

## **STICHTING OXFAM INTERNATIONAL**

### **RULES OF PROCEDURE**

#### **The calling and conduct of meetings**

1. Notice of an Annual Board Meeting must be given to all Affiliates by the Chair at least thirty (30) calendar days in advance of the date of the Annual Board Meeting.
2. Additional meetings of the Board may be called on the written request of not less than thirty per cent (30%) of the members of the Board to the Chair, or by the Chair, and upon the giving of not less than thirty (30) calendar days notice to members of the Board.
3. Any Affiliate which did not receive notice of a meeting of the Board, as referred to in aforesaid Clauses 1. and 2., and because of this was not present, and which disagrees with the resolution of the Board which is passed in its absence may, within twenty-one (21) days of receiving notification of the resolution of the Board, by written request call for an additional meeting of the Board to reconsider the resolution of the Board. Upon such request being made and until the additional meeting of the Board is held, the implementation of the resolution of the Board shall be deferred.
4. Minutes of previous meetings of the Board should be approved by the Chair before circulation to members of the Board and taken as read. The members of the Board shall be asked to approve the minutes of the previous meeting of the Board as an accurate record of that meeting of the Board.
5. Points of order shall be dealt with immediately after they are brought to the notice of the Chair, who must not accept new topics. The Chair's decision on a point of order is final.
6. Any resolution of the Board on which a vote is called for shall be both proposed and seconded before being put to the vote. Voting shall normally be by a show of hands, but upon the request of any member of the Board shall be by secret ballot. Blank or spoiled ballot papers shall be deemed not to have been cast. Any dispute regarding a vote for which no provision has been made in either these Rules or the Constitution shall be decided by the Chair.
7. Subject to Articles 10.d and 10.e of the Constitution, the Board may consider and pass resolutions with members of the Board participating by telephone or video conference provided that:
  - a. due notice has been given to all members of the Board;
  - b. such resolutions of the Board have been duly moved and seconded;
  - c. all members of the Board have been given the opportunity to participate in the discussions on the resolution;

- d. all members of the Board have been given the opportunity to vote on the resolution of the Board;
  - e. a resolution of the Board thus passed shall take effect from the time that a report of the discussion and the resolution of the Board, countersigned by the Chair, has been circulated to the members of the Board; and
  - f. any resolution of the Board must be subject to the quorum requirement for participation of fifty per cent (50%) of the members of the Board, subject to Article 9.e of the Constitution.
8. Notwithstanding the fact that at meetings of the Board each Affiliate has the right to cast only one (1) vote in its capacity as member of the Board, each Affiliate may be represented at each meeting of the Board by two (2) individuals one being the Executive Director of that Affiliate and the other being the Affiliate Chair of the Board of the respective Affiliate. Only the Affiliate Chair has the right to cast the vote on behalf of that Affiliate and in its absence, the Executive Director of that particular Affiliate.
9. If an individual, as mentioned in Clause 8 of these Rules, is unable to attend a meeting of the Board on behalf of the Affiliate of which it is a legal representative, another person who is a voting member of the Affiliate's board may be delegated by that Affiliate to attend the meeting of the Board on its behalf and in place of the individual which is unable to attend.
10. Persons other than those mentioned in Clause 8 of these Rules may only attend Board meetings with the consent of the Chair. They only speak with the approval of the Chair but may not vote.
11. It shall be the responsibility of the board of each Affiliate to notify the Board in writing in advance of any meeting of the Board in which persons will represent the Affiliate at such meeting of the Board if these are different to those mentioned in Clause 8 of these Rules.
12. The Board shall use English as its working language, on the understanding that the language preference of the representatives of an Affiliate or Affiliates being present at meetings of the Board must be taken into account by calling in interpreters and/or translators as reasonably required.
13. In the event of a conflict of interest between the Foundation and a member of the Board, the member of the Board shall refrain from participating in the discussions at the meeting and from using its voting right on that particular matter, unless the Board explicitly decides otherwise.

#### **Office bearers – Nominations, Elections and Terms**

14. The position of Chair will be held by an individual who is not a member of the board of any Affiliate or an employee of any Affiliate. Well before the position of Chair will become vacant, the Board will establish a search committee for the purpose of making nominations for the position of Chair, as referred to in Clause 15 below. The Board may draw up a profile as guidance for the search committee.

