



# **UTNWFT GOVERNANCE POLICY MANUAL**



**Published by**



## **FOREWORD**

The Upper Tana-Nairobi Water Fund (UTNWF) Trust was established in October 2015 and incorporated in October 2017 as a charitable trust in Kenya. UTNWF was the first water fund of its kind in Africa, built on experience. The UTNWF was founded by three main partners: The Nature Conservancy (TNC), Nairobi City Water and Sewage Company (NWSC) and Pentair Inc with the mission to support long-term conservation, protection and maintenance of the Upper Tana Watershed and thereby improve local livelihoods, Nairobi's water security, and Kenya's renewable energy supply. The Trust has adopted a public-private partnership model working collaboratively throughout the Upper Tana watershed on solutions to one of the greatest challenges to our future - source water protection.

As a trust, the governance structure and systems should embrace the corporate governance ideals in its management endeavours in order to function effectively and efficiently in order to meet the Trust's goals and objectives. In this regard, the Trust should put in place systems of good governance for effective service delivery to its stakeholders. Key to this would be to build both institutional and technical capacity for effective source water protection as one of its key mandates. This is the main reason for developing this operational manual as a code of governance for the Trust.

The creation and implementation of this manual is important in order to increase efficiency and accountability in the use and deployment of scarce resources. This manual allocates responsibilities for supervision and implementation while at the same time respecting the complementarity of partner agencies.

It is envisaged here that the Trustees, Board of Directors, and the Executive Director will be responsible for implementing this governance manual with full compliance to the Trust deed, laws, rules, and regulations. However, the Board of Trustees (BoT) is committed to full implementation of all provisions of this manual in order for the Trust to deliver on all expected outcomes as desired. I therefore call upon all institutions and departments to adhere to the provisions of the manual.

The issuance of this manual should not be seen as end in itself, but as a means of propelling the Trust into securing the long-term conservation, protection, and

maintenance of the Upper Tana Watershed and the benefits it provides for people and nature by advancing nature-based solutions to water security. It is important to further note that the practice of corporate governance should, in particular, respond to the changing dynamics in the field of corporate governance.

**Emmanuel Rurema**

**Chairman, UTNWFT**

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## **DEFINITIONS AND ABBREVIATIONS**

BoM	Board of Management
BoT	Board of Trustees
CAC	County Advisory Committee
TNC	The Nature Conservancy
UTNWFT	Upper Tana-Nairobi Water Fund Trust

## **CHAPTER ONE: INTRODUCTION**

This manual has been developed in line with best practices in corporate governance. The Trust as a separate independent entity will subscribe to corporate governance in its structure and system of rules, practices, and processes by which it will direct, control and be held accountable. This will encompass authority, accountability, stewardship, leadership, direction and control being exercised. In this respect therefore, the Trust will balance the interests of its many stakeholders. These will include its stakeholders, management, customers, suppliers, partners, financiers, government and communities. This corporate governance will also provide the framework for achieving the objectives of the Trust and creates the benchmarks for corporate performance measurement and disclosure.

Governance Policy shall operate as a guide to the Board of Management. It gives information on the operations of the Board of Management and its structure. The Governance policy outlines the duties and power of the Board and Board Committees. The policy will ensure that UTNWFT is operating in an ethical manner and promoting good business practices.

### **1.1 About Upper Tana-Nairobi Water Fund (UTNWF)**

The Upper Tana-Nairobi Water Fund UTNWF was established in October 2015 and incorporated in October 2017 as a charitable trust in Kenya with a mission to secure the long-term conservation, protection and maintenance of the Upper Tana Watershed and the benefits it provides for people and nature by advancing nature-based solutions to water security. UTNWFT is an international non-governmental organization established by TNC in collaboration with the government and has its headquarters in Nairobi, Kenya.

**Vision:** *A well conserved and managed Upper Tana watershed that sustains healthy livelihoods and ecosystem functions in the region and beyond.*

**Mission:** *To secure the long-term conservation, protection and maintenance of the Upper Tana Watershed and the benefits it provides for people and nature by advancing nature-based solutions to water security.*

## **Core Values:**

### *Values - I-PACE*

- i. Integrity
- ii. Partnership
- iii. Accountability
- iv. Commitment to nature
- v. Empowerment

## **1.2 Governance Manual**

The Governance Manual contains information that addresses the framework of UTNWFT, describes the governance structure, and details how the Trust operates on a daily basis. The manual provides executives, directors, and granters of UTNWFT with a comprehensive summary of the governance framework designed to help implement and maintain good governance in practice. The manual has been developed in alignment with the vision, mission, and the registration regulations of UTNWFT.

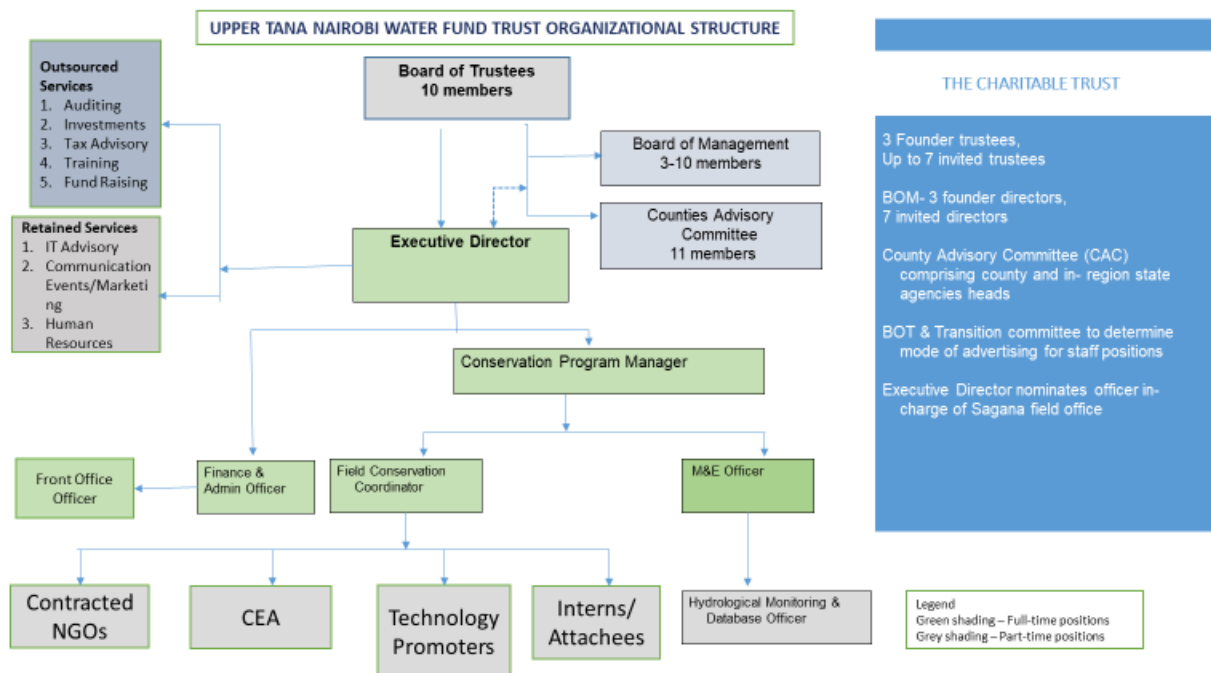
## **CHAPTER TWO: GOVERNANCE STRUCTURE**

