting, these should be provided to the Secretariat in advance of the meeting so as to be reviewed by the Board Chair and Vice-Chair and circulated to all Board Members.

## 5.2 Decision-making and Voting Procedures of the Board

- i. The Board Chair and Vice-Chair shall use best efforts to facilitate decisions by consensus, confirmed by a formal vote of the Board.
- ii. If all practical efforts by the Board and the Board Chair and Vice-Chair have not led to consensus, in order to pass, motions require a two-thirds majority of those present.
- iii. During voting, each constituency's approval, disapproval or abstention with respect to the motion voted upon shall be put into the record of the relevant meeting or deliberations.

## **6. ROLES AND RESPONSIBILITIES**

### 6.1 Chief Executive Officer (CEO)

The Chief Executive Officer shall attend all Board Meetings as an ex-officio non-voting Board Member, and shall be responsible for the preparation and distribution of all materials required for the meeting, and for such other duties and responsibilities as may be assigned by the Board or the Board Chair and Vice-Chair.

### 6.2 Board/CEO Relationship

#### **6.1.1 The CEO**

- i. He/she is the Secretary to the Board and is a member of the Board and communicates Board decisions to the organization
- ii. Operationalizes the policy direction of the organization to ensure the decisions of the Board are met.
- iii. He/she is responsible for the efficient and effective operation of the organization and coordinates the operations of all units and departments.
- iv. He/she is responsible for bringing material and other relevant matters to the attention of the Board in an accurate and timely manner.

## **7. BOARD CULTURE**

The Board actively seeks to have an ‘engaged culture’ which is characterized by candor and a willingness to challenge.

### **7.1 Agendas**

- i. The agendas of the Board limit presentation time and maximize discussion time.
- ii. There are lots of opportunities for informal interactions among Board members.

### **7.2 Norms**

- i. Board members are honest yet constructive.
- ii. Members are ready to ask questions and willing to challenge leadership.
- iii. Members actively seek out other members’ views and contributions.
- iv. Members spend appropriate time on important issues.

### **7.3 Beliefs**

- i. “If I don’t come prepared, I will be embarrassed.”
- ii. “If I don’t actively participate, I won’t be fulfilling my responsibility.”
- iii. “I will earn respect of fellow Board Members by making valuable contributions and taking responsibility for what I do.”
- iv. “If I can’t carry my load, or if I can’t agree with what’s going on, I should resign.”

### **7.4 Values**

- i. The Board serves the community by actively participating in governance.
- ii. The Board is responsible to various stakeholders.
- iii. Board members are personally accountable for what goes on at the organization.
- iv. The Board is responsible for maintaining the organization’s stature in the sector.
- v. Board members respect each other.

## **8. COMMITTEE OPERATING PROCEDURES**

### **8.1 General**

#### **8.1 Establishment of Committees**

- i. The Board may decide to establish technical committees for advisory purposes. It may also establish committees within itself to address specific issues for the furtherance of organizations work

- ii. Each Committee of the Board must be approved by the Board that outlines the Committee's decision-making, advisory and oversight authority delegated by the Board.
- iii. Committees will meet in accordance with the annual work plan established by the Committee Chair and Vice-Chair, in consultation with the Secretariat, and depending on the Committee's program of work.

## 8.2 Committee Membership

### 8.2.1 Committee Leadership

- i. The Chair and Vice-Chair of a Committee (the "Committee Leadership") should possess the requisite skills and experience that align with the functions and responsibilities of the Committee they chair. Unless otherwise stated in the relevant Committee Charter, any member of a relevant Board constituency that meets such qualifications may serve as a Chair or Vice-Chair of a Committee, including Board Members and Alternate Members.
- ii. Candidates for Committee Leadership will be evaluated by the Committee mandated with governance responsibilities, in consultation with the Executive Director.
- iii. The Committee mandated with governance responsibilities will advise the Board Chair and Vice-Chair on the candidates for Committee Leadership after conducting an initial review. Candidates identified by the Board Chair and Vice-Chair in consultation with the outgoing Chair and, as applicable, Vice Chair of the respective committee, after factoring in advice from the Committee mandated with governance responsibilities, will be presented, together with their qualifications, to the Board for approval. In the event the Board Chair and Vice-Chair cannot agree on a qualified candidate, the Board Chair shall present a candidate to the Board for approval.
- iv. Each Committee shall have one Chair and one Vice-Chair in accordance with their respective Charters.
- v. The Committee Chair and Vice-Chair shall decide on an allocation of their work and responsibilities. They will remain in regular communication during and between Board and Committee meetings.
- vi. The Committee Chair and Vice-Chair shall serve coinciding two-year terms, or until the appointment of their respective successors, in their personal capacity as neutral, non-voting members of the Committee. As such, Chairs and Vice-Chairs of a Committee do not count towards the limits on the number of committees that each Board constituency

may participate or the number of representatives each constituency may have on a single Committee.

- vii. A vacancy for either the Chair or Vice-Chair position in any Committee resulting from death, resignation, disqualification or other reason, shall be filled in the same manner in which the original holder of that position was appointed or selected.

