

BOTSWANA TRADE COMMISSION

BOTC

BOARD CHARTER

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1. INTERPRETATION

1.1 In this Charter,

- 1.1.1 "Act" shall mean the Botswana Trade Commission Act, 2013;
- 1.1.2 "Board" shall mean the Board of the Commission constituted in terms of Section 6(1) of the Act;
- 1.1.3 "Board Secretary" shall mean the Secretary to the Board or the person exercising the functions thereof in the absence of the substantive Board Secretary;
- 1.1.4 "Commission" shall mean Botswana Trade Commission, a body corporate established in terms of the Section 3 of the Act;
- 1.1.5 "Chairperson" shall mean the Chairperson of the Board;
- 1.1.6 "CEO" shall mean the Chief Executive Officer for the Commission appointed in terms of Section 19(1) of the Act or any person so nominated to exercise functions of the CEO;
- 1.1.7 "Management" shall mean senior staff of the Commission;
- 1.1.8 "Ministry" shall mean the Ministry of Investment, Trade and Industry;
- 1.1.9 "Minister" shall mean the Minister responsible for Trade;
- 1.1.10 "Shareholder" shall mean the Government of Botswana;
- 1.1.11 "Shareholder Compact" shall mean a governance tool in the form of a written agreement between the Shareholder and the Commission which sets out the Shareholder expectations, as well as strategic objectives, key performance areas and targets to be achieved by the Commission.

2. INTRODUCTION

- 2.1 The Board regard corporate governance as fundamentally important to the Commission's business success and is committed to apply the principles of corporate governance in its direction of the Commission. In that regard, the Board has acknowledged the need for a Board Charter.
- 2.2 The aim of this Board Charter is to regulate the parameters within which the Board will operate. In that regard, the purpose of the Board Charter is to provide an overview of:
 - 2.2.1 The responsibilities and powers of the Board, individual Board members and the Management; and

- 2.2.2 The policies and practices of the Board in respect of matters such as corporate governance, declarations and conflicts of interest, meeting procedures, induction and evaluation of Board members.
- 2.3 The Charter should be read together with the Act and such other relevant legislation.
- 2.4 The principles herein are in addition to, and are not intended to change or interpret, any national law or regulations of the Act.
- 2.5 The Board will be guided by the recommendations of the King Code of Governance IV published by the King Committee on Corporate Governance, as amended from time to time.

3. COMPOSITION

- 3.1 In accordance with section 6 of the Act, the Board shall consist of:
 - 3.1.1 The CEO who shall be an ex-officio member;
 - 3.1.2 The Chairperson appointed by the Minister who shall be a representative of the private sector;
 - 3.1.3 A representative of the Department responsible for International Trade;
 - 3.1.4 A representative of the Ministry responsible for Agriculture;
 - 3.1.5 A representative of the Ministry responsible for Finance;
 - 3.1.6 A representative of Botswana Unified Revenue Service; and
 - 3.1.7 Three members appointed by the Minister with such expert knowledge in international trade, economics, law, accounting, agriculture, exporting and importing trade, freight forwarding trade, finance, insurance labour or public affairs.

4. TENURE OF OFFICE

- 4.1 The Chairperson shall be appointed for an initial period of five (5) years and shall be eligible for re-appointment for successive periods of not more than three (3) years.
- 4.2 A member other than the Chairperson shall hold office for a period of three (3) years and shall be eligible for re-appointment for successive periods of not more than three (3) years.

- 4.3 The Vice Chairperson shall be elected by members of the Board from amongst their number at the first meeting of the Board and shall hold office for such period, being not less than twelve (12) months, as the Board from time to time may determine unless he or she ceases to be a member.
- 4.4 An ex-officio member shall serve as a member of the Board by virtue of the office he or she holds. The termination of an employment contract of a CEO will result ipso facto in the termination of his/her membership of the Board.
- 4.5 Board member may resign from the Board by giving thirty (30) days' notice in writing to the Minister.

5. ROLE OF THE BOARD

5.1 Strategic Planning – the Board will:

- 5.1.1 Determine and approve the strategy of the Commission and monitor its implementation as well as the operational plan by Management against agreed performance measures and targets;
- 5.1.2 Approve a corporate plan as a roadmap for the achievement of the Commission's objectives on an annual basis.

5.2 Performance Measurement and Monitoring – the Board will:

- 5.2.1 Oversee the development and adoption of a performance measurement framework that supports the achievement of strategic objectives and delivery of the functions of the Commission;
- 5.2.2 Approve annual report on the performance of the Commission which should be inclusive of the auditor's report and audited accounts and ensure that same is submitted to the Minister within the timelines specified in terms of Section 30(1) of the Act.

