

IWMI BOARD CHARTER

1. Purpose of the Board

The Board of Governors (hereinafter referred to as "the Board") seek to ensure the Institute's success by collectively directing its affairs, whilst meeting the appropriate interests of its founders, its funders and relevant stakeholders.

2. Roles

The Board's role is to provide effective leadership and control, in terms of approving the Institute's **strategy** and ensuring best **practice of corporate governance**: The Board should oversee strategy and performance, while ensuring that the Institute complies with its Charter and mission and all relevant acts and regulations.

These roles include:

Governance role: the overall governance role is protection of stakeholder and public interests from all risks and provision of oversight and risk management as detailed below.

Oversight role: fiduciary responsibility and ensure excellent performance by ensuring appropriate allocation of resources to the annual/mid-term activities and programs.

Management of Risks (strategic, financial, operational, and hazard): identify, monitor (by Board) and ensure to properly manage all major risks by:

- assessing and evaluating risk-mitigating strategic and operational plans and system of control,
- integrating risk management into planning processes and operations;
- incorporating the management of risk into the way IWMI carries out its business;
- ensuring legal and regulatory compliance;
- properly using and protecting assets;
- managing succession planning;
- monitoring/rewarding management performance;
- creating an environment where IWMI employees have an awareness of risk and assume responsibility for managing risk;
- ensuring greater transparency of decision making and management of

- activities; and
- ensuring resources and operational capabilities are identified and responsibly deployed.

These roles can be achieved by establishing broad written policies and approving strategic and operational plans, and monitoring IWMI operating performance, while ensuring the stakeholders are kept properly informed.

3. Responsibilities/Powers of the Board and the management

Responsibilities of the Board are to set center's policies and to monitor and evaluate management's actions, while at the same time avoiding undue involvement in IWMI's day-to-day operations.

4. Board Composition and Structure

4.1 Appointment, Size, and Composition

The Board shall consist of ten members, including two CGIAR Nominees and also including one Member appointed by the Government of Sri Lanka, ex-officio, and the Director-General, ex-officio.

Upon the expiration of the first term of office of a member for three years, other than the member appointed by the Government of Sri Lanka and the Director-General, the Board may reappoint such a member of the Board once, provided the member has shown satisfactory performance during the first term.

4.2 Chairperson

The Chairperson is elected each year at one of the regular meetings of the Board to serve for a term beginning 1 January and ending 31 December of the following year. The Chairperson presides at all meetings of the Board and supervises all matters with which the Board is concerned.

4.3 Committee structure

The Board is assisted in its work by a number of Board committees attending to specific matters. The committees report to and remain accountable to the Board for all their activities, and act within the scope of terms of reference that have been pre-approved by the Board. The Board committees' main function is to reinforce the wholeness of the Board's responsibility. Committees, however,

should not fulfill or interfere with any function or activity delegated from the Board to the Director General.

The chairpersons and members of the following Governing Board committees are elected at the Annual Meeting, for a term beginning 1 January and ending 31 December of the following year:

- a) Executive and Finance Committee;
- b) Program Committee;
- c) Nominating Committee;
- d) Audit Committee; and
- e) Such other regular or ad hoc committees or working groups as the Board may determine.

5. Powers of the Board –Policy regarding the Board Information and Approvals.

The lists that follow outline reporting relationships between IWMI management and the Board of Governors, distinguishing decisions that are normally reported by management to keep trustees apprised of developments and deviations from standard policy at the Institute and other decisions that require prior Board approval. They should be reviewed from time to time to take into account new experience and changed circumstances.

