



BOARD CHARTER

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1. Scope

This Charter sets out the authority, responsibilities, and membership of the Board of Directors of the Myanmar Institute of Directors (“the Institute”). It is further supported by the governance policies adopted by the Board of Directors. It is made public on the website of the Institute.

2. Authority

The Board derives its authority to act from governing laws of Myanmar and the Institute’s Constitution.

3. Role of the Board

The role of the Board is to act in the best interests of the Institute and add value to the Institute on behalf of the members and all other stakeholders. The Board ensures resources and capacities are deployed in the most effective manner which it does through policy formulation, strategic guidance and performance monitoring, and effective oversight of management.

4. Board Composition

The Board shall consist of between 5 and 15 persons at all times, in accordance with the Constitution, to ensure efficient decision-making. Each Director must be a natural person of at least 21 years of age and must be a Member in good standing in accordance with the Constitution. In addition, for a Director to be and remain eligible, any organization that employs the Director (either as a senior executive or as a board director) must also meet any criteria for eligibility to be a sponsor of the Institute. Each Director must also:

- be capable of dedicating sufficient time to the discharge of his or her duties as a Director; and
- attend a minimum of 75% of scheduled board meetings in person or through dial-in.

No person shall be nominated for a director position (or appointed to a senior executive position) unless he/she meets the qualifications stipulated in the MIO D Elections Policy. Further, if a director (or senior executive) ceases to meet such qualifications, he/she shall resign or be dismissed.

In addition, the Board must include sufficient number and identity of Directors to meet the following requirements under the MIO D constitution:

a) Directors constituting Members who are residents of more than seven different States and Regions of the Union or, if DICA (in its capacity as Registrar under the Law and relevant related regulations) has given written approval for the Institute to have Directors constituting Members who are residents of fewer States and Regions, then Members who are residents of such States and Regions as are required to satisfy the conditions of any relevant written approval given by DICA (from time to time).

b) One Nominee Director nominated in writing by each of the Central Bank of Myanmar (CBM), the Directorate of Investment and Companies Administration (DICA), the Securities and Exchange Commission of Myanmar (SECM) and the Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI). Nominee Directors are not required to be Members of the Institute and are not subject to any approval or appointment by the Members or to any limited terms of office or retirement. However, any candidates nominated by any of the relevant organizations must otherwise meet all eligibility criteria for Directors under this Constitution and the Law.

It is the current policy of the Board that it will appoint only one executive director to the board, that being the Chief Executive Officer (CEO).

The Board will comprise Directors with a broad range of skills and experience, particularly in fields which are complementary to the mission of the Institute, and who are able to bring useful expertise to the Board's discussions and decisions. Board members must have a proven ability and capacity to make meaningful contributions to board strategy and policy and be able, through questioning and analysis of reports, to participate in the overseeing of the proper functioning of management.

To the extent permitted under the Constitution, the Board will endeavour to promote a reasonably diverse composition of Directors, in particular in relation to gender diversity. The Board may resolve to invite nominations to achieve this.

5. Chair of the Board

The Chair of the Board will be appointed annually by the Board as per section 81 of the Constitution. The Chair will be an independent non-executive director. The Chair must not be a former executive officer of the Institute.

The Chair shall exercise general supervision over the affairs and interests of the Institute and represent the Institute externally or delegate others to do so.

The Chair shall preside at all meetings of the Board and meetings of Institute's Members. He/she shall, with the approval of the Board, appoint advisors, staff, and the chairs of all Committees. All official Institute documents including, without limitation, title deeds and contracts, and bank cheques shall be signed by the Chair (or other appointee), together with the CEO.

The Chair may propose to the Board to formally appoint a Deputy Chair to support them in their role and preside over Board meetings where the Chair is unavoidably unavailable. The Deputy Chair may also lead on ensuring Board effectiveness including appraisal of Board Directors and the Chair.

