

CHAPTER 203
THE CASHEWNUT INDUSTRY ACT
[PRINCIPAL LEGISLATION]
ARRANGEMENT OF SECTIONS

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SCHEDULE

CHAPTER 203

THE CASHEWNUT INDUSTRY ACT

An Act to make provisions for the establishment of the Cashewnut Board, to provide for the regulation of cashewnut production, grading, processing and marketing and kernels, and to provide for other related matters.

[1st November, 2010]

[GN. No. 377 of 2010]

Acts Nos.
18 of 2009
15 of 2010
4 of 2018
5 of 2022

PART I

PRELIMINARY PROVISIONS

- Short title 1. This Act may be cited as the Cashewnut Industry Act.
- Interpretation 2.–(1) In this Act, unless the context otherwise requires
“adulteration” means a situation whereby foreign materials
such as stones, sand, block, water and useless organic
materials have been added or mixed with raw cashewnut
for purposes of increasing weight;
- Cap. 211 “association” means an association formed and registered
under the Co-operative Societies Act;
“Board” means the Cashewnut Board of Tanzania established
under section 3;
“buying centre” means a place designated by a local authority
and approved by the Board to be a cashewnut buying
centre;
“cashewnut” means raw cashewnut after harvesting;
“cashewnut by-product” means products obtained from
processing cashewnuts including cashewnut shell liquid,
cashew waste and cashew apple;

“cashewnut dealer” means any person engaged in production, marketing, storage, processing, importation or exportation of cashewnuts;

“contract farming” means farming under an agreement between cashewnuts growers, farmers or producers on one part and cashewnut industry financiers such as cashewnut buyers and sellers, cashewnut processors or bankers on the other part;

“Director” means an officer in-charge of the department in the Ministry responsible for crop development services;

“Director General” means the Chief Executive Officer of the Board appointed under section 9;

Act No.
21 of 1984

“former Board” means the Board established by the provisions of the Cashewnut Board of Tanzania Act;

“input” means planting material, agrochemical, fertilizer, packaging material and farm implements;

“inspector” means any officer authorized by the Board or District Authority to act as an inspector in accordance with the provisions of this Act;

“kernels” means nuts produced from processed cashewnuts;

“large scale processor” means any person doing the activity of processing cashewnut with the capacity of above five tons per year;

“large scale farmer” means any person doing the activity of growing cashewnut with the capacity of producing above five tons per year;

Caps. 287
and 288

“local government” means district authority established under the Local Government (District Authorities) Act or urban authority established under the Local Government (Urban Authorities) Act;

“medium scale processor” means any person doing the activity of processing cashewnuts with the capacity of one to five tons per day;

“member” in relation to the Board, means a member of the Board and includes a Chairman of the Board;

“Minister” means the Minister responsible for agriculture;

- “premises” includes land, building, factory, erection, vehicle, article, or receptacle used for the purpose of growing, sorting, processing, transporting or in any activity connected with the handling of cashewnut;
- “processing” with its grammatical variations and cognate expressions means any act or thing done to cashewnuts for the purpose of extracting kernels there from;
- “senior officer” means an officer who is the head of a unit, section or department;
- “small scale farmer or grower” means any person doing the activity of growing cashewnuts with the capacity of less than one ton per year;
- “small scale processor” means any person doing the activity of processing cashewnuts with the capacity of less than one ton per day;
- “stakeholders’ meeting” means the meeting of all cashewnuts stakeholders held at least once a year to agree on the funding and implementation or otherwise of the shared functions and other matters of common interest to the cashewnuts stakeholders;
- “stakeholder” means a public dealer in the cashewnut industry including the Central Government, local government authorities, cooperative societies, the Cashewnut Board, Cashewnut Research Institutes, cashewnut traders, processors and farmers organisations;
- “shared function” means joint function to be undertaken by all cashewnuts stakeholders as agreed from time to time and includes research, extension, input supply, crop promotion and development, promotion of fair trade and competition; and
- “regulatory function” includes data collection; data analysis and dissemination; market information; enforcement of law and order; making and enforcing rules and regulations for proper production, processing, marketing, importation, exportation and storage of cashewnut and inputs, inspection and quality control of raw cashewnuts, kernels and cashewnut by-products, setting indicative

prices and all functions financed exclusively by the Government.

PART II

THE CASHEWNUT BOARD OF TANZANIA

Establishment of Board

3.—(1) There is hereby established a Board to be known as the Cashewnut Board of Tanzania.