### **2.1 Structure**

The organizational structure of the Trust has two operational levels of governance and management comprising of the Board of Trustees (BoT) and the Board of Management (BoM). The BoT's mandate is to set the policy direction, vision, and mission. The BoM's mandate is to oversee the overall implementation of the Trust programmes, projects, and activities in a coordinated manner operating at the Trust headquarters. The structure incorporates the County Advisory Committee (CAC), whose responsibility is to mainstream county policies into the water fund implementation framework for smooth water fund activities implementation and to realign their activities as the co-founders of the water fund activities by providing

subsidies and a team of top managers who oversee the day-to-day operations of the Trust.

## TRUST ORGANIZATIONAL STRUCTURE



The operational components of the Trust include:

- i. Hiring of well skilled and experienced staff
- ii. Well set up office space and equipment
- iii. Vehicle resources
- iv. Two well fitted office facilities and
- v. Functional databases for storing conservation information, monitoring equipment and a host of other resources necessary for day-to-day work.

UTNWFT, as an institution that adheres to governance principles, will abide by the following basic governance best practices:

- i. Directors will be selected as guided by the Trust deed and rules.



- ii. BoT functions will be separated from the BoM functions.
- iii. The list of current directors will be readily accessible to stakeholders; and
- iv. Board meeting minutes will be recorded on file, and decisions will be communicated to the management team in a comprehensive and timely manner.

## **2.2 Strategic Plan Policy**

Guided by the UTNWFT Strategic Plan, the Trust will align its key strategic instruments of vision, mission, and strategic objectives. All the operations of UTNWFT will be guided by the Strategic Plan objectives and timelines which will be translated into an internal performance management system that will be used to monitor and evaluate progress. UTNWFT will, guided by governance principles, align the Trust's resources available to the key strategic objectives and planned annual activities. The Strategic Plan provides the roadmap for that transition and for dramatically scaling the impact of the UTNWFT on water supplies, livelihoods, and the health of the Tana River watershed over the next five years. The Strategic pPlan of the Trust would have a general purpose to:

- i. Create Clarity – Establishing a framework for documenting and evolving important strategic choices made by Water Fund leadership,
- ii. Create Focus - Allowing for more effective goal setting and purpose-based leadership/action by the Water Fund, and
- iii. Create a Shared Roadmap – Driving measurable progress toward relevant impact and systemic change.

### **2.2.1 Quality Statement**

To achieve its strategic objective, the Trust will be led by an effective board which should be composed of competent, diverse, and qualified members capable of exercising objectivity and independent judgement. The board will have appropriate autonomy and authority to exercise its functions in line with the Trust deed provisions and shall be accountable to stakeholders and act responsibly to its stakeholders.

UTNWFT is committed to and shall always endeavour to reach the highest level of quality through the following initiatives:

- i. The composition and size of the board shall provide a diversity in gender, competencies, and skills required for effective leadership of the Trust,
- ii. The Board shall give strategic direction for the Trust, exercise control, and remain accountable to the stakeholders,
- iii. The Board shall ensure that Board members are inducted, and their skills and knowledge are continually improved to enhance effectiveness,
- iv. Continually improve the effectiveness of Quality Management Systems,
- v. Ensure that our stakeholders receive the highest quality services,
- vi. Comply with, and adhere to, statutory and regulatory requirements and
- vii. Always be guided by strict adherence to legally and institutionally laid down procedures.

## **CHAPTER THREE: MEMBERSHIP AND ROLES FOR GOVERNANCE**

### **ARMS**

#### **3.1. BOARD OF TRUSTEES**

##### **3.1.1 BoT Composition**

The BoT shall consist of:

- i. Founder trustees namely The Nature Conservancy, Pentair and Nairobi City Water and Sewage Company.
- ii. Up to seven (7) invited trustees

##### **3.1.2 The purpose**

The role of the BoT is to provide oversight role to the Fund in line with its vision, mission, objectives, and overall policy direction, ensuring compliance with the legal and statutory requirements. The Key responsibilities are to: -

- i. Determine and review from time to time the Trust vision, mission and core values,

- ii. Set and oversee the overall strategy and approve significant policies of the Trust,
- iii. Ensure that the strategic plan is aligned with the purpose of the Trust and the legitimate expectations and interests of its stakeholders,
- iv. Approve the Trust organizational structure,
- v. Approve the Trust annual work plans and budgets,
- vi. Monitor the Trust's performance and ensure sustainability,
- vii. Enhance corporate image of the Trust,
- viii. Develop and administer trust endowment fund and assets,
- ix. Ensure availability of adequate resources for the achievement of the Trust's objectives,
- x. Hire the executive director and approve appointment of senior management staff
- xi. Ensure effective communication with both internal and external stakeholders,
- xii. Regularly monitor the context and operating environment in which UTNWFT undertakes its operations and to address emerging issues that may impact on the strategy and its implementation of plans, and
- xiii. Appoint members to the Board of Management.

### **3.1.3 Communication to The Trustees**

It is the BoT Chairperson's responsibility to ensure that timely and comprehensive information is given to the Trustees. Trustees may however communicate directly with executive director for additional information. Trustees are bound by a duty of confidentiality regarding the information that they have obtained for performance of their tasks. Unless the Board advises otherwise, individual Trustees must refrain from communicating with the media or third parties.

## **3.2 BOARD OF MANAGEMENT (BoM)**

The Trust shall establish a Board of Management in line with the provisions of the Trust deed. The BoM shall comprise of:

- i. Three (3) directors appointed by the founder directors,
- ii. Up to three (3) representatives from the private sector appointed by the founder trustees,
- iii. Up to three (3) representatives from the public sector appointed by the founder trustees and
- iv. A representative of the development facilitators actively engaged in water fund work appointed by the founder trustees.

### **3.2.1 Role of Board of Management**

To achieve its strategic objectives, UTNWFT Board should be composed of competent, diverse, and qualified members capable of exercising objective and independent judgment. The Board should have appropriate autonomy and authority to exercise its functions and should be accountable to shareholders and act responsibly towards stakeholders. Responsibilities of the Board are:

- i. Develop and implement a strategic plan for the Trust.
- ii. Provide strategic direction to the organization, exercise control and remain accountable to shareholders.
- iii. Identify the Trust's internal and external stakeholders and establish policies determining how the Trust should relate to them.
- iv. Exercise their role collectively and not individually.
- v. Hold an oversight role over the Trust, ensuring that the strategy is aligned with the purpose of the Trust and the legitimate interests and expectations of its shareholders and other stakeholders.
- vi. Approve the organizational structure and ensure alignment to the strategic plan.
- vii. Approve UTNWFT annual budget and adherence to the budget provisions.