6. Board Committees

The Board will establish Committees whose members shall be drawn from members of the Board as it considers appropriate to assist it in carrying out its responsibilities. Each Committee shall adopt a Terms of Reference setting out matters relevant to the authority, responsibilities, membership and operation of those committees.

The Board shall, as a minimum, establish the following standing Committees:

- Audit Committee;
- Learning Committee;
- Nomination and Remuneration Committee¹.
- Membership and Sponsorship (Marketing & Communications)

Committees shall meet as frequently as needed, but at least quarterly. The Committees are supported by the Board Secretary.

The Chair of each Committee is responsible for reporting to the Board on the activities of their Committee and ensuring that their objectives are consistent with the overall objectives of the MIOD.

¹ Formerly the Selection Committee

The Board, or the Chairperson may at their own discretion through circular resolution., propose new or single purpose committees to consider such matters as elections, policies and procedures, donor commitments, and capital expenditure.

7. Delegation to Management

The Board delegates to the CEO the authority and power to manage the day to day business affairs of the Institute subject to such specific delegations and limits that the Board makes from time to time. The CEO has authority to sub-delegate such authority and power to such members of the management team as he/she shall determine from time to time.

8. Responsibilities of the Board

The following are the primary roles and responsibilities of the Board:

- a) Review, approve, and monitor the Institute's long-term strategic objectives and management business plans, including any performance indicators and targets to be used in relation to the Institute's strategy;
- b) Oversee and approve the risk management framework and associated policies and procedures used by management to effectively manage risk;
- c) Monitor the overall performance of the Institute's progress towards its strategic objectives and any variance from its defined risk appetite;
- d) Oversee the integrity of the financial statements and compliance with legal and regulatory requirements;
- e) Oversee the internal control framework used by management and ensure that it is efficient and effective;
- f) Oversee and approve the human resource framework and policies of the Institute;
- g) Make decisions on major business matters as defined by the Board;
- h) Appoint and, as necessary, dismiss senior executives of the Institute;
- i) Determine the remuneration and incentive schemes, including key performance indicators, of senior executives;
- j) Evaluate the overall performance of key senior executives and take corrective action as needed;
- k) Develop succession plans and developmental objectives for senior executive positions;
- l) Identify and recommend potential Directors for election by Members;
- m) Evaluate the overall performance and effectiveness of the Board and its members and take corrective actions as needed;
- n) Oversee the Institute's corporate governance framework and ensure compliance with approved policies;
- o) Set the Institute's values and standards and ensure that obligations to members and stakeholders are understood and met;
- p) Ensure that stakeholder interests are considered and that the Institute conducts its business in a socially responsible manner to the extent practical; and
- q) Ensure that the Institute complies with the requirements of the law and rules, regulations, directives, and guidelines issued thereunder.

9. Director's Duties.

Board Directors of the Institute owe the Company (i.e. the Institute) and its members fiduciary duties of care, loyalty, and compliance with corporate authority. In the discharge of their fiduciary duties, board Directors must at all times act in good faith and proper purpose, avoiding all potential or actual conflicts of interest, in the best interests of the Institute, in compliance with the Institute's Constitution and all applicable laws. Specifically, each Director shall adhere to the following duties:

- a) always meet or exceed the standards of duties and loyalty imposed under the Law;
- b) commit adequate time to sufficiently discharge their roles and responsibilities as Directors;
- c) attend Board meetings as regularly as possible and prepare themselves appropriately to contribute to the effective functioning of the Board and its committees;

- d) always put the interests of the Institute ahead of their own interest and that of the organization(s) by which they are employed;
- e) make decisions as Directors that they believe are in the best long-term interest of the Institute as a whole;
- f) treat all Board matters as confidential;
- g) ensure that any conflicts are appropriately disclosed, comply with all applicable law and adhere to the provisions in the MIO D Constitution

The Director shall fully understand the Board's roles and responsibilities as identified in this Charter and help ensure that the Board is discharging those roles and responsibilities to the best extent possible.