5.3 Financial and Operational Oversight – the Board will:

- 5.3.1 Be responsible for the stewardship of the Commission's financial resources, including overseeing the allocation of its financial resources;
- 5.3.2 Oversee the appropriate use of accounting policies for financial reporting;
- 5.3.3 Monitor the Commission's operation and financial performance relative to its budget and objectives,

- 5.3.4 Be responsible for the review of quarterly financial statements and approval of annual audited financial statements.

5.4 Risk Management – the Board will:

- 5.4.1 Ensure the existence, within the Commission, of effective and transparent systems of financial and risk management, a robust internal audit function and, a procurement system which is fair, equitable, transparent, competitive and cost effective;
- 5.4.2 Regularly review and evaluate the risks to the Commission's business and ensure the existence of comprehensive, appropriate internal controls to mitigate such risks;
- 5.4.3 Ensure that all funds of the Commission are efficiently and effectively managed;
- 5.4.4 Authorise the opening of bank accounts for the Commission's funds;
- 5.4.5 Set the risk appetite and tolerance within which the Board expects the Commission to operate;
- 5.4.6 Oversee the Commission's workplace health and safety measures and appropriate due diligence to ensure compliance with relevant laws and regulations.

5.5 Governance and Policies - the Board will:

- 5.5.1 Ensure that a comprehensive system of policies and procedures is in place and that appropriate governance structures exist to ensure the smooth, efficient and prudent stewardship of the Commission;
- 5.5.2 Monitor Management's implementation of the operational policies as approved by the Board;
- 5.5.3 Assume responsibility for the governance of ethics by setting the direction for how ethics should be approached and addressed by the Commission;
- 5.5.4 Ensure compliance with relevant laws and regulations, audit and accounting principles, codes of business practice and corporate policies as applicable from time to time;
- 5.5.5 Take stringent measures to guard against corruption or any expenditure which may be deemed irregular, fruitless or wasteful and must ensure

that instances of financial misconduct and corruption are investigated and appropriate disciplinary measures are timely taken against concerned employee;

- 5.5.6 Ensure that strategy, risk, performance and sustainability are inseparable and incorporate them in a manner that creates value for the Commission;
- 5.5.7 Ensure that the Commission acts responsibly towards all relevant stakeholders having a legitimate interest in its affairs;
- 5.5.8 Identify and familiarise itself with issues of concern to the Commission's stakeholders thereby demonstrating that the Commission is a responsible corporate citizen that contributes positively to the community;
- 5.5.9 Delegate other matters to Management with due regard to the Act.

5.6 Human Resource function – the Board will:

- 5.6.1 Approve the Commission's human resources strategies and oversee Management's implementation thereof;
- 5.6.2 Approve the Commission's remuneration framework;
- 5.6.3 Ensure that a process is in place for appropriately evaluating and rewarding employee performance;
- 5.6.4 Oversee the development of a framework to support the Commission's development of a formal succession plan for the CEO and Management;
- 5.6.5 Approve decisions relating to the Commission's Management, including their appointment and dismissal;
- 5.6.6 Oversee the supervision of the CEO and evaluate his/her performance through a Sub-Committee consisting of the Chairperson, the Chairperson of the Board's Human Resources Committee and one other Board member. The results of the evaluation, together with the Board recommendations, shall be submitted to the Minister within thirty (30) days from the end of the financial year of the Commission.

5.7 Information Technology Governance - the Board will:

- 5.7.1 Approve the Commission's Information Technology Governance framework;
- 5.7.2 Exercise ongoing oversight of Information Technology and in particular, oversee that it results in the following:

- Proactive monitoring of intelligence to identify and respond to incidents, including cyberattacks;
- Ethical and responsible use of Information Technology.

6. NON-EXHAUSTIVE LIST

The foregoing list of responsibilities is not exhaustive, and the Board may, in addition, perform such other functions as may be necessary or appropriate in the circumstances to foster long-term success for the Commission.

7. AUTHORITY TO DELEGATE

The Board shall have the power to delegate to any specific person or Committee any of its powers and discretions and to grant to such person or Committee specific powers of sub-delegation. Such delegation shall be subject to the limitations and conditions imposed by the Board and will not absolve the Board of its ultimate liability.