- viii. Monitor the organization's performance through a supervisory role over the executive director.
- ix. Fiduciary oversight of UTNWFT's assets, financial position, and legal and tax statuses.
- x. Periodically review processes and procedures to ensure the effectiveness of its internal systems of control so that its decision-making capability and the accuracy of its reporting and financial results are maintained at a high level at all times.
- xi. On corporate governance, the board must undertake the following actions:
  - a. Develop an annual agenda for the BoM.
  - b. Establish board committee and eliminate if not required.
  - c. Ensure meeting minutes are written during board and committee meetings and approved in the next meeting.

### **3.2.2 Composition Board Members**

The composition and size of the Board should provide a diversity of gender, competencies, and skills required for the effective leadership of UTNWFT. The Board shall include persons of character, integrity, talent, and experience who are loyal to the UTNWFT's mission and seek to foster diversity across the UTNWFT. The Articles of Association states the minimum number of Trustees or Board members. Key considerations in the appointment of Board members include the following:

- i. Expertise,
- ii. A diverse mix of skills and personal traits,
- iii. Reputation and networks, and
- iv. Technical experience and knowledge.

### **3.2.3 Term of the Board**

The Founder Directors shall be in office until such a time as they shall be replaced by the applicable Founder Trustee that appointed them or until earlier their resignation, death, or incapacity. Directors shall be elected for a term not exceeding three (3) years.

No Director shall serve for more than three (3) consecutive year terms unless under the following conditions:

- i. An incoming Director who has been appointed to fill a vacant position on the management board may serve until the time of the next annual meeting, and if re-elected, will be eligible to serve an additional three-year full term three terms,
- ii. An election of the management Board, the outgoing Chairperson, who has completed his or her third consecutive term as a Director, and whose service on the management board would expire, may serve an additional one term as a Director.
- iii. A Trustee's term on the management board shall be conterminous with his or her service as a trustee of the Trust.

#### **3.2.4 BOM Code of Conduct**

Directors are expected to abide by the following particulars of the code of conduct:

- i. In general, Directors are not liable for the Trust's debts or losses, unless they have given personal guarantees. They may however be personally liable if they have acted in breach of their duties.
- ii. Directors should endeavour to attend all Board meetings, being absent only with good reason.
- iii. Director may lose office if he or she does not attend three Board meetings in a year.
- iv. Directors have a duty to act in the best interests of the Trust, in good faith and exercise care and skill.
- v. The Trust's assets and resources shall be applied only for proper purposes and in the interest of the Trust and not to benefit themselves or anyone else. Directors will be liable for the loss caused to the Trust and/or to restore the Trust's assets if they misapply them.

- vi. A Director must not make improper use of information acquired by virtue of his or her position as a Director.
- vii. A Director has a general duty to avoid any actual or potential conflict between his or her own personal interests, or the interests of any associated organisation or person, and his or her duties to the Trust.
- viii. A Director should not involve themselves in bribery of any nature or use their position to benefit himself.
- ix.** Loans by the Trust to a Director are prohibited.

### **3.2.5 Board Plan**

The Board requires to develop a Board work plan focusing on the following pertinent matters for the Board:

- i. A review of management's implementation of strategies, policies, and plans
- ii. Risk assessment and management
- iii. Budgeting and financial management
- iv. Quality assurance processes
- v. Board evaluation
- vi. Strategic planning and review
- vii. Governance and compliance and
- viii. Competence development for Board members

### **3.2.6 Board Culture**

The Board actively seeks to have a culture that enhances highest levels of engagement from all members of the Board. The tenets of the Board culture are:

- i. Creation of an environment where there are opportunities for informal interactions among Board members,
- ii. Board members are honest yet constructive,
- iii. Members are ready to ask questions and willing to challenge leadership,
- iv. Members actively seek out other members' views and contributions,

- v. Members spend appropriate time on important issues, and
- vi. Board members respect each other.

### **3.2.8 Board Induction**

All new Board members and the secretariat shall undertake a formal induction programme coordinated by the ED. The Board shall establish an induction manual to facilitate the induction process. Each Director shall, on appointment, be provided with sufficient information to enable him or her to perform his or her duties. These shall include the following:

- i. The Board Manual,
- ii. The Strategic Plan,
- iii. The annual budget for the current year,
- iv. A list of Board Directors and senior management and their contacts,
- v. The organizational structure for the Trust, and
- vi. Board calendar and work plan for the current year.

### **3.2.9 Role of The Chairperson**

The Chairperson of the Board is expected to execute the following roles:

- i. Provide overall leadership to the Board.
- ii. Play a key role in setting the agenda for Board meetings.
- iii. Conduct efficient Board meetings and guide the Board's decision-making process.
- iv. Encourage Board members to participate fully in Board deliberations.
- v. Harness the collective skills of the Board and its committees.
- vi. Lead the annual Board Evaluation Process.
- vii. Monitor the performance of the ED and lead in the evaluation of his/her performance.
- viii. Maintain close, but independent working relationship with the ED while ensuring appropriate balance of power between the ED and the Board.
- ix. Ensure that there is a formal succession plan for Board members.
- x. Ensure effective induction of new Board members.



- xi. Encourage a culture of transparency and teamwork among Board members.
- xii. Act as a formal link between the Board and the Trustees.

### **3.2.10 Duties of Each Board Member**

Each member of the Board is expected to execute the following roles:

- i. Exercise the highest degree of care, skill, and diligence in discharging their duties.
- ii. Act in the best interest of UTNWFT and not for any other purpose.
- iii. Act honestly always and must not place themselves in a situation where their personal interests' conflict with those of UTNWFT.
- iv. Exercise independent judgment always and understand and accept the principle of collective responsibility.
- v. Devote sufficient time to carry out their responsibilities.
- vi. Promote teamwork within the Board and UTNWFT.

### **3.2.11 Role of The Secretary**

ED will be the secretary to the board, whose roles will include the following:

- i. Provide guidance to the Board on their duties and responsibilities and on matters of governance.
- ii. Assist the Board in carrying out the following:
  - a. Board induction and training
  - b. Updating the Board and Committee charters
  - c. Preparation of Board work plans
  - d. Board evaluation
  - e. Governance audit
  - f. Implementation of the code of conduct and ethics
- iii. Ensure the timely preparation and circulation of Board and Committee papers.
- iv. Ensure timely circulation of Board and Committee minutes.
- v. Be the custodian of the seal of UTNWFT and account to the Board for its use.
- vi. Maintain and update the register of conflicts of interest.
- vii. Ensure that annual returns are promptly filed with the relevant authorities.
- viii. Except in exceptional circumstances, ensure that Board and Committee papers are circulated in advance of any meeting.