5.1 Information

The Board requires that the Director General will submit a report to the Board at least twice annually covering significant developments for and at IWMI and normally including:

- a) Human resource issues
 - the appointment, promotion, re-assignment, resignation and termination of Institute senior staff and a report on the number and location of staff in other categories;
 - an annotated list of any instance of deviation from standard human resource or administrative policies
- b) Financial and auditing issues
 - a report on the financial status of IWMI, including a statement of financial position, of expenditures and revenues vis a vis the budgeted amounts, and of proposals approved for funding and

pending;

- key findings and management's response to reports of the external and internal auditors, as well as to reports of any major consultancies regarding financial and administrative practices;
- an annotated list of any instance of deviation from standard financial policies

c) Research issues

- progress on all major projects, including the initiation of new projects and the development of new collaborative relationships;
- studies measuring the impact of the IWMI project portfolio;
- key findings and management's response to reports of any major consultancies regarding IWMI's project development and implementation
- an annotated list of any instances of the deviation from standard policy relating to IWMI's project management and implementation

d) Cooperate management issues

- changes in the procedures for internal decision making;
- information on any claims or litigation against IWMI;
- the outline and thrust of the Annual Report prepared for general distribution.

5.2 Approvals

Management will submit the following for Board approval:

a) Human resource issues

- human resource management policies applicable to international, regional and national staff, including salary scales and benefits;
- appointment of staff to emeritus or other non-standard status;
- the salary increase policy for the following calendar year, which may include a cost of living adjustment and a merit increase or bonus pool;

b) Financial issues

- the annual budget for the organization and any substantial revisions to the annual budget above 0.5 million US \$ in line amount;
- major financial policies of IWMI, including those relating to reserves, investments, depreciation, the capital fund and indirect cost recovery;
- contracts or transactions involving unbudgeted expenditures covered by additional revenue in excess of US\$2 million;
- the opening and closing of all bank accounts and the designation of authority to sign checks and other orders for the transfer of funds from the IWMI accounts;
- the authorization to borrow money;
- the appointment of, and instructions to, the external and internal auditors and the chair of the Center Commissioned External Review;

c) Research issues

- formal and public statements that describes the long-term strategy of the Institute, such as the Strategic Plan or the Medium Term Plan
- the annual program of work, outlining the proposed major strategic focus areas; and
- major policies including the policies on risk management, human resources management, intellectual property management, or quality management.

d) Corporate management issues

- the broad organizational and management structure and framework of the Institute.
- the location and relocation of IWMI regional offices.
- the appointment of legal counsel to IWMI;
- agreements between IWMI and national governments other than host country governments, including those covering the establishment of office sites and project sites where the Institute is a major participant;

- agreements between IWMI and host country governments;
- Board statements on the financial or other status of IWMI that will appear in the Annual Report;
- proposals to amend the Charter of IWMI.

6. The Role, Powers and Duties of the Chairperson

The Chairperson is elected annually from among the sitting Board members by a majority vote of the full Board upon the recommendation of the Nominating Committee. The election takes place at one of the regular meetings of the Board, and the Chairperson's term begins January 1 and ends December 31 of the following year. Given the importance of continuity, a Chairperson once elected may be expected to be re-elected in subsequent years until the end of his/her sixth year on the Board for the maximum of three years, but such re-election is subject to an annual assessment of performance by the entire Board.

The Chairperson presides at all meetings of the Board and of the Executive and Finance Committee and supervises all matters with which the Board is concerned. He/she is responsible for providing leadership to the Board in determining the policies under which the Director General will operate the Institute. The Chairperson is not entitled to vote, except in the case of an equality of votes.

The Chairperson is concerned with both internal IWMI matters and with IWMI's relations with the CGIAR, the Alliance, and other stakeholders.

With respect to internal concerns, the Chairperson:

- i) works in close collaboration with management on implementation of Board decisions;
- ii) works with Board committees, committee Chairpersons, and the Director General and staff to identify issues and prepare agendas for Board and committee meetings;
- iii) sits as an ex officio member of all Board committees;
- iv) ensures trustees are kept abreast of deliberations of the CGIAR, the work of its Secretariat, of Science Council, and the Alliance;
- v) issues invitations to new trustees and ensures their orientation;

- vi) independently, or on the advice of the Director General, may invite such advisors or observers to meetings of the Board as he or she may decide;
- vii) maintains custody of the seal of the Institute; and
- viii) exercises such other powers and responsibilities, within the province of the IWMI Charter, as are assigned from time to time by the Governing Board.