8. INDIVIDUAL BOARD MEMBER RESPONSIBILITIES

8.1 In accordance with the principles of corporate governance, each Board member has the following responsibilities:

- 8.1.1 To act in a professional manner, thereby upholding the core values of integrity with due regard to the fiduciary duties and responsibilities to exercise due care and prudence;
- 8.1.2 To act in the best interests of the Commission;
- 8.1.3 To act in good faith and avoid using privileged positions as a Board member for personal gain;
- 8.1.4 To preserve his/her independence of analysis, judgment, decision, action and to resist any influence, pressure by other Board members or any third party.

8.2 In addition to the above, each Board member will have responsibilities to:

- 8.2.1 Familiarise himself/herself with the statutory and regulatory requirements which govern the operations and conduct the Commission;
- 8.2.2 Keep abreast of changes and trends in the business environment which may have an impact on Commission's business;

- 8.2.3 Dedicate the sufficient time and attention necessary to fulfil his/her duties;
- 8.2.4 Cultivate productive working relationships with other members and treat them with respect and courtesy;
- 8.2.5 Be accountable for the decisions of the Board and its Committees and answerable for the execution of its responsibilities, even those which were delegated, and not work or publicly speak against them;
- 8.2.6 Refrain from speaking publicly on behalf of the Board and its Committees, except where authorised to do so;
- 8.2.7 Use their best endeavours to attend all Board meetings and any applicable Board Committee meetings. A Board member who is unable to attend any of the Board/ Board Committee meetings shall advise the Chairperson or the Board Secretary in advance of a meeting to enable the determination of the quorum;
- 8.2.8 Read all necessary documentation and prepare themselves thoroughly in advance of the meetings.

9. CONFIDENTIALITY

- 9.1 The Board agrees that the maintenance of the confidentiality of Board proceedings is of paramount importance. In that regard, a Board member may not disclose confidential information outside the Commission or share confidential information with any third party, except with the prior written authorization of the Commission or as may be otherwise required by law.
- 9.2 All electronic devices including I-pads, laptops and mobile phones given to Board members to facilitate performance of their functions are expected to be treated with utmost confidentiality. These devices, including information contained therein and passwords to gain access thereto are intended solely for the Board member's use and are not expected to be shared with any third party.

10. CONFLICT OF INTEREST

- 10.1 At the commencement of each meeting, all Board members shall declare whether they have any conflict of interest in respect of any matter on the agenda. Disclosure is in relation to any direct or indirect personal interest of the Board member, his/her spouse, partners or close family members in any matter before the Board.

- 10.2 Board members should recuse themselves from discussions or decisions on matters in which they have a conflict of interest.
- 10.3 Board members are required to take all reasonable steps to avoid actual, potential or perceived conflict of interest.
- 10.4 Disclosed conflict of interests should be recorded in the minutes and conflict of interest register.

11. BOARD COMMITTEES

- 11.1 The Board may establish Committees to assist it in exercising its authority, including the responsibilities set out in paragraph 5.
- 11.2 The standing Board Committees are:
 - 11.2.1 Finance and Audit Committee;
 - 11.2.2 Human Resources Committee;
- 11.3 The Board will determine the Terms of Reference of any of its Committees which will be inclusive of the roles and responsibilities of each Committee.
- 11.4 The Board will determine the membership and composition of Board Committees, having due regard to the skills and experience required for each Committee to function effectively.
- 11.5 Notwithstanding composition of Board Committees, every member of the Board is entitled to attend any Committee meeting as an observer and is not entitled to participate, does not have a vote and is not entitled to fees for such attendance, unless payment of fees is agreed to by the Board.
- 11.6 The role of the Committees is to advise and make recommendations to the Board. They do not have the power to commit the Board or Management except as expressly stated in the Committee's Terms of Reference or as authorised by the Board.
- 11.7 The Committee shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- 11.8 The delegation of the Board's authority in certain defined areas to Committees constituted in terms of this clause will not absolve the Board, or its Board members, from their respective accountability to ensure the due discharge of their duties and responsibilities.
- 11.9 The Chairperson shall not be a member of any Committee of the Board.

- 11.10 The Board may establish ad hoc Board Committees from time to time to consider matters of special importance or to exercise the delegated authority of the Board.

