



## **BOARD CHARTER**

### **DEPOSIT PROTECTION CORPORATION**

#### **1. INTRODUCTION**

- 1.1 This Board Charter is subject to the provisions of the Public Entities Corporate Governance Act [Chapter 10:31] as read with the Constitution of Zimbabwe Amendment (no. 20) Act 2013, and any other applicable law.
- 1.2 This Charter sets out:
  - 1.2.1 The roles and responsibilities of the Board of Directors.
  - 1.2.2 The principal accountabilities that each Director must consider in order to evaluate whether his or her participation on the Board of Directors and Committees of the Board is at the level needed to enable the Director to fulfil his or her duties and responsibilities, criteria for selection of new Directors.
  - 1.2.3 The Corporate Governance practices and policies that apply to the Board of Directors.
  - 1.2.4 the promotion and maintenance of a high standard of professional ethics by the Board.
  - 1.2.5 The Board's mechanisms for ensuring the efficient and economic use of available resources.
  - 1.2.6 The Board's intention to provide services impartially, fairly, equitably and without bias.
  - 1.2.7 The Board's responsiveness to the needs of the people of Zimbabwe.
  - 1.2.8 Grievance handling and whistleblowing procedures for internal and external stakeholders.
  - 1.2.9 The Board's openness and transparency in the internal workings and procedures of DPC, and in its dealings with the public.
  - 1.2.10 The Board's mechanism for the maximizing of the human resources of DPC.

- 1.2.11 The Board's mechanism to ensure efficiency, effectiveness, responsibility, accountability and honesty in the procedures, operation, and activities of DPC.

## **2. ROLE AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS**

### **2.1 Responsibilities of Board of Directors**

- 2.1.1 The Board of Directors is responsible for supervising the management of the business and affairs of the Corporation. In discharging this duty, the Board has stewardship responsibilities and has clearly outlined matters that require Board approval and those that have been delegated to management.
- 2.1.2 The basic responsibility of the Directors is to exercise their business judgement to act in what they reasonably believe to be in the best interest of the organization and its shareholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Corporation senior executives and its outside advisors and auditors.
- 2.1.3 Establishing Committee of the Board and determining Director compensation.
- 2.1.4 Maintaining a formal orientation and education program for new Directors, and ongoing programs for all Directors.
- 2.1.5 Establishing grievance handling and consumer protection policies.
- 2.1.6 Assessing its own effectiveness, the effectiveness of the Chairman of the Board and the effectiveness of individual Directors on an annual basis.
- 2.1.7 Apprising the line Minister biannually of DPC's plans, strategic updates, and achievements.

### **2.2 In furtherance of its responsibilities, the Board of Directors shall comply with the following legal requirements:**

In terms of the Public Entities Corporate Governance Act [Chapter 10:31], every director-

- Shall enter into a written performance contract with the line Ministry (as may be determined by law from time to time).
- Participate in the appraisal of the performance of DPC's senior management.
- Shall commit time and energy for, and commitment to, the company by attending a minimum of seventy-five percent of Board and Board Committee meetings, all annual general meetings, and all-stakeholders

meetings, and assisting the chairperson in answering questions raised at such meetings;

- Shall be knowledgeable about the financial, social, and political environment in which DPC operates.
- Shall be in a position to make informed decisions.
- Shall act independently.
- Shall possess, to the extent possible, the requisite skills and knowledge in relation to Information Communication Technology (ICT) and supportive equipment.
- Stands in a fiduciary relationship to the Corporation. A Director may, amongst other things, be held liable to the Corporation, for breach of his or her fiduciary duties.

A Director's fiduciary duty comprises two separate and distinct duties, which in turn each comprise a number of further duties. These duties are provided below:

### **2.2.1 *The duty to exercise powers in good faith***

- A Director must exercise his or her powers in an independent and objective manner. He or she has a duty to do what he or she considers best serves the Corporation's interests.
- A Director must further exercise his or her powers, for the purpose for which they were given.
- A Director must act within the limits of authority. A Director may not act outside the limits placed in his or her powers by the:
  - Deposit Protection Corporation Act (Chapter 24:29)
  - Finance Act (Chapter 23:04)
  - Banking Act (Chapter 24:20)
  - Building Societies Act (Chapter 24:02)
  - Public Entities and Corporate Governance Act (Chapter 10:31)
  - DPC Public Policy Objectives
  - Deposit Protection Corporation Regulations, 2013 (S.I 156/2013)
  - Public Finance Management Act (Chapter 22:19)
  - IADI Core Principles
  - Micro Finance Act (Chapter 24:30)
  - Public Procurement and Disposal of Public Assets Act (Chapter 22:23)
  - Consumer Protection Act (Chapter 14:44)
- A Director must observe any limitation of powers imposed by Deposit Protection Corporation Board. When a Director acts on behalf of the Corporation, he or she must do so within the scope of the corporation's objects and powers.