### **8.2.2 Selection, Balance and Continuity of Committee Members**

- i. Committee Members should possess the requisite skills and experience that align with the functions and responsibilities of their Committee. Any member of a relevant Board constituency that meets such qualifications may serve as a Committee Member.
- ii. Board constituencies shall submit a prioritized list of the names of individuals they wish to nominate for Committee membership along with the specific Committee they prefer their nominees to serve. Candidates for Committee membership will be evaluated according to the following key factors, ordered based on their relevance: (i) how a nominee's skills and experience match the mandate of the Committee, according to its Charter, and the competencies and responsibilities of Committee Members according to the Board and Committee Member Roles and Responsibilities, as set forth in Annex 1 to these Operating Procedures, (ii) balanced representation among Board constituencies, and (iii) Gender consideration
- iii. The Committee mandated with governance responsibilities will advise the Board Chair and Vice-Chair on the candidates for Committee membership after conducting an initial review. Where demand for committee seats exceeds the maximum, priority will be given to those nominees having the required set of skills based on the mandate and Board and Committee Member Roles and Responsibilities, as set forth in Annex 1 to these Operating Procedures, as well as ensuring balance of donor countries, implementing countries, NGOs, the private sector and foundations.
- iv. Committee Members shall serve a term of two years or until a successor has been appointed. Committee Members serve coinciding terms that expire at the same time.
- v. Committee Members should have an appropriate mandate, be sufficiently informed, briefed and empowered, so that they can contribute to the work of the Committee and accurately represent, speak and vote on behalf of their constituency. Each Committee Member shall remain engaged and diligent in the performance of his/her responsibilities. Failure by a Committee Member to demonstrate the requisite skills and experience required to perform the work of the Committee, or repeated failure to attend

meetings or engage in committee deliberations, may be grounds for the Committee Leadership to seek a replacement in accordance with the procedures set forth in these Operating Procedures.

- vi. Committee Members who are not independent as defined in Article 44, or are not otherwise deemed to serve in a personal capacity, represent their Board constituencies. Those Committee Members serving in their personal capacity will bring their individual expertise and judgment to the Committee.
- vii. In the event that an incumbent Committee Member must be replaced permanently by a new Committee Member, both the incoming and outgoing members may, with the written permission of the Committee Chair, attend one meeting together in order to facilitate the transition of membership. Such arrangements shall be communicated to the Committee Leadership and Secretariat as soon as such transition is known to the constituency.

## **9. COMMITTEE WORK METHODS**

### **9.1 Committee Processes**

- i. The Board will establish Charters for its Committees. Committees shall act only in accordance with these Charters, or on any other matter at the direction of the Board. Committees shall decide, recommend and oversee matters in accordance with the authority delegated by the Board and outlined in each Committee's Charter.
- ii. The Secretariat will conduct an induction of new Committee Members, and shall provide core background documentation and other materials outlining roles and functions of each Committee and Secretariat staff assigned to support them, and the expected responsibilities of Committee Members.
- iii. Committee Chairs and Vice-Chairs, in consultation with the Secretariat, shall create an annual meeting plan and meeting agendas. The objectives and associated agendas of the Committees must be validated at each meeting with the Secretariat, to ensure clarity of objectives and elimination of overlap.
- iv. Committees shall follow standard reporting formats when submitting reports to the Board of all decisions and actions taken during a Committee meeting whether in-person or by teleconference, video-conference or other electronic medium of communication. All recommendations to the Board should include associated costs and budgetary implications, or state no such implications exist.

## 9.2 Committees Decision Making

Committees shall use best efforts to reach all decisions by a consensus vote. In order to pass, all motions require a two-thirds majority of those present

### **10. USE OF INDEPENDENT EXTERNAL EXPERTS BY COMMITTEES**

10.1 The Committees may request the advice of independent external experts to assist them in their deliberations and decisions. Independence shall have the same meaning as the criteria applied for independent committee members. The Committee Chair and Vice-Chair, in consultation with the Secretariat, will nominate independent external expert candidates to fulfill this advisory function. All independent external experts will be required to submit a Declaration of Interest to the Ethics Officer prior to participation in Committee activities, and disclose any personal or professional considerations that could give rise to an actual, potential or perceived conflict of interest.

10.2 Input from an independent external expert or panel of independent external experts shall be provided through a mechanism to be determined by the Committee Chair and Vice-Chair, which may include reporting directly to the Committee as a whole, or reporting through the Committee Chair and/or Vice-Chair.

10.3 The Committee must approve the final list of independent external experts and their terms of reference with a decision in accordance with these Operating Procedures.

10.4 There will be no open-ended invitations to constituencies to bring their own experts.

### **11. ROLE OF THE SECRETARIAT AND COMMITTEES**

11.1 The Secretariat will coordinate and facilitate the work of the Committees, providing support to the Committee Chairs and Vice-Chairs related to, among other matters, efficiency, continuity and management of crosscutting issues.

11.2 The Secretariat will appoint qualified individuals from the Secretariat to be focal points for the Committee.

11.3 The Secretariat will be accountable on a long-term basis to the Committees and will, for reasons of efficiency, coherence and continuity, provide assistance and support to the work of the Committees, attend the Committee meetings, and work closely with the Committee Chair and Vice-Chair in order to prepare, facilitate and coordinate the work plan and meetings of the Committee. The Secretariat will collaborate with the Committee Chair and Vice-Chair, and will be responsive to the tasks assigned to them by the Committee.



11.4 The Secretariat will maintain an official list of all Committee members, their official contact information and the written confirmation of their delegated authority to speak and act on behalf of the constituency they represent.

## **12. REPORTING**

12.1 Proceedings of all meetings are minuted and signed by the Chairperson and the Secretary of the meeting.

12.2 Minutes of all Board Meetings are circulated to Directors and approved by the Board at the subsequent meeting.

12.3 Resolutions are first put to the Board in draft form (as a “Board Paper”) and, once passed, are recorded in a Resolutions Register.

## **13. COSTS REIMBURSEMENTS**

KOAN will cover all costs related to Board and Committee Meetings. It will also reimburse transport costs through a board’s sitting allowance at a flat rate of ten thousand shillings (10,000/=).

## **14. REVIEW OF CHARTER**

The Board will review this charter every two years to ensure it remains consistent with the Board’s objectives and responsibilities.