12. THE CHAIRPERSON

- 12.1 The Chairperson will have the following responsibilities:

- 12.1.1 To preside over meetings of the Board and to be responsible for ensuring the integrity and effectiveness of the Board;
- 12.1.2 To ensure that the format and timing of Board meetings as well as content of Board agendas is appropriate, that all relevant and available information on an issue is placed before the Board for members to make informed decisions;
- 12.1.3 To maintain regular dialogue with the CEO on all operational matters and consult with the remainder of the Board promptly over any matter that is a cause for concern within the Commission;
- 12.1.4 To maintain regular dialogue with the Minister, either alone or with the CEO, to brief the Minister about key developments within the Commission and to arrange structured meetings between the Minister and the Board;
- 12.1.5 To act as a facilitator at meetings of the Board to ensure that no Board member dominates the discussion, that relevant discussion takes place, that the opinions of all Board members relevant to the subject under discussion are solicited and freely expressed, and that Board discussions lead to appropriate decisions;

13. THE CEO

- 13.1 Without in any way limiting the obligations of the CEO as determined in his/her employment contract and in terms of the Act, the CEO shall be responsible for:
- 13.2.1 Ensuring the effective operation of the Commission in accordance with the strategic direction established by the Board and shall be answerable to the Board;
 - 13.2.2 Ensuring that comprehensive and appropriate internal control mechanisms are recommended to and adopted by the Board in order to mitigate against key risks;

- 13.2.3 Ensuring that the funds, property and business of the Commission are adequately managed, maintained and protected, and not unnecessarily placed at risk;
- 13.2.4 Appointment, administration, deployment and control of the employees of the Commission, subject to such remuneration, allowances and service benefits as the Board may determine from time to time;
- 13.2.5 Not causing or permitting any practice, activity or decision by or within the Commission that is contrary to the commonly accepted good business practice, good corporate governance or professional ethics;
- 13.2.6 Ensuring that advice and adequate information is availed to the Board so that informed decisions are made;
- 13.2.7 Implementing Board resolutions;
- 13.2.8 Serving as the Chief spokesperson of the Commission and ensure that it is properly presented to its various publics;
- 13.2.9 Exercising such powers and carrying out such other functions as may be delegated by the Board;
- 13.2.10 Communicating to the Board, at least annually, the Commission's senior management succession planning and human development initiatives.

14. BOARD SECRETARY

14.1 The Board Secretary shall have the following responsibilities:

- 14.1.1 Administration of the affairs of the Board under the general supervision of the CEO;
- 14.1.2 To work closely with the Chairperson and the CEO, to ensure the proper and effective functioning of the Board and the integrity of the Board governance processes;
- 14.1.3 On the instructions of the Chairperson and acting in consultation with the CEO, convene the meetings of the Board;
- 14.1.4 To attend meetings of the Board and its Committees, rendering necessary secretarial services in respect of the meetings;
- 14.1.5 To maintain an attendance register, declaration of interests register and other records required to be maintained by the Commission;
- 14.1.6 To coordinate the orientation and training of newly appointed Board members including external appointees;

14.1.7 To compile and circulate Board papers and ensure that the Board's discussions and decisions are clearly recorded and communicated to relevant persons;

14.1.8 To notify the Board members of matters that require their attention;

14.1.9 To provide a central source of guidance to the Board on matters of ethics and corporate governance.

15. INDUCTION OF NEW BOARD MEMBERS

15.1 An induction programme shall be arranged and implemented to familiarise the newly appointed Board members with this Charter, BOTC's Strategy, policies and operational activities. The induction is tailored to position them to discharge their responsibilities effectively and to add value. This will include:

15.1.1 Having sessions with Management to gain an understanding of the Commission's structure, business operations, history, culture and key risks;

15.1.2 Induction in terms of their fiduciary duties;

15.1.3 A clear identification of reciprocal expectations on appointment by way of discussions with the Chairperson and any of the current Board members as regards the Board member's role as well as the identification of any gaps in knowledge of Board procedures where training may be required.

15.2 Board members may, subject to budget availability, undergo development programs to keep abreast with necessary information relevant to directorship.

16. DIRECTORSHIP IN OTHER BOARDS

Should a Board member intend to accept another directorship in addition to that held at the time of appointment, this shall be brought to the attention of the Chairperson who should assess whether the new responsibilities would not detrimentally affect the Board member's performance and devotion to the Commission.

17. REMUNERATION OF THE BOARD MEMBERS

17.1 The Board members shall be paid from the funds of the Commission such sitting allowance as shall be determined by the Minister from time to time.

- 17.2 The Board may make provision for the reimbursement of any reasonable expenses incurred by a Board member or a member of a Committee of the Board in connection with the business of the Board or the Committee.
- 17.3 All fees, and all other earnings accrued to each Board member from the Commission shall be disclosed and published annually in the Commission's Annual Report.

18. NOTICE OF MEETINGS

Every Board member shall be entitled to receive 14 days' notice in writing subject to a shorter notice in the case of an urgent meeting.