### **2.2.2 *Duty to avoid conflict between personal interests and the interests of the corporation:***

- In general, a Director must exercise judgement in an honest manner as to what is in the Corporation's interests and must act for the benefit of all shareholders and disclose on request to all Shareholders, certain information connected with the Corporation.
- A Director must account to the Corporation for profits made by reason of his or her Directorship. This includes any gain or advantage made by a Director while carrying out his or her duties as a Director.
- A Director may not misappropriate or usurp a business opportunity which the Corporation is pursuing or which the Director is obliged to acquire for the corporation.
- Under the Companies Act, a Director has the duty to disclose to the Corporation, any interest he or she has in a contract with the Corporation. According to the Companies Act, unless the corporation's articles provide otherwise, a Director may not, whether directly or indirectly, have an interest in a contract with the Corporation, unless a general meeting of the corporation approves the contract, following full disclosure.

### **2.3 Senior Management**

- Selecting, evaluating and if necessary, replacing the Chief Executive Officer and other members of senior management.
- Delegating to management powers to manage the Corporation.
- Overseeing succession planning for senior management positions
- Approving the compensation of senior management.
- Advising and counseling the Chief Executive Officer

### **2.4 Strategy**

The board shall draw up a strategic plan for which it is responsible, to-

- set DPC's objectives and priorities for a period of between two and six years, as the board may decide.
- determine the manner in DPC is to achieve those objectives and priorities.
- strengthen DPC's management systems with a view to achieving those objectives and priorities.
- Determining the Corporation's vision and mission statements.
- Reviewing the effectiveness of the strategic planning process
- Monitoring corporate performance against these statements, objectives and plans on an ongoing basis.

### **2.5 Risk Management, Capital Management, and Internal Control**

- Approving and reviewing compliance with policies and procedures for the management and control of risk, including capital management and the internal control and management information systems that provide reasonable assurance as to the reliability of the Corporation's financial information and the safeguarding of its assets
- Reviewing compliance with legislative and regulatory requirements

## **2.6 Material Transactions**

- Reviewing and approving material investments and transactions.

## **2.7 Financial Reporting**

- Reviewing, evaluating, and approving the annual financial statements
- Reviewing, evaluating, and approving the quarterly financial statements

## **2.8 Other**

- Engaging any special advisors, it deems necessary to provide independent advice, at the expense of the Corporation.
- Performing such other functions as prescribed by law or as assigned to the Board in the Corporation's governing documents.

## **2.9 Committees of the Board**

The Board of Directors delegates certain responsibilities to standing Committees of the Board to allow an in-depth review of issues.

- Board Committees must be established to aid the Board and its Directors in giving detailed attention to specific areas of the Directors' duties and responsibilities.
- The Board or its Directors should determine a policy for the frequency, purpose, conduct and duration of its meetings and those of the formally established Committees.
- There should be transparency and full disclosure from the Board Committee to the Board, except where the Committee has been mandated otherwise by the Board.
- The Chair of each committee of the Board reports to the full Board on the committee's deliberations following each meeting and makes recommendations on behalf of the committee on matters requiring full Board.
- The Board should have at least a Finance, Investment and Audit Committee, Risk and Resolution Committee and Human Resource Committee.
- All Board Committees to be chaired by an independent non-executive director.

- The Annual Report should detail the composition of the committees as well as a description of the Committee's responsibilities, the number of meetings held and any other information that may be relevant.
- The Board should regularly evaluate the Board Committees to ascertain their performance and effectiveness.

### **3 DIRECTOR ATTRIBUTES**

The Board of Directors has the duty, under the Companies Act to supervise the management of the business affairs of the Corporation. In doing so, each Director must act honestly and in good faith with a view to the best interests of the Corporation (fiduciary duty) and must exercise due care, diligence, and skill that a reasonably prudent person would exercise in comparable circumstances (duty of care). The following are the principal accountabilities that each Director must consider in order to evaluate whether his or her participation on the Board of Directors and Committees of the Board is at the level needed to enable the Director to fulfil his or her duties and responsibilities, and thereby to assist the Board as a whole to fulfil its duties and responsibilities:

- Assumes, with the other Directors, the stewardship role of managing or supervising the management of the business and affairs of the Corporation as required by the law.
- Understands the DPC vision and objectives
- Becomes knowledgeable of Deposit Protection Corporation business and the financial services sectors in which it operates within a reasonable time of joining the Board.
- Understands current corporate governance practices, the role of the Board of Directors as articulated in the Charter of the Board of Directors, and the mandate of each committee of the Board on which he or she serves as articulated in the Charter.
- Prepares thoroughly for each Board and Committee meeting by reviewing the materials sent to Directors in advance and requesting, as appropriate, clarification or additional information to enable the Director to participate fully in Board deliberations, probe and as appropriate, challenge management and make informed business judgements.
- Strives to attend all meetings, and actively participates in Board deliberations and decisions. Informs himself or herself of significant matters dealt with at meetings not attended.
- Prevents his or her own interests from conflicting with, or appearing to conflict with, the interests of the Corporation, and disclose details of any such conflicting interests.
- Scrupulously maintains the confidentiality of corporate information and Board deliberations.

- Votes on all matters requiring a decision of the Board or its Committees except where there exists a conflict of interest.
- Acts in the highest ethical manner and with integrity in all personal, business, and professional dealings.
- Acts independently of management (for Directors who are not members of management).

#### **4 CRITERIA FOR NEW DIRECTORS**

The Board of Directors is of the view that the following are some of the most important individual characteristics to be taken into account in the selection of a Director for the Corporation:

- Proven record of making good business decisions
- A clear understanding of current corporate governance practices
- A favourable reputation in the business community
- A knowledge of local, national, and international business issues
- A reasonable knowledge of financial matters
- Availability to regularly attend Board meetings
- Able to act independently of management (for Directors who are not members of management).

#### **5 CORPORATE GOVERNANCE POLICIES AND PRACTICES**

##### **5.1 Size of the Board**

The Board size shall be determined by the Public Entities Corporate Governance Act [Chapter 10:31] as read with the Deposit Protection Corporation Act.

##### **5.2. Selection of Directors**

The selection of Directors shall be in accordance with the Public Entities Corporate Governance Act as read with the Deposit Protection Corporation Act. The Minister appoints the Board of Directors.

The Board should be composed of individuals of integrity, who can bring a blend of knowledge, skills, objectivity, experience, and commitment to the board.

##### **5.3. Director Qualifications**

Directors should have the background, experience, diverse skills and/or specialized knowledge as well as relevant qualifications to contribute effectively to the business of the organization. The Board of Directors must have people with qualifications in legal, finance and accounting, banking,

strategic planning and development, marketing, information communication technology, human resources, risk management and management practices.

#### **5.4 Resignation from the Board**

Resignations are subject to the provisions of the Public Entities Corporate Governance Act [Chapter 10:31].

#### **5.5 Term Limits and directorships**

A Board member shall serve on the DPC Board of Directors for a term not exceeding four (4) years. The appointment may be renewed for only one further such term. A person shall not be appointed to the DPC Board if he or she is a member of two other such boards.

#### **5.6 Board and Committee Meetings**

Regular Board meetings will be held once in every three months and special meetings will be called as and when necessary. A schedule of locations of the regular meetings will be provided to the Directors well in advance. Directors are expected to attend Board meetings of the committees on which they serve. Directors should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees, and advisors to attend Board or committee meetings whenever deemed appropriate.

#### **5.7 Agenda Items for Board and Committee Meetings**

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. A detailed agenda and supporting documents will be provided to the Directors approximately one week prior to each Board meeting. Directors should review these materials in advance of the meeting. Subject to any applicable notice requirements. Directors having items to suggest for inclusion on the agenda for future Board meetings should advise the Chairman well in advance of such meetings.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee



meetings consistent with any requirements set forth by the Board. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. A detailed agenda and supporting documents will be provided to the committee members approximately one week prior to each committee meeting. Committee members should review these materials in advance of the meeting.

The Board Chairman shall not be the Chair of the Audit Committee.

## **5.8 Director remuneration**

### **Board fees**

The remuneration of Directors shall be determined by the Office of the President and Cabinet, or any other regulatory body as shall be gazetted from time to time.

### **Out-of-Pocket Expenses.**

In addition to the fees paid, DPC agrees to reimburse any board member for out-of-pocket expenses, including but not limited to fuel, food and beverages, transportation, Wi-Fi, stakeholder engagements/meetings, function attendance, and accommodation. The Director must declare the out-of-pocket expense and such expenses must have been incurred as a result of the Director's attendance to DPC affairs outside of the regular Board and Committee meeting calendar.

All meeting, functions, or engagements where a Director is called upon to represent DPC may constitute a board sitting for the purposes of remuneration. This provision shall be applied as read with section 14 (7) of the PECCA [Chapter 10:31] and approved travel and subsistence policies and guidelines.