(2) The Board established under subsection (1), shall be a body corporate and shall—

- (a) have perpetual succession and a common seal,
- (b) in its corporate name be capable of suing and being sued;
- (c) be capable of purchasing or acquiring in any manner and alienating any movable and immovable property;
- (d) be capable of entering into any contract or agreement as it may be necessary or expedient for the proper performance of its functions under the provisions of this Act; and
- (e) perform all such other things which a body corporate may lawfully perform.

Composition of Board

4.—(1) The Board shall consist of the Chairman to be appointed by the President upon the advice of the Minister, and other eight members to be appointed by the Minister as follows—

- (a) one member representing large scale cashewnut processors;
- (b) two members representing cashewnut farmers;
- (c) one member representing small scale cashewnut processors;
- (d) one member representing the Ministry;
- (e) one member representing cashewnut researchers; and
- (f) two members who possess experience and knowledge in the cashewnuts industry.

(2) The Minister shall, in appointing members of the Board under subsection (1), ensure that appointment is made from

three names of candidates as nominated or elected by the relevant Cashewnut Industry sector.

(3) The provisions of the Schedule to this Act shall have effects as to the tenure of office and termination of membership and the procedure for the proceedings of the meeting of the Board and other matters related to the Board.

(4) The Minister may amend or replace any provisions of the Schedule to this Act.

Functions of Board

5.-(1) The Board shall carry out regulatory functions and other activities necessary, advantageous or proper for the benefit of the cashewnut industry.

(2) The functions of the Board under subsection (1) shall in particular include to-

- (a) advise the Government on the policies and strategies for the development of cashewnut industry in order to improve the quality and increase in production competitiveness in local and international market;
- (b) regulate and control the quality of cashewnuts, kernels and kernels and cashewnuts by-products;
- (c) collect, refine, maintain use or disseminate information or data concerning the cashewnut industry;
- (d) promote and facilitate the formation of associations;
- (e) enforce the implementation of regulations in respect of farming, marketing, processing, transporting and storage of cashewnuts;
- (f) represent the Government in local and international for a dealing with matters relating to cashewnut industry; and
- (g) link efforts of stakeholders in expanding and modernizing the cashewnut industry in Tanzania.

(3) The Board shall, subject to subsection (2), have powers to-

- (a) grant licences or permits for buying, processing and exporting of cashewnuts;
- (b) register cashewnuts growers, buyers, sellers, processors and exporters;

- (c) appoint inspectors for the inspection of cashewnuts farms, cashewnuts, kernels, premises, processing facilities, warehouses and any other facility that may be inspected for the better carrying out of any of the provisions of this Act;
- (d) provide the basis or method of pricing of cashewnuts and other products related thereto;
- (e) arbitrate between farmers, traders, processors, warehouse operators and others in disputes relating to cashewnuts business; and
- (f) do anything which in the opinion of the Board is calculated to facilitate and enhance the proper exercise of the functions of the Board under this Act.

(4) The Board shall for the interest of the cashewnuts industry development and subject to approval of the Minister and any other relevant written laws, perform any commercial activity or hold interest in any undertaking, enterprise or project associated with the cashewnut industry.

(5) The Board shall, in the exercise of its powers and in the performance of its functions under this Act, act in such manner as may be appropriate to promote the quality and competitiveness in the cashewnut industry within and outside Tanzania.

Committees of Board

6. The Board may, for the purpose of facilitating performance of its functions, establish such number of committees as may be appropriate for proper performance of the functions of the Board.

Delegation of powers

7.—(1) The Board may, upon such terms and conditions as it may specify, delegate to any committee of the Board, the Director General or any other employee of the Board some of its functions, powers and duties conferred under this Act.

(2) The delegation made under subsection (1) shall not prevent the Board from performing the functions or exercising the powers delegated.

Direction of Minister

8. The Minister may, in writing, give to the Board directions of a general or specific character about the exercise of its powers

or performance of its functions and the Board shall give effect to every such direction.

Director General **9.**—(1) The Board shall, upon approval of the Minister, employ Director General who shall be the Chief Executive Officer of the Board.

(2) The Director General employed under subsection (1) shall-

- (a) perform the functions and exercise the powers of the Board provided for under this Act as delegated by the Board;
- (b) manage the budget, personnel and property of the Board;
- (c) keep all records of the affairs and the meetings of the Board; and
- (d) ensure the implementation of decisions and directives of the Board.

(3) The Director General may delegate his powers to officers and employees of the Board.

(4) The Director General shall hold office for a term of five years and shall be eligible for re-appointment subject to the satisfaction of the Board.