### **3.2.11 Role of the Executive Director**

Apart from the responsibilities of being the Secretary to BoT and BoM, the ED will have the following functions and responsibilities:

- i. Be responsible for day-to-day operations of the Trust,
- ii. Provide leadership to senior management and staff,
- iii. Prepare the annual budgets and establish proper internal controls,
- iv. Responsible for execution and communication of Board's strategies, decisions, and policies,
- v. Develop and recommend to the Board the annual business plan for the Trust,
- vi. Ensure the Trust has an effective management structure and plan including succession plans,
- vii. Ensure that Board papers are accurately written and presented to the Board in good time,
- viii. Serve as the link between BoT and BoM,
- ix. Responsible for the achievement of the Trust's objectives,
- x. Put in place effective administrative structures, processes, and systems,
- xi. Liaising with national and local governmental organizations, local communities, NGOs, businesses, donors, and the media,
- xii. Provide regular, thorough, and prompt communication to the board on key technical, financial, and administrative matters, and
- xiii. Responsible for stakeholder management and enhancement of the Trust's corporate image.

## **CHAPTER FOUR: BOARD MEETINGS**

### **4.1 Frequency and operational guidance for Board meetings**

The Board members shall meet regularly, at least quarterly, or as otherwise agreed by the Board. The Chairperson or other Trustees may convene additional meetings when required in the interests of UTNWFT. The following guidelines will facilitate the efficiency of Board meetings:

- i. The Board must evaluate the strategic long-term plan in at least one meeting per year.
- ii. The Chairperson shall, with the help of the Secretary, draw up the agenda of every board meeting.
- iii. The Board members must attend all planned meetings and additional meetings as required. The members who are not attending the meeting must give apologies prior to the meeting.
- iv. The Board may invite to its meetings anyone whose presence it considers useful.
- v. As a rule, members must be notified of the meeting at least seven days in advance. However, merited exceptions may be allowed at the discretion of the Chairperson. The notice shall include the location or venue and time of the meeting, and the meeting agenda.
- vi. The information pack prior to the meeting should include minutes of previous meetings and agenda papers for discussion at the meeting. If, however, the supporting documentation is of an extremely sensitive or confidential nature, the Chairperson must ensure that no copies are distributed, and the Board members can access such documents prior to the meeting.
- vii. Board members are expected to have scrutinized the documents before the meeting for discussion and deliberation.

### **4.2 Quorum**

The Board may only deliberate and adopt resolutions if at least 50% plus one member are present. If this quorum is not reached, a new meeting must be convened. If at least four Trustees are present at the subsequent meeting, the said

meeting may deliberate and validly decide the items on the agenda of the previously aborted meeting.

### **4.3 Procedure at the Meetings**

The following shall guide procedure of meetings for the Board or Committee meetings:

- i. The Chairperson of the Board shall chair every meeting and while not present, the Vice-Chairperson shall chair the meeting. If both the Chairperson and Vice Chairperson are absent from the meeting, the Board present shall nominate one member among them to chair the meeting.
- ii. The Chairperson having ensured that the meeting is properly constituted, will also ensure that at an appropriate time during the meeting, the minutes of the previous meeting are confirmed and matters arising therefrom are discussed and resolved.
- iii. A special meeting of the Board or Committee will not discuss any matter other than that specified in the agenda.
- iv. The Chairperson shall try to drive consensus building, but in the event, this fails, all resolutions of the Board shall be adopted by simple majority of votes cast by the members who are present at the meeting.
- v. In the event of a tied vote, the Chairperson has the casting vote.
- vi. The Board, with the guidance of the Chairperson, should work towards unanimous adoption of resolutions. However, Board members are entitled to voice uncooperative opinion and have these recorded in the minutes when agreement cannot be reached.
- vii. The key decisions to be made by the Board includes, but not limited to, business plan, annual budget, financial reports, strategic plans, appointments of any permanent staff, and changes to important principles relating to the functioning of the Board, as laid down in the Board Charter, as well as the composition and core tasks of each Committee.

### **4.4 Minutes of meetings**

The secretary must record all the minutes of the Board and committee meetings. All Board resolutions must be written with a clear indication of who the responsibility for

implementation is vested on. The draft minutes of each meeting must be provided to the attendees for comment and provisional approval within 7 days after the meeting. The Chairperson assisted by the Secretary must ensure that board minutes are submitted for final approval in the next meeting of the Board.

## **CHAPTER FIVE: BOARD COMMITTEES**

The trust under BoM shall establish committees of the Board provided that the Board shall be at liberty to establish such ad-hoc committees as required to deal with any ad-hoc matters requiring focused attention. Committees that the Trust will establish includes:

- i. Finance and Investment Committee
- ii. Resource Mobilization Committee,
- iii. Monitoring & Evaluation Committee

The following shall guide the Board Committees:

- i. The Board may set up, from among its own members, such other ad hoc advisory committees as it deems fit.
- ii. Each committee shall develop its own Terms of Reference, which sets out the composition, function, tasks, and responsibilities of the committee. These TORs will be approved by the Board by simple majority vote, on the recommendation of the committee in question.
- iii. Each committee must evaluate its TOR at least once a year and make recommendations to the Board about any changes that may be necessary.
- iv. Board committees are established to do the Board's work, not management's work. Whilst management might be involved at Committee level, its role is to advise and assist the Committee to do its work, not to bring management work to the Committee unless approved by that Committee.
- v. Unless explicitly empowered by the Board, Committees cannot make binding decisions. The committees shall make recommendations to the Board.

- vi. The Finance Committee, Risk and Audit Committee shall have among its members a person who is a qualified Finance Professional and accredited to a recognized Professional Body such as ICPAK.
- vii. Determine the frequency of committee meetings.
- viii. Appoint the chairperson of each committee.
- ix. Annually review the effectiveness and performance of its committees.
- x. The Chairperson of the Board should not be a member of any committee and
- xi. Where required skills are not available to the committee, the Board may, with the approval of the oversight body, co-opt non-Board members to the committee.

## **CHAPTER SIX: COMMUNICATION TO BOARD OF MANAGEMENT**

It is the Chairperson's responsibility to ensure that the information for the BoM is clear and sent on time. BoM members may however communicate directly with Executive Director asking for additional information. The Board may call on external advisers, experts and consultants if required for performance of its functions. Unless the Board decides otherwise, individual Board members must refrain from communicating with the Media or third parties.

## **CHAPTER SEVEN: PERFORMANCE EVALUATION OF BOM**

It is a prudent governance practice for a Board to evaluate itself based on the set deliverables for the Board. The evaluation should cover the Board as a whole, its committees, individual members, the chairperson, the Executive Director, and the Corporation Secretary. In this regard, the Board should:

- a. Determine its performance criteria.
- b. Undertake an annual evaluation of its performance.

The Board takes cognizance of the fact that regular reviews are critical for its effectiveness and performance. The Board reviews and evaluates its own performance and the performance of its committees on an annual basis against both measurable and qualitative indicators. The Board shall carry out the following sets of evaluations:

- i. Evaluation of the Executive Director,
- ii. Evaluation of the Board Chairperson,
- iii. Evaluation of Board vice chairperson,
- iv. Evaluation of Board Committee chairpersons and
- v. Evaluation of each member of the Board by the other members i.e. peer reviews.

