**TERMS OF REFERENCES FOR BOARD OF DIRECTORS**

Approved by Annual General Meeting dated dated 27 October 2014

Attachment 2 to Transparency Azerbaijan Governance Policies

**Introduction**

The following Terms of Reference define the respective roles, responsibilities, and terms expected of the Board of Directors as per Transparency Azerbaijan (TA) Organization’s Statutes and Annual General Meetings decisions. Any amendment(s) to these Terms of Reference must be ratified by the Board and subsequently by Annual General Meeting of the TA before taking effect. These Terms of References are in full compliance with the Statutes and regulate issues not covered therein.

**Purpose, responsibilities and authority**

The purpose of the Board of Directors is to:

* provide the membership and management with leadership and focus consistent with the goals and objectives, statutes, other internal documents and projects of Transparency Azerbaijan.

The Board of Directors is responsible for:

* accept members to the Organization;
* expel from the membership of the Organization;
* leading the activity of the Organization during the time between the Annual General meetings;
* ensure that TA independence and reputation are not jeopardized.

In case the organization decides to open membership to types of members other than founders, board members:

* check applications of persons who want to join the Organization’
* give the membership certificates to the members of the Organization, unless they are board members or founders;
* determine the quantity of the membership dues (regular or one-time), if any;

The Board of Directors has the following authorities:

* grant membership and terminates membership in the Organization;
* approve of grant proposals and projects;
* creates departments of the Organization;
* affirms the budget, including pay schedules and salaries of the officials of the organization;
* solve all issues which are beyond authority of the other management organs of the Organization.

**Election of Board of Directors**

Board members are elected at the Annual General Meeting by a secret vote by a simple majority of voices for the term of five year for maximum two terms.[[1]](#footnote-2) Candidates for the board shall be either recommended by one of acting board members or any other member of the organization or be self-recommended.

The Board consists of board members.

Board members have the right to resign by submitting a written request to the board to be further approved by the Annual General Meeting.

**The chairman of the board**

Though the statutes do not require for the board to be chaired by a chairman this is a mandatory requirement of the Tİ-S. Therefore, Tİ Az will have a position of the chairman of board set forth by this document and Terms of Reference for the Annual General Meeting.

The Chairman of the Board is elected by the Annual General Meeting by the way of secret voting to the period of five years, for maximum two terms. The Chairman represents the Organization, leads the activity of the Management Organ, and implements other functions delegated to him/her given by General Meeting and Law.

**The executive director**

The Executive Director is elected by the Annual General Meeting by the way of secret voting to the period of five years, for maximum two terms as per the AGM decision of 25 January 2006. Upon completion of the two terms the board is entitled to petition before the Annual General Meeting either to terminate the contact with the Executive Director or to adopt respective amendments to the Statutes to be further approved by the respective executive power body to extend powers of the Executive director for another five years. The executive director bears responsibility for his/her activity before Annual the General Meeting and the Board and reports to them. Procedures in case of temporary absence or resignation of the Executive Director are described in the document entitled Executive Director Succession Plan. Functions of the Executive Director are described in Finance, Admin and Personnel Manual.

**Board Meetings**

Meeting of the Board is valid if more than the half part of its members take part in it and the decisions are accepted with the majority of simple vote. The Executive Director of the Organization shall participate in the Board meetings. Draft protocol with all attachments thereto shall be sent by e-mil prior to the meeting. Final draft Board meeting protocols shall be compiled with all comments incorporated and sent by e-mail for verification by the Board members. Final protocols shall be printed out, signed by the Chairman and the meeting secretary and kept on file. The Board has the right to vote by e-mail. All Board decisions must be recorded in the protocols of the Board meetings.

**Conflict of interests**

The members of the Board of Directors will in most cases have other business and professional affiliations. Members of the Board of directors shall not undertake any paid work from the organization. Companies or other organizations with which such individuals are affiliated should not be disqualified from working for TI Az, or otherwise participating in projects in which TI Az and Transparency International (TI) are involved. However, such companies or organizations should not be given an “inside track” with respect to such work. Such situations must be reviewed on a case-by-case basis so that equitable ground rules can be developed.