With respect to external concerns, the Chairperson joins the Director General in representing IWMI in CGIAR meetings and in maintaining relations with donors, beneficiary countries, other agricultural research centers, non-governmental organizations, and other stakeholders. He/she participates in meetings of the Alliance Board that provides a forum to deal with common concerns.

In the absence or disability of the Chairperson, the Board will designate from among their own number an acting Chairperson.

7. The role and powers and duties of the DG

The Director General shall be the chief executive officer of the Institute and shall be responsible to the Board for the administration of the Institute, the operation of its programs, and the implementation of decisions of the Board. The Director General shall exercise, perform and discharge such powers, duties and functions as may be delegated to him, in accordance with the terms and conditions specified by the Board.

The key role of the DG is to lead and manage the institute, striving to achieve the institute's strategic and operational goals and objectives in accordance with the agreed key performance objectives and measures set annually by the Board. The DG is under a duty to ensure the Board is kept well informed at all times.

8. Planning and conduct of Board meeting

8.1 Planning Board meetings

- i) Regular Board Meeting - two meetings of the Board will be held annually

- at a time and place determined by the Board.
- ii) Draft minutes of all Board meetings will be mailed to the Chairperson and other members of the Board within one month of the meeting for review and comment. Formal approval of the draft minutes of a Board will take place at the subsequent Board meeting.
 - iii) Special Board Meetings - special Board meetings may be held as a result of:
 - a) A decision of the Governing Board;
 - b) A decision of the Executive and Finance Committee;
 - c) A request of the Chairperson; or
 - d) A request of any five members of the Governing Board.
 - iv) Virtual Meetings: in addition to regular face-to-face meetings, one or two formal virtual meetings may be conveyed to discuss & review the management, finance & programmatic matters.
 - v) Notice - the dates for all regular meetings of the Board will normally be decided at the preceding meeting.

Dates of special meetings and re-scheduling of regular meetings may be fixed by notification given at least four weeks ahead of the proposed time. Such scheduling of full Board meetings will depend upon the ability of at least six members to attend on the proposed meeting date.

- vi) Quorum - The quorum for regular and special meetings of the Board will not be less than 2/3 of the members.

In the absence of a quorum for a properly called meeting of the Governing Board at the time the meeting convenes, the following special procedure may be followed:

- a) the meeting may proceed but may only address the items which had been previously circulated for the properly called meeting; and
 - b) the minutes of the meeting will be conveyed to all absent members, and if no objections are received within one month, the decisions taken will be deemed to be ratified.
- vi) Polling by mail or email - If it is deemed necessary, Board members may be polled by mail or email and action may be taken on the basis of majority

vote obtained in such a manner, provided:

- a) the decision concerned is not contrary to some formally recorded policy or rule of the Board; and
- b) there are sufficient replies to constitute a quorum, or, if the replies are not sufficient, either six weeks have lapsed from the date of air mailing of letters or similar communications, or nine days have lapsed from the date of cabled communications.

vii) All decisions at Board meetings will be made by simple majority vote except where expressly provided otherwise in the Charter.

8.2 Board induction

For every new Board member to IWMI, induction by senior Board members and/or other appropriate persons will be provided. In addition, for those who are new to CGIAR system, he/she should participate in CGIAR board orientation program.

8.3 Board Secretary

Duties of the Board Secretary include;

- Convening meetings of the Board;
- Preparing and timely distributing of papers/documents well ahead of Meetings;
- summarizing issues for strategic discussion and decision making to enable Board members to be more effective and efficient;
- Taking minutes of meetings;
- Compiling and updating all Board's decisions and changes;
- Maintaining the Center's registers and constitutional documents;
- Filing any returns that may be necessary;
- Communicating with stakeholders on board decisions;
- Advising on compliance issues, and
- Such administrative duties as the Board may wish to delegate.