The annual evaluation should result in a report with recommendations for implementation and the re-appointment for a subsequent term for any Board member or ED shall be based on a favourable evaluation as spelt out in the evaluation tool. The Board may appoint an independent expert to support the Board to undertake the annual self-evaluation.

### **7.1 Key areas of focus for the Board**

The Board will give specific emphasis on the following:

- i. Controls and Risk Management: evaluate the internal controls and risk management systems that have been instituted in UTNWFT,
- ii. Availability of resources for the delivery of the mandate for UTNWFT,
- iii. Selection / replacement of external auditor,

- iv. External and internal reporting,
- v. Budget approval and ensuring budgetary discipline,
- vi. Stewardship of the UTNWFT's assets and liabilities and
- vii. Annual reports, including financial statements.



## **CHAPTER EIGHT: CONFLICTS OF INTEREST**

A conflict of interest arises when the private interests of a Board member conflict with the interest of the UTNWFT or the Board member's official duties. Private interests include any financial or other personal interests of directors, their family members, their relatives, their personal friends, associations like clubs, and associations to which they belong, any other groups of people with whom they have personal or social ties, or any person to whom they owe a favour or are obligated in any way. UTNWFT will facilitate the observation of this requirement in addition to each person's individual responsibility indicated below:

- i. No Board member should be able to approve, on his/her own, decisions that will benefit them.
- ii. UTNWFT should put in place and enforce policies, procedures and practices that ensure that such decisions are taken, reviewed, and endorsed by appropriate third parties.
- iii. The directors, employees, and volunteer workers of UTNWFT should not use their position in the organization to further their private business or other interests outside the organization.
- iv. Directors should always act and make decisions based on the interest of UTNWFT and not to gain any benefits for themselves, their family, friends, etc.
- v. Directors are required to disclose the nature of their interests in any contracts, transactions, and arrangements of UTNWFT in which the Director has material interests.
- vi. The Board will establish a system to manage declared conflict of interest and to record the declarations and actions taken to mitigate declared conflicts (e.g., for the Director with the conflict to abstain from the discussion and participation in decision-making process).
- vii. UTNWFT will implement a written conflicts of interest policy governing directors and staff who have decision making authority over the resources of the UTNWFT. An interest includes both direct and indirect interests but excludes interest which may arise due to the Director's involvement in the management of a not-for-profit beneficiary of the Water Fund. Apart from legal

consequences, failure to effectively manage conflicts of interest may also have a serious impact on the UTNWFT's reputation, giving rise to criticism of favouritism, abuse of authority or allegations of corruption. All decision-making should be guided by principles of integrity, honesty, transparency, and good faith.

## **CHAPTER NINE: BOARD AND MANAGEMENT RELATIONSHIP**

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

Board members should have full and free access to employees of UTNWFT, but such access should be arranged through the Executive Director. The Board Members will use their judgement to ensure that such access does not disrupt the operations of the organization.

## **CHAPTER TEN: BOARD MEMBERS DEVELOPMENT**

On the first appointment to the Board or to a Committee of the Board, the Member shall undergo an induction programme on the roles, duties, responsibilities, obligations and practice and procedures of the Board or the Committee at the earliest opportunity.

The Board shall carry out a competence needs assessment and draw up annual development programme. The Board shall ensure that each Director undertakes two (2) days of training and development per financial year.

## **CHAPTER ELEVEN: CONFIDENTIALITY STATEMENT**

The Board members shall maintain confidentiality about matters discussed in the Board meetings or in respect to matters that may become known to them by virtue of their being members of the Board.

## **CHAPTER TWELVE: WHISTLE BLOWING POLICY**

An important aspect of accountability and transparency is a mechanism to enable staff, stakeholders of the Fund and the public to voice genuine concerns in a responsible and appropriate manner. This Policy is designed to support the Fund's core values and facilitate reporting of employees' and other parties' concerns about possible improprieties truthfully, carefully, and boldly.

The objective of this Policy is to:

- i) provide employees and other Fund stakeholders with proper procedures in disclosing cases of Improper Conduct.
- ii) manage disclosures of Improper Conduct in an appropriate and timely manner.
- iii) provide fair treatment to both the Whistleblower and the alleged wrongdoer when a disclosure of Improper Conduct is made.

An employee, member of the BoT or other stakeholder who becomes aware of an alleged improper conduct shall make a disclosure and present the report to the ED if it is on employees and other stakeholders of the Fund and to the BoT if it touches on the ED. The Whistleblower while making a report needs to have a reasonable belief of the occurrence of improper conduct. Reasonable steps will be taken to maintain the confidentiality of the Whistleblower's Confidential Information.

The ED or the BoT will direct for an investigation to be carried within seven days of receipt of the report. The investigation report will be presented to the authority that directed for the investigation to be done. The BoT and the ED will act based on the recommendations of the Investigations report.

## **CHAPTER THIRTEEN: CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES**

The governance of the Trust will adopt and practice various best practice governance principles and practices that are practice around the world. The Trust will pay special attention to the quality corporate governance and leadership in its operations at all levels of governance. It will subscribe to the following:

- i. Transparency and disclosure which is an important aspect of corporate leadership and management because it creates and sustains confidence for investors, stakeholders and wider society and provides opportunities for continuous improvements in operations.
- ii. Accountability, risk management and internal control in order to ensure that the trust will have adequate systems and process for effective internal controls,
- iii. Ethical leadership and corporate citizenship to guide the operations of the trust for corporate social responsibility and investments,
- iv. Safeguarding the rights and obligations of stakeholder to ensure their equitable treatment,
- v. Managing stakeholder relationships in a proactive manner to ensure that their legitimate interests and expectations are realized as the Trust objectives are also met.
- vi. Embracing sustainability and performance management for sustainable development,
- vii. Conducting the Trust business in full compliance to the applicable laws, rules, regulations, and guidelines.

**Annex 1:** Table 1 below shows the governance parameter that the Trust will employ and practice in line with these stated governance principles and practices.

