

TERMS OF REFERENCES FOR BOARD OF DIRECTORS

Approved by Annual General Meeting dated 11 February 2024
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 three year for maximum two terms.¹ 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 TI-S. Therefore, TI 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

¹ The Statute sets limit of maximum two terms with three year each term. Decision of the Annual General Meeting, dated 11 Feb Jan 2024.

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 Meeting² 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.

² Decision of the Annual General Meeting, protocol No 3 dated 25 Jan 2006

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

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 Safaraliev, 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 Safaraliev, ED Durdana Mammadova Fuad Suleymanov
25 Jan 2006	3	AGM	Elected board comprised of 4 founders and 4 other members, confirmed ED Rena Safaraliev, elected new chairman	Rena Safaraliev 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 Safaraliev, 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 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.Bagirov, F.Suleymanov, R.Safaraliyeva, D.Mammadova. Elected: J.Atayev, S.Samedzade, H.Hasanov and A.Nuriyev as chairman of board
11 Feb 2024	6	AGM	Elected new board members	Term expired: Vuqar Askerov and Jeyhun Atayev. Elected: Rena Safaraliyeva, Alibayli Qulamhuseyn and Shahin Nasrullayev