Employees of
Board

10.—(1) The Board shall employ such number of senior officers to the management of the Board under the supervision of the Director General.

(2) The Director General shall employ such other employees as may be necessary for efficient performance of the functions of the Board under his supervision on such terms and conditions stipulated in their employment contracts.

(3) Every person who was an employee of the former Board shall be deemed to have been employed by the Board on the same terms and conditions which were applicable to his employment by the former Board.

(4) Where any person by virtue of the provision of subsection (2) becomes an employee of the Board, his employment by

the former Board and his employment by the Board shall be deemed to be continuous.

Appointment of agents and contractors

11.—(1) The Board may appoint and employ upon such terms and conditions such agents or contractors as it may deem necessary for the better carrying out of its functions as provided for under the provisions of this Act.

(2) The agents or contractors appointed pursuant to subsection (1), shall perform specific function as may be assigned to them by the Board and shall be answerable to the Board.

PART III REGISTRATION OF CASHEWNUT GROWERS AND TRADERS

Registration of cashewnuts dealers

12.—(1) Every cashewnut dealer, being a buyer, processor, importer, exporter or warehouse owner or operator shall be required to register with the Board.

(2) Application for registration shall be made to the Board in the form and manner prescribed in the regulations.

(3) Upon registering cashewnut dealers, the Director General shall issue or cause to be issued a registration number to dealer.

(4) Procedures for registration of cashewnut dealer shall be prescribed in the regulations.

Maintenance of register

13.—(1) There shall be a register of cashewnuts dealer into which all matters relating to cashewnuts industry referred to under this Act shall be entered.

(2) The Board shall cause a register of all land on which cashewnut is planted, owners, occupiers and managers of such lands, all buildings used or intended to be used for grading cashewnuts, market centers, warehouses and cashewnuts processing factories to be kept and maintained.

(3) The register shall be a public document and may be accessible to the public upon request.

(4) Any person shall have the right to demand and be given an extract from the register upon payment of fee as may be prescribed.

Contract farming **14.**—(1) A registered farmer may, for the purpose facilitating farming activities, enter into contract for farming with any cashewnuts production financier, buyer, processor or any other person interested in sponsoring production and marketing of the farmer's produce.

(2) The contract farming shall be in the prescribed standard form approved by the Board and shall contain-

- (a) names, address and status of the registered farmer;
- (b) name address and status of the financier;
- (c) obligations of the parties;
- (d) type or kind of facilitation to be granted to the farmer;
- (e) terms and conditions imposed on the farmer; and
- (f) such other information as may be necessary for the purpose of the contract for farming.

(3) Every contract for farming made shall be submitted to the Board for perusal and registration.

(4) The Board shall have the mandate to monitor the implementation of contract for farming in order to protect interest of both parties.

(5) A person being a financier shall not facilitate a registered farmer in any manner without a contract for farming made in accordance with the provisions of this Act.

(6) A person who contravenes this section, commits an offence and on conviction shall be liable to a fine of not less than five million shillings or to imprisonment for a term of not less than six months and not more than two years or to both.

PART IV

LICENSING, MARKETING AND INSPECTION

Issuance of
licence

15.—(1) A person registered as a cashewnut buyer, seller, processor, exporter, importer, warehouse owner or operator shall be required to apply for a licence.

(2) Application for licence shall be made in the prescribed form as set out in the regulations and contains the particulars of the applicant, the cashewnuts activities involved, location of the business and such other information as may be required for that purpose.

(3) The Board may, after consideration of application-

- (a) issue licence upon such terms and conditions as it may prescribe; or
- (b) refuse to issue such licence and direct the Director General to inform the applicant the reasons for refusal.

(4) A person shall not buy, sell, process, own or operate a warehouse or export any cashewnuts on commercial basis without licence issued by the Board.

Forms of licence **16.** All licences granted under the provisions of this Act shall be issued subject to such terms and conditions as the Board may impose and be stamped by the seal of the Board duly signed by an authorised officer.

Cancellation or suspension of licences **17.**-(1) The Board may suspend or cancel a licence issued under this Act where it is satisfied that-

- (a) the terms or conditions prescribed in the licence have been violated; or
- (b) the licence holder has ceased to exist.

(2) Where a licence has been suspended or cancelled, the Board shall direct the Director General to-

- (a) notify the licence holder of the cancellation or suspension and require that person to stop his operation; and
- (b) remove the name of such licence holder from the Register.

(3) Procedures for suspension or cancellation of the licence issued under this Act shall be as may be prescribed in the regulations.

(4) A person aggrieved by the decision of the Board made pursuant to subsection (1) may, within sixty days from the date of the decision appeal to the Minister.