## 14.0: ANNEXES

### Annex 1: Table 1: corporate governance compliance statements and policies.

No	Governance parameter	Governance practice
<b>Principle 1: Transparency and disclosure</b>		
1.	Vision, mission, and values	Every annual report shall contain a statement on these and how they have influenced the Trust behaviour
2.	Policy on corporate governance	Annual reports shall contain compliance reporting
3.	Governance structure	Trust will make annual returns on the Trustees, Directors, and staff
4.	Code of conduct and whistle blowing policy	<ul style="list-style-type: none"> <li>• These will be posted on the trust website,</li> <li>• Conflict of interest policy shall be maintained and followed,</li> <li>• Whistle blowing policy will be adopted</li> </ul>
5.	Trust organizational risks	Identify and disclose these risks on an annual basis
6.	Financial reporting	Annual reports shall contain discussions on the financial status of the Trust
7.	Procurement	<ul style="list-style-type: none"> <li>• Establish procurement policy,</li> <li>• Establish procurement thresholds and</li> <li>• Establish shortlisting of suppliers annually</li> </ul>
8.	Sustainability reporting	<p>Make annual statement on the trust sustainability.</p> <p>Disclose sources and amounts of revenues to the trust to stakeholders</p>
<b>Principle 2: Accountability, risk management &amp; Internal Control</b>		

1.	Financial reporting	<ul style="list-style-type: none"> <li>• Ensure books of accounts are prepared on a timely basis.</li> <li>• Ensure that the external auditing by an independent and competent person is conducted on time and report presented during AGM</li> </ul>
2.	Risk management	<ul style="list-style-type: none"> <li>• Identify, prepare, and maintain a risk register.</li> <li>• Mitigate and report on the risks encountered.</li> </ul>
3.	Internal controls	<ul style="list-style-type: none"> <li>• Establish and maintain an effective control systems and processes,</li> <li>• Set internal controls responsibility.</li> <li>• Design, implement and monitor the effectiveness of the internal controls through management.</li> <li>• Improve on the audit identified weaknesses in the systems and processes on a timely manner.</li> </ul>
4.	ICT	<ul style="list-style-type: none"> <li>• Establish an ICT policy that is aligned to the operations of the trust,</li> <li>• Ensure that the trust Business Continuity Plan (BCP) is in place.</li> <li>• Ensure that IT related risks are identified, monitored, and mitigated upon.</li> <li>• Utilize ICT in monitoring the performance of the trust.</li> </ul>
<b>Principle 3: Ethical leadership &amp; Corporate citizenship</b>		
1.	Ethics and integrity	<ul style="list-style-type: none"> <li>• Promote ethical behaviour in the Trust business,</li> <li>• Ensure adherence and observance of core values by all and</li> <li>• Establish measurable targets, Monitor, and report on core values targets</li> </ul>



2.	Code of conduct and ethics	<ul style="list-style-type: none"> <li>• Develop a code of conduct for the Trust,</li> <li>• Ensure that all members of the Trust subscribe to the code of conduct and ethics,</li> <li>• Promote ethical conduct and sanction misconduct.</li> </ul>
3.	Conflict of interest	<ul style="list-style-type: none"> <li>• Establish a conflict-of-interest management policy,</li> <li>• All Trustees to declare conflict of interest where applicable and should not participate in any decision making on influence the decision making on matters, they have interest in.</li> </ul>
4.	Corporate reputation and image	<ul style="list-style-type: none"> <li>• Ensure that the trust develops a corporate reputation and image strategy,</li> <li>• Promote the positive image of the trust.</li> </ul>
5.	Corporate social Responsibility and Investments.	<ul style="list-style-type: none"> <li>• Develop and implement a good corporate citizenship for the Trust,</li> <li>• Ensure a good and reasonable corporate social responsibility and investment is allocated for,</li> <li>• Ensure that the trust respects and practices environmental sustainability.</li> </ul>
6.	Whistle blowing	<ul style="list-style-type: none"> <li>• Establish a whistle blowing policy,</li> <li>• Protect whistle blowers,</li> <li>• Engage an independent entity to monitor and report on whistle blowing reports</li> </ul>
<b>Principle 4: Stakeholder rights &amp; obligations</b>		
1.	Ownership rights and obligations	<ul style="list-style-type: none"> <li>• Safeguard the rights of all stakeholders,</li> <li>• Ensure there is an effective dispute resolution mechanism,</li> </ul>

		<ul style="list-style-type: none"> <li>• Provide timely and accurate information to stakeholders to enable them to make informed decisions,</li> <li>• Facilitate stakeholders' consultations on key issues,</li> <li>• Facilitate stakeholders training on their rights and obligations.</li> </ul>
2.	Stakeholder obligations	<ul style="list-style-type: none"> <li>• Monitor the performance of the Trust,</li> <li>• Appoint new auditors during AGM,</li> <li>• Attend and participate in AGM,</li> <li>• Approve annual financial accounts and statements and</li> <li>• Provide an environment that allows the trust to exercise independent judgement and decision making.</li> </ul>
<b>Principle 5: Stakeholder relationships</b>		
1.	Stakeholder engagement	<ul style="list-style-type: none"> <li>• Carry out stakeholder analysis,</li> <li>• Ensure that a stakeholder engagement policy is developed and implemented,</li> <li>• Promote effective communication with stakeholders,</li> <li>• Ensure that stakeholders' interests, expectation, and power to influence the operations and direction of the trust are documented and</li> <li>• Ensure that the reputation of the trust and its linkage with stakeholders is a regular board agenda.</li> </ul>
2.	Stakeholder rights	<ul style="list-style-type: none"> <li>• Ensure stakeholder rights are respected,</li> <li>• Consider legitimate stakeholder interest and expectations during decision making.</li> </ul>

3.	Dispute resolution	<ul style="list-style-type: none"> <li>• Ensure stakeholder dispute resolutions are effectively and efficiently resolved expeditiously,</li> <li>• Encourage stakeholder to resolve disputes through alternative dispute resolution mechanisms.</li> </ul>
4.	Relationships with governments	<ul style="list-style-type: none"> <li>• Take deliberate steps to proactively management the relationship with National and County Governments,</li> <li>• Disclose in the annual report the engagement the trust has had with the governments and other agencies,</li> <li>• Align trust programmes with those of the National government development agenda and the CIDPs.</li> </ul>
<b>Principle 6: Sustainability &amp; performance management</b>		
1.	Sustainability goals and strategies	<ul style="list-style-type: none"> <li>• Integrate sustainability of the trust in strategy and management,</li> <li>• Adopt a holistic approach to economic, social, and environmental sustainability aspects of the trust strategy,</li> <li>• Consider during planning the overall impacts of the Trust operational on the communities and environment,</li> <li>• Ensure continuous innovations and improvements on Trust processes, systems, products, and services.</li> </ul>
<b>Principle 7: Compliance with laws and regulations</b>		
1.	Compliance with the provisions of the trust deed	Identify, document, and adhere to all applicable laws and regulations.
2.	Compliance strategy	<ul style="list-style-type: none"> <li>• Establish internal procedures and systems for compliance monitoring.</li> </ul>

		<ul style="list-style-type: none"> <li>Align compliance strategy to the operations of the Trust</li> </ul>
3.	Legal compliance audit and reporting	<ul style="list-style-type: none"> <li>Appoint Trust auditors on an annual basis.</li> <li>File annual compliance report to relevant authorities and Ministry</li> </ul>

**ANNEX 2: BOARD SCORECARD**

**QUESTIONNAIRE FOR SELF-PERFORMANCE EVALUATION**

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**FOR THE BOARD**  
**FOR THE YEAR .....**

**INSTRUCTIONS FOR ANSWERING THE QUESTIONNAIRE**

This questionnaire has twelve sections (A, B, C & D).