Honoraria and other benefits due to Board members for services rendered to the Institute are established by the Committee of Board Chairs (CBC) in 2002. They are as follows:

- i) Honorarium: \$350/day, doorstep to doorstep, including travel time most direct routing, reading day and meeting days.
- ii) In Transit expenses: \$110/day for travel days to cover origination and destination costs, visas, airport taxes etc.
- iii) Per Diem \$110/day for off campus meals, laundry, taxi, and miscellaneous expenses, Center directly pays hotel or reimburses actual hotel cost.
- iv) No reimbursement for expenses when staying on campus at Center guest house.
- v) Travel: Business Class, most direct route.
- vi) Spouse travel: Permitted to any meeting provided total cost of two economy tickets do not exceed cost of Business Class ticket. If they do, Board member pays the difference.
- vii) These rules also apply when Board Chair or Member is asked to represent the Center at other meetings, field visits, orientation sessions and other official roles as authorized by the Board Chair.
- viii) Board Chair is entitled to claim up to 10 days of Honorarium for work conducted for the Center from home as well as \$50 per month for telephone, computer and other local expenses.
- ix) When travel for authorized Board functions is combined with travel on behalf of other parties, the Board member will advise IWMI as to the appropriate division of travel cost between IWMI and the other parties concerned.
- x) Insurance: Board members will be provided insurance coverage in the amount of \$100,000 for accidental death and dismemberment including war risk for periods of official functions and for a reasonable travel period before and after.

9. Board Performance Evaluation/ Self Assessment

9.1 Introduction

Given the critical role of the Board in the work of the centers, it is important that center Boards periodically assess their performance and identify its strengths and weaknesses. This assessment can serve as a springboard for action, to improve its functioning.

This new self appraisal is designed to accomplish three primary goals:

- (1) Identify areas of Board responsibility that need attention or improvement,
- (2) Define criteria for an effective and successful center Board and
- (3) Identify, create and implement necessary policies, procedures and supporting mechanisms to ensure overall effective Board performance.

9.2 The structure of the self -assessment

- (a) Self assessment 01 covers the following responsibility areas:

Determining the Center's Policies, monitoring the Center's performance, overseeing the effective management of financial resources, ensuring effective board practice: board organization and productivity, ensuring effective board practice: Committees

The Self assessment is to be used biannually i.e. shortly after the conclusion of board meetings.

- (b) Self assessment 02 includes the board responsibility areas of: ensuring effective board organization and planning, ensuring effective board practice: Board role and agenda setting, ensuring effective board Practice: more effective Committees, ensuring effective board practice: selection and orientation of new board members, hiring the center director and evaluating his/her performance, having appropriate performance assessment in place, assist in mobilizing resources, serving as a court of appeals

Self assessment 02 is to be used only once in every two years. This means that every two years a “full board assessment” will be conducted.

The board should complete the self assessment before the end of each board meeting for Self assessment 01, and by the end of the second meeting of the year for Self assessment 02.

10. Board Assessment of the Performance of the DG

Based on the key performance goals and targets prepared by the DG, the Chair of the Board will prepare performance assessment report of the DG and present it to the board. Together with the self assessment by the DG, the DG will receive a face-to-face assessment of the performance.

11. Disclosure, Conflict of interests and Code of Conduct

- 1) Each member of the Institute's Board of Governors has a duty to disclose to the Board the material facts of any proposed transaction of the Institute in which such member has any actual or potential involvement, interest, or relationship, either directly or indirectly. A Board member is "indirectly" involved if another party to the transaction is related to the member or is an entity in which the member has a financial interest, an employment or consulting relationship, or of which the member is an officer, director, trustee, or partial owner.
- 2) The disclosure required under 1) above must be made prior to any consideration by the Board of such proposed transaction.
- 3) Any proposed transaction in which a Board member has an actual or potential involvement, interest, or relationship must be approved by a majority of the members entitled to vote other than the interested member(s) at a meeting at which a quorum is present, even though the disinterested members may constitute less than a quorum. Such interested member(s), if present, may be counted solely for purposes of determining whether a quorum is present.
- 4) In the event that a proposed transaction is anticipated to involve more than an insubstantial participation by the interested member, the Board of Governors may determine that the resignation of the interested

- member will be a condition of the Board's approval of such transaction.
- 5) Members of the Institute's Board of Governors may not be engaged as consultants by the Institute during their terms of office.