Each Member of the Board of Directors shall declare in the Register of Interests of TA Board of Directors any and all interests that could potentially lead to, or could conceivably be perceived as, a conflict of interest.

**Accountability**

The procedure below describes the steps which should be followed when a staff or Board member believes that any TA body has accepted, or is considering accepting, funding from an inappropriate source. Other people associated with Transparency Azerbaijan may also make use of this procedure.

If any staff or Board member of a TA body is concerned that there is a threat to Transparency Azerbaijan independence or reputation from donations already received, or about to be accepted, the person(s) should draw this to the attention of the Executive Director or Chair of the Board of TA.

If necessary, the Chair of the Board or Executive Director will consult with the Fundraising Task Force of the Transparency International Board and seek their advice on whether to accept funding from a specific donor. More details are provided in TI Donation Policy, Procedure and Guidelines and TA Governance Policies.

**Founders’ Committee**

In the Statutes, no limit is stated on the number of terms that the board members can serve on board. Nevertheless, the first Annual General Meeting[[2]](#footnote-3) opted for a more democratic procedure of board election and rotation described in this document in details. Therefore, after expiry of the second term of office or premature resignation, the founders form Founders’ Committee of the Organization with the Terms of Reference approved at the Annual General meeting.

**Attachment to Terms of Reference for Board: History of the board**

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| --- | --- | --- | --- | --- |
| Date | Pr No | Event | Description | Names |
| 4 Aug 2005 | 1 | Meeting of founders | 8 people re-confirmed their wish to form the organization and submit documents for registration to Ministry of Justice; recommended: chair and ED | **Original founders**  Sabit Bagirov, chair  Rena Safaralieva, ED  Durdana Mammadova  Fuad Suleymanov  Intigam Aliev  Annagi Hajibeyli  Rashid Hajili  Namik Aliyev |
| 14 Dec 2005 | 2 | Meeting of founders | Review of registration package to Ministry of Justice by 4 founders and recommended: chair and ED | **Final founders**  Sabit Bagirov, chair  Rena Safaralieva, ED  Durdana Mammadova  Fuad Suleymanov |
| 25 Jan 2006 | 3 | AGM | Elected board comprised of 4 founders and 4 other members, confirmed ED Rena Safaralieva, elected new chairman | Rena Safaralieva ED  Fuad Suleymanov, chair |
| 25 July 2007 | 4 | AGM | Accepted resignation of board member | Namik Aliyev |
| 5 Oct 2010 | 7 | AGM | Re-elected board, chair and ED | Fuad Suleymanov, chair  Sabit Bagirov  Rena Safaralieva, ED  Durdana Mammadova  Intigam Aliev  Annagi Hajibeyli  Rashid Hajili |
| 5 Dec 2011 | 8 | AGM | Accepted resignation of two board members and adopted new board member | Resigned: Intigam Aliev and and Annagi Hajibeyli Approved: Alimamed Nuriyev |
| 31 Oct 2012 | 9 | AGM | Accepted resignation of a board member | Resigned:  Rashid Hajili |
| 09 March 2016 | 13 | AGM | Elected new board members and new chairman of board and  founders established a Council of Founders under the board | Term expired S.Bagiorv, F.Suleymanov, R.Safaraliyeva, D.Mammadova.  Elected: J.Atayev, S.Samedzade, H.Hasanov and A.Nuriyev as chairman of board |

1. The Statutes do not set a limit on the number of the terms whrereas the decision of the Annual General Meeting, protocol No 3 dated 25 Jan 2006 sets the limit of maximum two terms. [↑](#footnote-ref-2)
2. Decision of the Annual General Meeting, protocol No 3 dated 25 Jan 2006 [↑](#footnote-ref-3)