Section A: Evaluation of the Board as an entity

Section B: Evaluation of the Chairperson

Section C: Evaluation of the Executive Director

Section D: Evaluation of Individual Directors

All responses will be handled confidentially and used only for the purpose of Board evaluation.

**SECTION A: SELF EVALUATION PERFORMANCE OF THE BOARD AS AN ENTITY**

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**(To be completed by all Directors including the Chairman and the ED)**

**RATING SCALE**

Using the scale given below, please record in the box the number that best reflects your level of agreement or disagreement with the statement/question. The rating scale for each statement is (1= strongly disagree, 2=disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree).

**1. Performance of the Board on issues of Strategy**

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
1.1	The Board is familiar and has been involved in the strategic direction of UTNWFT.	
1.2	All Directors support and debate the UTNWFT’s strategy and values, enabling them to set the tone from the top.	
1.3	All Directors have a clear understanding of the UTNWFT’s core Business, strategic direction, and the financial and human resources necessary to meet its objectives.	
1.4	All Directors demonstrate strategic thinking in interpretation of their mandate.	
1.5	The Board’s policy decisions reflect the objectives of UTNWFT.	
1.6	The Board has a strategic vision of how UTNWFT should be evolving over the next strategic period.	
1.7	The Board engages in strategic discussions that help it consider how UTNWFT should deal with emerging issues.	
1.8	The Board gives direction to Management on how to achieve the objectives primarily by setting or referring to policies.	

1.9	The Board has put in place an elaborate Risk Management Policy.	
	<b>How can the Board do better in this area?</b>	

**2. Performance of the Board in monitoring the quality of UTNWFT Services.**

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
2.1	The Board is knowledgeable about UTNWFT's services.	
2.2	The Board is aware of and mitigates challenges which hinder UTNWFT's performance.	
2.3	The Board periodically considers adopting new service strategies/ modifying current ones.	
2.4	The Board has an effective process for tracking performance.	
2.5	The Board sets itself objectives and measures its performance against them on an annual basis.	
	<b>How can the Board do better in this area?</b>	

**3. Performance of the Board in providing effective Financial Oversight.**

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
3.1	The Board ensures that the budget reflects the priorities established in the Strategic Plan and annual Work Plans.	
3.2	The Board receives financial reports on a regular basis.	
3.3	The Board ensures that the financial reports are understandable, accurate and timely.	
3.4	The Board requires an annual audit and considers all recommendations made in the independent auditor's report.	

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
3.5	The Board has established appropriate investment policies.	
3.6	The Board has approved policies that enable UTNWFT to manage financial risks and reduce them to a tolerable level.	
	<b>How can the Board do better in this area?</b>	

#### **4. Performance of the Board in managing relationship and roles with the ED and Senior Management**

<b>S/No</b>	<b>Statement</b>	<b>Score</b>
4.1	The respective roles of the Board and Management are clearly defined and understood.	
4.2	The Chairperson and the ED work well together and their different skills and experience complement each other.	
4.3	The Board has open channels of communication with management and others and is properly briefed.	
4.4	A climate of mutual trust and respect exists between the Board and ED	
4.5	The Board gives the ED enough space to lead the staff and manage the UTNWFT's operation.	
4.6	The Board has adopted adequate and up-to-date human resource policies.	
4.7	The Board has developed formal criteria and a process for evaluating the ED	
	<b>How can the Board do better in this area?</b>	



### 5. Performance of the Board in enhancing the UTNWFT's Image & brand

S/No.	Statement	Score
5.1	The Board has put in place an effective public relations and communication strategy.	
5.2	The Board promotes a positive image of UTNWFT.	
5.3	The Board communicates effectively with all the UTNWFT's stakeholders and seeks their feedback.	
	<b>How can the Board do better in this area?</b>	

### 6. Performance of the Board in Management and procedure of Meetings

S/No.	Statement	Score
6.1	Board meetings encourage a high quality of debate with robust and probing discussions.	
6.2	The Board agenda cycle covers all matters of importance to the Organization.	
6.3	UTNWFT makes best use of its Annual General Meeting.	
6.4	Every Director is supplied with a calendar of meetings showing dates of Board meetings, committee meetings and key or critical events of the Board.	
6.5	Directors receive timely and accurate minutes, advance written agenda, meeting notices, and clear and concise background material before meetings	
6.6	Board meetings are conducted in a manner that encourages open communication, meaningful participation, and timely resolution of issues.	
6.7	Sufficient time is provided during Board meetings for thoughtful discussion in addition to management dialogue.	
6.8	Formal meeting and reporting procedures have been adopted by the Board.	

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
6.9	All Directors are fully informed of relevant matters and there are never any surprises.	
6.10	Absenteeism from Board meetings is the exception rather than the rule.	
6.11	Board meetings are facilitated, but not overtly influenced by the Chairperson.	
6.12	All Directors are permitted to add items to the meeting agenda.	
6.13	All proceedings and resolutions of the Board are recorded accurately, adequately and on a timely basis.	
	<b>How can the Board do better in this area?</b>	

#### **7. Performance of the Board in organizing itself so that it operates efficiently.**

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
7.1	The size of the Board is appropriate for effective governance of UTNWFT.	
7.2	Directors make decisions objectively and collaboratively in the best interests of the Exchange and are collectively responsible for achieving organizational success.	
7.3	The Board responds positively and constructively to events to enable effective decisions and implementation and to encourage transparency.	
7.4	The Board is the right size and has the best mix of skills to ensure its optimum effectiveness.	
7.5	The Board's Committees are properly constituted, perform their delegated roles and report back clearly and fully to the Board.	
7.6	UTNWFT periodically reviews its policies and procedures.	
7.7	UTNWFT has in place an effective conflict-of-interest policy.	
7.8	The current Board structure contributes to the UTNWFT's productivity.	
7.9	Whenever possible, the Board makes use of short-term task forces for specific tasks.	

<b>S/No.</b>	<b>Statement</b>	<b>Score</b>
7.10	Each appointed Committee and task force has a stated purpose and plan of work.	
7.11	There is an appropriate succession planning for Directors and Senior Executives.	
	<b>How can the Board do better in this area?</b>	

## SECTION B: EVALUATION OF THE CHAIRPERSON

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(To be completed by the Directors, ED, and the Chairperson himself)

### RATING SCALE

Using the scale given below, please record in the box the number that best reflects your level of agreement or disagreement with the statement/question. The rating scale for each statement is (1= strongly disagree, 2=disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree).

S/No.	Statement	Score
<b>The Chairperson:</b>		
1.	Is fully aware of his roles and responsibilities.	
2.	Provides overall leadership to the Board especially on areas of policy development.	
3.	Has a leadership style and tone that promotes effective decision making, constructive debate and ensures that the directors work as a team.	
4.	Harnesses the collective skills of the Board and its Committees with those of the executive team.	
5.	Maintains a close but independent working relationship with the ED	
6.	Is effective as the official spokesperson of the Board.	
7.	Is up to date with developments in market and regulatory environment.	
8.	Conducts Board meetings professionally and efficiently.	
9.	Ensures that every Director has an opportunity to be heard.	
10.	Is skilled at managing different points of view.	
11.	Ensures that the directors conduct themselves with decorum.	
12.	Demonstrates good listening and communication skills.	