Payment of
export levy
Acts Nos.
15 of 2010 s. 4
4 of 2018 s. 15
5 of 2022 s. 15

18.—(1) A person who exports raw cashewnuts shall pay an export levy to be computed and collected by the Tanzania Revenue Authority at the rate of 15 per centum of the FOB value or the amount equivalent to United States dollars one hundred sixty per metric tone, whichever is higher.

(2) The total amount of export levy collected under subsection (1) shall be distributed in the following manner:

- (a) 50% shall be remitted to the Ministry responsible for agricultural input subsidy and the Agriculture Development Fund; and
- (b) 50% shall be remitted to the Consolidated Fund.

[s. 17A]

Offences relating
to licences

19.—(1) A person who markets, imports, exports or processes cashewnuts without a licence issued under this Act, commits an offence and on conviction shall be liable to a fine of not less than ten million shillings and not more than five hundred million shillings or to imprisonment for a term not less than two years and not more than five years or to both.

(2) Any holder of a licence issued under this Act, who in any way, transfers that licence to another person, commits an offence and on conviction shall be liable to a fine of not less than ten million shillings and not more than five hundred million shillings or to imprisonment for a term not less than two years and not more than five years or to both.

[s. 18]

Grading of
cashewnuts

20. All cashewnuts brought at the buying centres for sale shall be kept in grades depending on the quality of the cashewnuts.

[s. 19]

Appointment
of cashewnuts
grading expert

21.—(1) The Board shall appoint a technically qualified person to be a grading expert who shall verify grades of all cashewnuts to be stored or kept in warehouses, factories and ports awaiting to be exported.

(2) A person appointed to be a grading expert shall be registered by the Board as a grading expert prior to assumption of duty.

(3) A person who trades in cashewnuts, which have not been graded by a grading expert duly registered by the Board, commits an offence and on conviction shall be liable to a fine of not less than two million shillings and not more than five hundred million shillings or to imprisonment for a term of not less than one year and not more than ten years or to both.

(4) A person who purports to grade cashewnuts without qualification as a grading expert registered by the Board, commits an offence and on conviction shall be liable to a fine of not less than two million shillings and not more than five hundred million shillings or to imprisonment for a term of not less than one year and not more than five years or to both.

(5) The Board shall, subject to the approval by the Minister, make regulations in respect of procedures for grading, processing, storage, transportation and marketing of cashewnuts.

[s. 20]

Appointment
of cashewnuts
inspectors

22.—(1) The Board may, subject to prior consultation with other relevant sectors, engage competent persons to be cashewnuts inspectors who shall have and exercise powers generally to-

- (a) supervise the arrangement for land preparation, cultivation, nurseries, farm management, harvesting, drying, packing, transportation and storage of cashewnuts;
- (b) inspect cashewnuts farms, processing plants, marketing centres; and
- (c) take samples and certify the weight and quality of cashewnuts as are provided for in this Act or as may be prescribed by the cashewnuts regulations.

(2) A person engaged by the Board shall perform duties upon such terms and conditions as may be determined by the Board.

[s. 21]

Powers of
inspectors

23-(1) A cashewnuts inspector or any other person duly authorised in writing in that behalf may, at any reasonable time, enter into any vehicle or carrier or any place where cashewnuts are grown, processed, packed, stored or sold and inspect or examine the same for the purpose of ensuring compliance with the provisions of this Act, regulations or rules made and directions given or order made by the Minister, the Director or the Board.

(2) The cashewnuts inspector or any authorised person may, for the purpose of securing compliance with the provisions of this Act, regulations, by-laws, order or directions take samples of any cashewnuts found in any store, plant or carrier, or any other place or premises including any land and may, subject such samples to a test as he may deem necessary.

(3) A person who obstructs the cashewnuts inspector or any other authorised person in the exercise of the power conferred upon him by this Act, or who neglects or refuses to produce to the cashewnuts inspector or any other authorised person book, record or anything which the cashewnuts inspector or any other authorised person request to be produced for his inspection, commits an offence.

[s. 22]

Prohibition of
adulteration of
cashewnut

24. A person who adds, cause or permit to be added any foreign or extraneous matter to any cashewnuts for the purposes of adulteration, commits an offence and on conviction-

- (a) in case of a small holder farmers shall be liable to a fine of not less than ten million shillings but not more than fifty million shillings or to imprisonment for a term of not less than two years but not more than five years or to both; and
- (b) in case of large-scale farmer, processor or trader, shall be liable to a fine of not less than fifty million shillings but not exceeding two hundred million shillings or to imprisonment for a term of not less than five years but not more than ten years or to both.