## **5.9 Director Access to Officers and Employees**

Directors may contact officers and employees of the Corporation through the office of the Chief Executive Officer and/ or the Corporate Secretary. The Directors will use their judgement to ensure that any such contact is not disruptive to the operations of the Corporation, does not amount to undermining the Executive leadership, to the extent not inappropriate, copy the CEO on any written communications between a Director, and an officer or employee of the Corporation.

## **5.11 Whistle blowing**

Nothing in this charter or in any other policies or procedures of DPC shall prohibit or restrict board members, executive directors, officers, or employees from **speaking out** or providing information in connection with:

- i. any disclosure of information required by law or legal process;
- ii. reporting possible violations of DPC policies, procedures, or law.

- iii. filing a charge or complaint with Government Agencies;
- iv. making disclosures that are protected under the whistleblower provisions of the Public Entities Corporate Governance Act [Chapter 10:31] or the DPC Whistleblowing policy from initiating communications directly with, responding to any inquiry from, volunteering information to, testifying or otherwise participating in or assisting in any inquiry, investigation or proceeding brought by Government Agencies in connection with 'i' to 'iv'.
- v. For the avoidance of doubt, Board members are not required to advise or seek permission from the Corporation before engaging in any activity set forth in 'i' to 'iv' of Paragraph 5.9.
- vi. Further, DPC shall not in any manner limit a Board member's right to cause an investigation into any allegations of impropriety and malfeasance to be institution where such actions are reported to the Board member.

#### **5.10 Independent Advisors**

The Board and each committee have the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board or the committee. The Corporation will provide for appropriate funding, as determined by the Board or committee, for payment of compensation to any such counsel, experts or advisors retained by the Board or a committee.

#### **5.11 Evaluations**

In line with good corporate governance practice, the board shall conduct Director evaluations annually. The joint and several liabilities of directors should regularly be considered as a factor which encourages the regular evaluation and training of directors, as a co-director's deeds or omissions could affect the liability and ultimately the pocket of the innocent and effective director.

#### **5.12 Conflict of interest**

An actual or potential conflict of interest involving a director, officer or employee should be disclosed and the director, officer, or employee concerned should not sit in any meeting which discusses the conflict. Any Board resolution regarding the conflict should be passed by an affirmative vote which includes that of at least two independent Board members.

In addition, each Director must ensure that he or she is free from any interest and any business or other relationship, which could, or could reasonably be perceived to materially interfere with the Director's ability to act with a view to the best interests of the Corporation.

### **5.13 Orientation of New Directors**

The Corporation has orientation and education arrangements for new members of the Board. This orientation begins with a strategic overview session with the Chief Executive Officer followed by meetings or briefing sessions with selected corporation executives, which will include a review of the financial statements of the Corporation. A new Director will be provided with a range of written materials including those, which outline the organization of the Board and its Committees, the powers and duties of Directors, the required standards of performance for Directors and this Charter.

### **5.14 Protection of Directors**

To protect Directors who have discharged their duties within the law, a legal provision in the Act of the Corporation requires Directors to be indemnified by the Corporation. The Corporation maintains Directors and Officers Indemnity Insurance on behalf of all Directors.

### **5.15 Interaction with the media**

The Board believes that it is the responsibility of management, rather than members of the Board, to speak on behalf of the Corporation. From time to time the Directors may be requested by the media, or by institutional investors, shareholders, customers, or policyholders, to discuss certain issues on behalf of the Corporation. Any Director to whom such a request is made should review the request with the Chief Executive Officer before responding.

### **5.16 Consumer protection**

The DPC Board shall be alive to the needs, concerns, and contributions of the people of Zimbabwe. The Board shall put in place mechanisms to ensure that the people's needs are responded to within a reasonable time, and that the public is encouraged to participate in policymaking.

### **5.16 Anti- corruption statement.**

The DPC Board values its reputation for ethical behaviour and for financial integrity and reliability. The DPC Board is committed to maintaining the highest standards of ethics and compliance with all relevant laws including those related to anti-bribery and corruption. Bribery is offering, promising, giving, or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage. Corruption is the abuse of entrusted power or position for private gain.

It is the Board's objective to ensure that DPC business is conducted in an honest and ethical manner as it takes a zero-tolerance approach to bribery and corruption and is committed to acting professionally, fairly and with integrity in all our business dealings and relationships. The Board shall put in place effective systems to counter bribery and corruption. Board members, officers and employees are strictly prohibited from offering, paying, soliciting, or accepting bribes or kickbacks.

**5.16 Review of Board Charter**

The Board shall assess the adequacy of their charter annually and shall make any changes deemed necessary or appropriate in consultation with the Minister.