13.	Is effective in delegating tasks amongst Directors.	
14.	Is effective in monitoring performance evaluation of the ED and the Senior Management.	
15.	Follows up on implementation of Board's decisions.	
16.	Ensures annual self-performance of the Board.	
	<b>How can the Chairman perform better?</b>	

## SECTION C: EVALUATION OF THE ED

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(To be completed by the Directors, Chairman, and the ED)

### RATING SCALE

Using the scale given below, please record in the box the number that best reflects your level of agreement or disagreement with the statement/question. The rating scale for each statement is (1= strongly disagree, 2=disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree).

#### 1. Strategy

S/No.	Statement	Score
1.1	Prompts the Board on matters of long-term strategy and annual business plans and budgets.	
1.2	Facilitates effective and efficient implementation of the UTNWFT's Strategy.	
1.3	Develops, communicates, and leads the implementation of the Strategic Plan in a manner consistent with the UTNWFT's mission, vision, and core values.	
1.4	Engages internal and external stakeholders to develop strategies and plans to move <b>UTNWFT</b> in the desired direction.	
1.5	Ensures that short-term and long-term goals and priorities are communicated and well-understood by the Board and Employees.	
1.6	Considers evolving business environment and adjusts plans, as necessary.	
1.7	Leads UTNWFT towards the expected overall growth.	
1.8	Develops and implements work plans for business continuity.	
1.9	Leads change management, culture orientation and institutionalization.	
	<b>How can the ED perform better in this area?</b>	

## 2. Financial Leadership

S/No.	Statement	Score
2.1	Provided Financial leadership in the past year which enabled the UTNWFT to achieve its financial goals.	
2.2	Sets the tone for financial discipline and the importance of financial balance to achieve the mission and vision.	
2.3	Ensures adequate internal systems are in place to protect the Fund's financial health.	
2.4	Continuously explores opportunities to strengthen the Fund's financial position and organizational growth and development.	
2.5	Engages the Board in robust dialogue about financial reports and plans, providing sufficient and clear information about progress and results.	
2.6	Ensures an annual audit of financial operations, with a careful and thorough review by the Board.	
2.7	Ensures implementation of audit findings for compliance.	
	<b>How can the ED perform better in this area?</b>	

## 3. Board Relations

S/No.	Statement	Score
3.1	Keeps the Board well-informed of important developments and issues.	
3.2	Ensures a positive working relationship with the Board founded on honesty, trust, and collaboration.	
3.3	Recommends appropriate actions and policies for Board consideration, providing clear and timely information to inform deliberation and decision-making.	
3.4	Directs the functions of the organization in accordance with the mission, vision and direction established by the Board.	
3.5	Ensures continuous education for the Board on issues/topics important to ensure effective, evidence-based governing leadership.	
3.6	Ensures effectiveness of Board meetings and implementation of Board decisions.	
	<b>How can the ED perform better in this area?</b>	

#### 4. Leadership and Culture

S/No.	Statement	Score
4.1	Provides focused and effective leadership that ensures commitment to the Fund's mission and vision.	
4.2	Advises the Board on Technical issues and regulatory compliance.	
4.3	Provides regular and effective feedback to individual managers on their governance responsibilities.	
4.4	Sets an organizational tone that attracts, retains, motivates, and develops a highly qualified workforce.	
4.5	Earns and maintains respect of employees, clients, and the Board.	
4.6	Ensures the right people are in place to carry out the organization's strategic direction.	
4.7	Maintains a learning organization for effective delivery.	
4.8	Has put in place a clear and active staff development and succession planning.	
4.9	Ensures that the major elements of good corporate governance are in place and integrated effectively to achieve results.	
4.10	Ensures that management staff conducts themselves in accordance with high standards of ethical behavior and values.	
4.11	Adheres to the Company's code of conduct.	
4.12	Ensures effective communication with shareholders and stakeholders.	
4.13	Distinguishes between the governance role of the Board and the management role of senior management.	
4.14	Understands and complies with the legal framework and regulations governing UTNWFT.	
	<b>How can the ED perform better in this area?</b>	



## 5. Risk Taking and Problem Solving

S/No.	Statement	Score
5.1	Takes calculated risks.	
5.2	Leads UTNWFT to be agile and adaptable.	
5.3	Thinks quickly and assimilates ideas well in providing direction and leadership.	
5.4	Handles ambiguous situations well, always bringing focus to the Fund's pursuit of its mission and vision.	
5.5	Has put in place systems of internal control to provide management with timely and useful information for decision making.	
5.6	Has put in place an effective risk management and regulatory compliance framework, internal and external audit operations.	
	<b>How can the ED perform better in this area?</b>	

## 6. External Reporting

S/No.	Statement	Score
6.1	Has established appropriate mechanisms to identify the Fund's external reporting requirements.	
6.2	Has established data collection and information management systems adequate to support UTNWFT reporting needs.	
6.3	Ensures that performance reporting processes link objectives, strategies, and business operations.	
6.4	Periodically reviews reported information to ensure that all stakeholders are receiving what they require to meet their obligations and requirements.	
6.5	Ensures that on a timely basis, an objective and balanced and readable annual report is circulated to appropriate stakeholders.	
	<b>How can the ED perform better in this area?</b>	

## SECTION D: EVALUATION OF THE INDIVIDUAL DIRECTORS

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To be completed by the Chairman, the ED, and all Directors. All Directors to complete all columns including their own.

### RATING SCALE

Using the scale given below, please record in the box the number that best reflects your level of agreement or disagreement with the statement/question. The rating scale for each statement is (1= strongly disagree, 2=disagree, 3= neither agree nor disagree, 4= agree, 5= strongly agree).

<b>Statement/ Names of each Director</b>									
<b>The Director:</b>									
Is actively involved in policy formulation of the Exchange.									
Is actively involved in the planning process including setting the direction and goals.									
Understands the most significant risks and opportunities of UTNWFT.									
Understands and ensures relevant legislations and requirements.									
Thinks and acts independently of and is not unduly influenced by management.									
Receives and understands measures of the financial performance of UTNWFT.									
Ensures an effective two-way communication system with stakeholders and management.									
Promotes and ensures a culture of openness and transparency at the Board.									

<b>Statement/ Names of each Director</b>									
Understands and actively promotes the Board's principles and values.									
Operates smoothly and respectfully as a team player.									
Seeks the appropriate information from management for his/her action.									
Has an excellent working relationship with the Management.									
Has the right skills, experience, and expertise to effectively perform his/her duties.									
Clearly understands and discloses potential conflict of interest.									
Overall, the Director is performing well.									