15. Nominations for Chair, Deputy Chair and Treasurer, agreed to by the nominee and seconded, shall be received by the Secretariat and circulated to all members of the Board not less than twenty-one (21) calendar days before the Annual Board Meeting.
16. The Chair, Deputy Chair and Treasurer shall be elected by preferential transferable ballot by each member of the Board marking the ballot paper to indicate that member of the Board's order of preference among the candidates. If, on the first ballot, no candidate receives more than fifty per cent (50%) of the first preference votes, the second preferences of the candidate who has the least number of first preference votes shall be added to the number of votes cast for the other candidates and this process shall continue until one candidate receives more than fifty per cent (50%) of the votes cast.
17. The Chair, Deputy Chair and Treasurer shall serve for a term of three (3) years extendible for one further three (3) year term. For the purposes of this rule a year shall mean the period between the ending of one Annual Board Meeting and the next and may therefore be of more or less duration than a calendar year. The tasks of the Deputy Chair and Treasurer can only be performed by a particular representative of the Affiliate (such person not being the Executive Director of the respective Affiliate).

### **Notices**

18. Any notice which has a legally binding effect and which has been served by fax, email or other information technology shall be immediately confirmed by registered mail.

### **Sub-Committees of the Board**

- 19
  - a Executive Committee: The Executive Committee is a sub-committee of the Board as defined in Article 9 of the Constitution, whose purpose is to ensure that the Secretariat is equipped to deliver its part of the Strategic and Operational Plans and other such duties delegated by the Board and outlined in the Executive Committee Terms of Reference. The process for the establishment of the Executive Committee is agreed by resolutions of the Board.
  - b Finance and Audit Committee: The Finance and Audit Committee is a sub-committee of the Board as defined in Article 9 of the Constitution, whose purpose is to ensure thorough financial oversight of the Secretariat, to make recommendations to the Board in respect of the accounts, the budget and the audit, and other such duties delegated by the Board and outlined in the Finance and Audit Committee Terms of Reference. The process for the establishment of the Finance and Audit Committee is agreed by resolutions of the Board.

### **Contributions to budget**

- 20.

- a. The formula for making contributions shall be established by the Board.
- b. Contributions will initially be calculated using the Affiliate's reporting currency, based on "internal" income as defined in Clause 22.
- c. Affiliates may elect to be invoiced (and pay) in US Dollars, Euros or Sterling.
- d. Where the Affiliate's reporting currency is not the same as the invoicing currency, currency conversion rates will be the interbank rate on the first date of the contribution period.
- e. Contributions will normally be due within one (1) month of the start of the contribution period.

However, the Secretariat will be mindful of cash flow considerations and may propose or agree payment by instalments to maximize the cash flow of Affiliates. In this case, payment terms will be detailed on the invoice issued to the Affiliate at the start of the year. Any subsequent variation in payment terms must be formally agreed with the Secretariat.

21. The Board has power to make special arrangements with any Affiliate which, from time to time, is unable to meet its financial obligations, including criteria for accepting reduced contributions for any period not exceeding three (3) years. If an Affiliate is unable to return to its full contribution after not more than three (3) years, its eligibility to continue as an Affiliate must be examined and dealt with under the mediation procedure below.

### **Definition of Oxfam International "Internal" income**

22. The following principles underpin the definition of *Internal Income*:
  - *Equity/ Consistency* - All Affiliates apply the definition of *Internal Income* in the same way, based on their total income
  - *Simplicity* – *Internal Income* is simple to calculate
  - *Transparency* – The source of the numbers behind the calculation of *Internal Income* - is clear and accessible to all affiliates
  - *Confederation Growth* – The definition supports the growth of Confederation fundraising, whereby one or more Affiliates raise funds to be utilized by other affiliates.