The Director shall fully understand the corporate governance and ethics policies of the Institute and help ensure that the Board acts in accordance with those policies at all times and actively promoting them throughout the organization.

10. Independence of Directors

A Director will be considered to be independent for the purposes of service on the Board and Board Committees of the Institute provided that the Director satisfies the standards adopted by the Board from time to time to assist it in its regular 'independence' determinations.

An independent Director must be independent of management and free of any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of his unfettered and independent judgement.

Each Director must provide the board with all relevant information to assess her/his independence.

The determination of independence of a Director will be made by the Board.

11. Board Meetings

The Board of Directors shall meet as often as necessary, but at least six times per year for around two hours on an annual schedule to be determined by the incoming Board. This draft schedule should also highlight the main agenda items to be covered over the course of the year. This will help ensure that the Board does not only focus on near term issues, but also considers other strategic and routine matters in line with its role.

Other matters may be added to the agenda of specific meetings as needed. Each director, CEO or Committee Chair, and the management team collectively (via the CEO), has the right to request that an item be placed on the agenda for a Board meeting at least two weeks in advance of the Board meeting.

The agenda for a Board meeting shall be sent to all Directors at least 7 days prior to the meeting whenever possible. For each item on the agenda, an explanation in writing shall be provided along with related documentation. This includes:

- a) minutes of the previous Board meeting;
- b) issue papers for discussion. These should be clear, succinct, insightful, and include recommendations for action based on proper analysis; and
- c) other reports prepared by management.

Board meetings are generally held at the offices of the Institute but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference, or by any

other means of communication, provided all participants can communicate with each other simultaneously.

The Board may also call extraordinary meetings outside of its normal bi-monthly Board meetings to discuss urgent issues.

Quorum for a Board meeting shall be 5 directors as per Section 79 of the Constitution. The admission to a meeting of persons other than directors, the Board Secretary, and (if invited) members of the management team shall be decided by the Chair or a majority of the directors' present at the meeting.

Board meetings are presided over by the Chair. In his/her absence, the Deputy Chair, or one of the other directors, designated by majority vote of the directors present at the meeting, shall preside.

The Board has the authority to conduct or direct any investigation required to fulfil its responsibilities and has the ability to retain, at the Institute's expense, such legal, accounting or other advisers, consultants or experts as it considers necessary from time to time in the performance of its duties.

12. Board Resolutions

The Directors shall aim to unanimously adopt any Resolutions that are brought before the Board for decision. Should a matter be brought to a vote by the Board, then each Director has the right to cast one vote, including the right to appoint a proxy in writing to vote on their behalf. All proxies should be declared at the start of the Board meeting.

Where unanimity cannot be reached, all Resolutions of the Board are adopted by a majority of the votes cast.

In general, Board Resolutions are adopted at a Board meeting. Board Resolutions may also be adopted in writing, provided that:

- a. the proposal concerned is submitted to all Directors together with the documents/information required to make a fully informed, good faith decision;
- b. no member objects to this form of adoption; and
- c. the Resolution is approved in writing by all of directors entitled to vote on the Resolution.

13. Responsibilities of Board Members

Each member should aim to attend all bi-monthly Board meetings in person or by dialing in and also devote additional time to prepare for meetings and read papers in advance as well as undertake any follow-up e.g. approving minutes and pursuing tasks by the Board. The time commitment for Board duties is estimated at around four hours every two months.

If a Board member is absent from more than 25% of meetings for reasons which the Board has failed to declare to be sufficient, the Director's resignation shall be deemed to have been tendered and accepted.

Directors are encouraged to take on a portfolio of responsibilities to which they will be accountable to the Board. These include being Chair or Member of the three standing Committees or participating in ad hoc Committees or projects (see Board Committees above). Each Director is expected to commit at least three hours a month to Committee activities.