19. FREQUENCY AND QUORUM

- 19.1 The Board will meet at least four (4) times as is prescribed by the Act and may convene additional meetings as and when necessary.
- 19.2 The Vice Chairperson shall, whenever the Chairperson is absent or unable to carry out his or her functions, exercise the functions of the Chairperson.
- 19.3 In the absence of both the Chairperson and the Vice Chairperson, the members may elect, from amongst members present, a chairperson for the purpose of that meeting.
- 19.4 Board papers, submissions and agenda shall be given to all Board members in respect of all Board meetings at least five (5) days prior to a meeting save for special meetings where the period may be shorter.
- 19.5 The quorum necessary for the transaction of the Board business shall be five members of the Board.
- 19.6 The Board will hold its meeting at the Commission's office, however it may meet elsewhere where necessary. That notwithstanding, virtual meetings may be held through technology platforms. Participation via technology platforms shall contribute to quorum of the Board meeting.

20. DECISIONS OF THE BOARD

- 20.1 The Chairperson will seek a consensus among the Board but may, where considered necessary, call for a vote in which event the decision of the majority

of Board members shall prevail. In the event of an equality of votes, the Chairperson or such other person presiding at the meeting, shall have a casting vote in addition to his or her deliberative vote. Individual Board member dissent is to be recorded, if requested by the Board member.

- 20.2 Absence from a meeting is not a reason for exemption from liability for implementing resolutions passed at a particular meeting.

21. ROUND ROBIN

- 21.1 In urgent matters that cannot wait for a resolution to be passed at the next Board meeting, a resolution can be passed through Round Robbin. A round robin resolution signed, in any form, by the majority of members of the Board members at the time when such resolution is released for signature, shall be valid and effectual as if it has been passed at a duly constituted meeting of the Board, provided that each member of the Board shall have received notice of the matter to be decided and thereby, have been afforded reasonable opportunity to make an informed position on the matter to which such resolution relates.
- 21.2 A round -robin resolution may be conveyed or transmitted to members in any electronic form.
- 21.3 All round robin resolutions should be tabled at the next Board meeting for noting.

22. BOARD MINUTES

The minutes are to be completed within 5 days after the meeting and circulated to all Board members for comments. The minutes will be formally approved by the Board at its next scheduled meeting.

23. ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS

- 23.1 The CEO and the Management shall ensure that the Board is provided with all necessary information in their possession to enable the Board to fulfill its governance responsibilities.
- 23.2 Board members will be entitled to access members of the Management through the CEO at any time to request relevant and additional information or seek explanations.

23.2 The Board, any of its members and each of its committees have the authority to engage, at the expense of the Commission, independent external professional advisors as they may deem necessary to fulfil their responsibilities subject to the Chairperson's prior consent, which will not be unreasonably withheld or delayed.

23.4 The Board will have reasonable access to the Commission's records, facilities and any other resources necessary to discharge its duties and responsibilities.

24. PERFORMANCE EVALUATION

24.1 The Board will undergo an evaluation of its own performance, that of its Committees, the Chairperson and individual Board members.

24.2 The performance of the Board will be determined by the extent to which the Commission has achieved its targets as set out in an annual Performance Contract between by the Chairperson and the Minister. The evaluation system shall include the key performance indicators and targets for the Board, its Committees, the Chairperson and each individual member.

24.3 The result of the Board performance evaluation shall be communicated and discussed by the Board as a whole; while those of individual directors shall be communicated and discussed with them by the Chairperson.

24.4 The external consultants may be engaged to facilitate the performance evaluation of the Board, its Committees or individual Board members.

24.5 Where the performance of a Board member is determined to be unsatisfactory, such members will be considered, funds permitting, to undergo specific training.

24.6 The Board will take appropriate action and or resolution to improve its performance including changes or amendments to this Charter.

25. PROCESS FOR REVIEW OF THE BOARD CHARTER

This Charter shall be reviewed by the Board as and when necessary to ensure that it remains relevant to the Commission's business objectives. The review process shall be initiated by the Board Secretary, in consultation with the Chairperson and the CEO.

26. **ADOPTION OF THE BOARD CHARTER**

This reviewed Charter was adopted by the Board on the 25th March 2022 and became effective immediately upon Board approval

Dr Kealeboga N. Bojosi
Board Chairperson


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Signature

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Date

Ms Shirley G. Moncho
Caretaker CEO


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Signature

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Date

Ms. Pako Ralehika-Phiri
Board Secretary


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Signature

25/03/2022
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Date