An affiliate's *Internal Income* is their total Income as reported in their audited financial statements, adjusted for:

	<b>Adjustment</b>	<b>Action</b>	<b>Notes</b>
a)	Fundraising - Costs of Sales of Trading operations (covers purchased goods and services, created goods and services and donated goods)	Deduct	This would apply, for example, when an affiliate buys tickets for a concert with a view to selling them on at a higher price.
b)	Donated Goods and Services	Deduct	Removes items that do not represent cash

	used by the Affiliate for operational purposes	fair value	inflows.
c)	Profit on Disposal of Capital Assets reinvested in replacement assets	Deduct	
d)	Income from other affiliates	Deduct	Prevents double counting of income transferred between Affiliates by ensuring that the income is only reflected in the internal income of the primary receiving Affiliate.
e)	Institutional Income transferred to another affiliate	Deduct	<i>Institutional Income</i> includes Grants received from Institutions including Governments, Multi-laterals (for example World Bank) Trusts and Foundations (for example, Gates).
f)	Humanitarian appeals income	Adjust where cap applies	Where a spike in <u>humanitarian appeals</u> would otherwise cause three year rolling average <i>Internal Income</i> to increase in any one year by more than five per cent, the increase in rolling average <i>Internal Income</i> will be capped at five per cent (5%).  <i>Humanitarian appeals</i> include funds raised from institutions and the general public.

### **Accounts**

23. The persons referred to in Clause 8 of these Rules, who will represent an Affiliate, shall in their capacity as representatives of such Affiliate have the right at any time upon giving reasonable notice to inspect the account books and financial and other records of the Foundation.

### **Executive Director and the Secretariat**

24. The Executive Director is responsible for the preparation and service of the notices and agendas of all meetings of the Board and of any supporting papers or statements required for the members of the Board and for ensuring that accurate minutes of all meetings of the Board are prepared, agreed and circulated to all members of the Board.
25. The Executive Director shall normally be in attendance at all meetings of the Board.
26. The Executive Director shall be primarily responsible for ensuring that income and expenditure and a cash flow statement follows the approved budget and for reporting to the Board (or to the Chair and Treasurer between meetings of the Board) any significant departures in actual performance.

27. The Executive Director shall act as teller for any secret ballot of votes for any purpose other than one which affects him/her personally. In such case the Chair shall appoint another person as teller.
28. The Executive Director shall work from a Secretariat at such location, or locations, as the Board shall decide.
29. The functions of the Secretariat shall include the monitoring of public statements and publications produced by Affiliates which shall supply it with such of them as it may anticipate will be required to carry out this function and such others as the Secretariat may reasonably request.
30. The Secretariat shall open and operate bank accounts in the name of the Foundation. Signatories for the bank accounts within specified financial limits shall be designated by the Board.

### **Single Management Structure**

31.
  - a All programs, whether in a country or across a region, shall be implemented in accordance with the Single Management Structure as set out in the SMS Design Document (as amended from time to time by the Executive Directors of the Affiliates). However, any governance amendments may be referred to the Board by any Affiliate through the Monitoring and Dispute Mediation process below.
  - b The Board delegates responsibility to the Executive Directors of the Affiliates to decide certain matters in relation to the Single Management Structure (as set out in the Executive Directors' Terms of Reference as adopted and amended from time to time by the Board), and requires them to report formally to the Board on progress against the Oxfam International Strategic Plan and the SMS Measures of Success.

### **Monitoring and Dispute Mediation**

32. On-going monitoring will be carried out inter alia through formal deposition of documentation by the Affiliates with the Secretariat.
33. The Executive Director shall normally be the person to whom any complaint by any Affiliate about the Foundation or the conduct of any other Affiliate shall first be made. He/she shall be entitled to request such further information from any parties to the complaint as may be reasonably required to mediate or resolve it. However, in relation to the Single Management Structure, Affiliates are expected first to use the dispute resolution processes agreed by Executive Directors of the Affiliates from time to time.
34. In the event of any dispute between Affiliates regarding the meaning, interpretation or violation of the Constitution, the Code of Conduct, the Rules of Procedure, Affiliate Trade Mark Licences, Affiliation Agreements or any other codes which the Board

may adopt, or any disagreement on a matter of principle affecting an Affiliate which arises at a Board meeting:

- 34.1 The Executive Director must at an early stage use best endeavors to mediate between the disputing parties before making any formal recommendations.
- 34.2 If an Affiliate disagrees with the formal recommendation of the Executive Director and gives notice to the Chair of its intention to appeal within twenty-one (21) calendar days of the date on which the formal recommendation was made, the Chair shall either reserve the matter for a decision at the next Annual Board Meeting, or in the case of urgency and at the sole discretion of the Chair, may call an extraordinary meeting of the Board to make the decision.
- 34.3 If an Affiliate disagrees with the decision of the Board and so indicates by giving notice to the Chair within twenty-one (21) calendar days of that decision, the disputing parties may submit the matter to independent arbitration. The arbitrator shall either be such a person as the disputing parties within twenty-one (21) calendar days following service of the said notice mutually shall agree, or in the absence of agreement, as the Chair shall appoint within the fourteen (14) calendar days following aforesaid twenty-one (21) calendar days period. The decision of the arbitrator shall be final and binding upon the parties and shall include the allocation of the cost of the arbitration as the arbitrator sees fit.
- 34.4 In cases of violations of agreements, attempts will always be made to resolve disputes without resorting to sanctions. However, if sanctions become necessary an incremental scale will be adopted which could include the supervision of the offending Affiliate and the appointment by the Board of members of the board of the offending Affiliate for a specific time. The ultimate sanction would be withdrawal of the agreement to use the Name and of the licence to use the Trade Mark, and expulsion from the Foundation as provided under Article 19 of the Constitution.

#### **Member liaison with the Secretariat**

35. Each Affiliate shall nominate a staff member who shall be responsible for liaison with the Foundation on Foundation related matters and whose name shall be given promptly to the Executive Director.

#### **New Affiliations**

General:

36. All membership criteria as laid down in the Code shall also apply for new Affiliates.

37. New affiliate organizations will only be developed within a strategic framework to achieve the purposes of the Foundation. This may be done either by building new affiliate organizations or by negotiating the affiliation of existing agencies. Control of this process will lie with the Board.
38. All new applications will be assessed from a management perspective by the Board in relation to the Foundation's capacity fully to integrate a new Affiliate at that moment. It is the Board's prerogative to delay or reject applications on this ground, which otherwise meet all other criteria.
39. The Board will prioritize those applications with the greatest added value for achieving the Foundation's strategic objectives of influencing the international political agenda on global social justice issues.
40. Applications from existing organizations carrying the Name but who are not a full Affiliate (e.g. Oxfam New Zealand before 1996) or national organizations which have been part of a current supra-national Oxfam International Affiliate (e.g. Ireland and Germany) will be given priority if and when they meet all membership criteria.
41. The Board may furthermore delay, reject or prioritize one application over another on the basis of Oxfam's intention to have a diverse membership. Applications from organizations from language, cultural or geographical areas, which compared to global patterns have little or no representation in the Foundation, may be prioritized on the basis of their greater added value to the Foundation's diversity.
42. In accepting the application of a new Affiliate the Board should be confident that the applicant conforms to the key characteristics of an existing Affiliate; e.g. it is a non-governmental organization with a commitment to search for excellence in the area of poverty alleviation and the struggle against injustice, based on a broad trans-national or international experience. It should furthermore be explicit that the applicant is prepared and able to comply with the document setting out the Foundation's purpose and beliefs as referred to in Article 8 of the Constitution and the common working principles as set out in Clause 7 of the Code of Conduct).
43. The applicant must also commit itself unconditionally to the Single Management Structure. This will require negotiation of its participation in SMS countries where the global map permits a role, either as a Managing or Implementing Affiliate, and if not, as a Contributing Affiliate. Oxfam is obliged to provide full support in this process.
44. The process and criteria for organizations that want to join Oxfam shall follow the four phases of Exploration, Planning, Observer and Affiliation which form part of the Board approved global growth strategy.

### **Grantee Relationships**

45. When a new Affiliate has been accepted, existing Affiliates should be able to continue existing grantee relationships in that country into the future.

However, all Affiliates with grantee relations in their country will be committed to the SMS framework. In a case where a local Affiliate already has grantee relationships in

the country of a new Affiliate, new grantee relationships should only be established following consultation with the local Affiliate.

In cases of disagreement, the mediation process referred to in Clause 32 et seq. above will be invoked. The SMS framework should generally aim at finding ways to increase coordination and collaboration between all Affiliates with grantee relationships in that country.