The CEO or Chair of the Strategy and Learning Committee may also call upon Board members to appear and speak at member Briefings or events in the Learning Series. These events provide an opportunity for the general membership to interact with the Board of Directors and for the Directors to keep their own skills current and contribute to the wider learning of the membership and to the feedback/evolution of the learning programmes. Directors are encouraged to commit at least two hours a month to these activities.

14. Directors' Remuneration

As per Section 62 of the Constitution, no Director of the MIO D shall receive remuneration. If a Director intends to undertake an activity on behalf of the Institute which will lead to the incurring of an unusual expense, the Director should consult with the Chair prior to such expense being incurred and have this expense pre-authorised by the CEO and any associated Committee Chair.

15. Appointment and Re-election of Directors

The process for appointing a Director, when a vacancy exists, is detailed in the Institute's Policy on Nominations and Appointments of Directors.

The Institute will provide a formal letter of appointment for each Director setting out the key terms and conditions of her/his appointment. The process for re-election of a Director is in accordance with the Institute's Constitution and the Policy on Nominations and Appointments.

New Appointments shall be for a period of two years to the second annual general meeting of the Director's term, as per Section 61 of the Constitution. At this time, he or she must retire from office but may self-nominate for re-appointment by Ordinary Resolution for an additional two-year term. Eligibility for re-appointment is subject to Board-approved policies which may affect the ability of the director to run for a second term, and the Director may need to engage in a Pre-AGM election process.

The retirement age for Directors is 75 years of age.

16. Induction and Orientation

The Nomination and Remuneration Committee, working with senior management, will provide an orientation program and written briefing for new Directors in order to assist them in fulfilling their duties and responsibilities. The programme will include discussions with the Chair and CEO, the provision of reading material in the form of an Induction Booklet (Director's Induction Guide or DIG), and an introduction to the Secretariat. These will include details on:

- the Board Charter
- the Institute's Code of Conduct
- Directors' duties and responsibilities on the MIO D board and committees (including time allocation and committee duties)
- Existing strategic plans
- Management structure
- Risk management matters relating to the Institute
- Director liability insurance.

At the request of the Directors, senior management will conduct additional presentations for Directors from time to time regarding the Institute, the factors impacting, or likely to impact, on its activities, and to assist Directors in gaining a broader understanding and knowledge of the Institute. Directors are also encouraged to keep up to date on relevant topical issues.

17. Board Performance and Director Evaluation

The Board will annually review and evaluate its performance. This assessment will involve consideration of all of the Board's key areas of responsibility and will specifically review areas where the Board and/or management contribution may be improved, including the contribution of individual Directors.

The Board as a whole, assisted by the Nomination and Remuneration Committee, will review the performance of the CEO at least once every year, and if necessary, the senior management of the Institute.

The Nomination and Remuneration committee will recommend to the Board the performance criteria (both measurable and qualitative) to be considered in these evaluation processes.

The Board will also review the relationship between the Board and management, and matters of general corporate governance.

An external independent consultant may from time to time be brought in to review and make recommendations on any aspect of the board's activities and performance.

18. Access to management

Directors will have complete and open access to members of management following consultation with the Chair and the CEO.

As an intrinsic part of the Board's responsibility of management oversight, Board Committees, specifically, will have access to and mandatory meetings with individual senior management in accordance with their respective Committee terms of reference.

19. Board Secretary

All Directors will have direct access to the Board Secretary. The appointment and removal of the Board Secretary shall be a decision for the whole board.

20. Confidential information

The Institute regards the confidentiality of member information as highly important. The Board will monitor internal controls, including employee training, to ensure that confidential information is not improperly disclosed outside the company or used for individual personal gain.

21. Conflicts of interest

Directors are expected to avoid any action, position or interest that conflicts with an interest of the Institute or gives the appearance of a conflict. Further details are contained in the Institute's policy on Conflict of Interest.

22. Communications

Generally, the Chair and CEO will speak for the Institute, including to the media. Other Board Directors should not communicate on behalf of the Institute with external stakeholders without prior consultation with the Chair and the CEO, and should report back where necessary.