[s. 23]

PART V

FINANCIAL PROVISIONS

Assets and liabilities to vest in Board

25. Subject to any directions of the Minister, the assets and liabilities of the former Board shall, by virtue of this Act and without further assurance, vest in the Board.

[s. 24]

Funds and resources of Board

26. The funds and resources of the Board shall consist of-

- (a) such sums of money as may be provided by the Parliament;
- (b) any money raised by way of loans, donations or grants made within and outside the United Republic;
- (c) any loan or subsidy granted to the Board by the Government or any other person; and
- (d) such sums of money or property which may become payable to, or vested in the Board under this Act or any other written law or in respect of any matter incidental to the carrying out of its functions.

[s. 25]

Books of accounts and audit

27.-(1) The Board shall cause to be kept and maintained proper books of accounts with respect to-

- (a) all sums of money received and expended by the Board and matters in respect of which the receipt and expenditure take place;
- (b) all the assets and liabilities of the Board; and
- (c) the income and expenditure statement of the Board.

(2) The auditing of the financial reports and books of accounts of the Board shall be done by the Controller and Auditor-General.

[s. 26]

Annual report

28.-(1) The Board shall, not later than six months after the end of financial year, submit to the Minister a copy of the audited accounts and annual report on the activities of the Board in respect of that year.

(2) The Minister shall, within a period of six months after the accounts have been audited, lay the audited accounts and audit report before the National Assembly.

(3) For the purpose of this section “financial year” means the period not exceeding twelve consecutive months which is in conformity with the financial year of the Government.

[s. 27]

Remuneration of members

29. The Chairman and other members of the Board shall be paid such allowances at such rates as the Minister may, in consultation with the Minister responsible for finance, approve from time to time.

[s. 28]

PART VI MISCELLANEOUS PROVISIONS

General offences and penalties

30. A person who contravenes any of the provisions of this Act where no specific penalty has been provided, commits an offence and on conviction shall be liable to a fine of not less than two million shillings and not more than ten million shillings or to imprisonment for a term of not less than two years and not more than ten years or to both.

[s. 29]

Forfeiture

31.—(1) The Court may, where it convicts a person of an offence under this Act, order in addition to any penalty imposed, the property in respect of which the offence has been committed be forfeited by the Government.

(2) Any property forfeited under this section shall be delivered to the Government and be vested in the Board free of any mortgage, charge, lien or other encumbrance.

[s. 30]

Offences committed by body corporate

32. Where any offence under this Act is committed by a body corporate, such body corporate, as well as any person who at the time of the commission of the offence was concerned, as a

director or an officer, with the management of the affairs of the body corporate commits an offence and on conviction shall be liable and be punished accordingly unless he proves to the satisfaction of the court that he had no knowledge and could not by the exercise of reasonable diligence have knowledge of the commission of the offence.

[s. 31]

Liability of agent and principal

33. Where an offence under this Act or any subsidiary legislation made under is committed by a person as an agent or employee of the principal, the principal or employer commits an offence and on conviction shall be liable and be punished accordingly unless he proves to the satisfaction the court that he had no knowledge and could not by the exercise of reasonable diligence have knowledge of the commission of the offence.

[s. 32]

Notification of order and directions

34. Where any order or direction made or given by the Minister to the Director or the Board under this Act is not required to be published in the *Gazette*, the order or direction shall be brought to the notice of persons affected or likely to be affected thereby in a manner determined by the Minister or the Board.

[s. 33]

Burden of proof

35. In any proceedings for an offence under this Act the burden to prove that the order, direction or requirements, the contravention of which constitutes the offence with which the accused is charged, shall not lie on the accused, and in the case of an order, direction or requirement not published in the *Gazette*, that he had no notice of the contents of the order, direction or requirement shall lie on the accused.

[s. 34]

Protection of members

36. No matter or thing done or omitted to be done by any member, officer servant or agent of the Board shall, if done in good faith for the purpose of carrying out the provisions of this Act or of any order or regulations made thereunder,

subject any person to any action, liability, claim or demand whatsoever.

[s. 35]

Stakeholders' meeting

37.—(1) For the purposes of promoting the development of the cashewnut industry, there shall be a stakeholder's forum which shall be responsible for-

- (a) putting in place mechanisms for the management and funding of the shared functions;
- (b) making procedures for conducting annual general meetings;
- (c) determining modalities for financing its activities and meetings;
- (d) establishing stakeholders' secretariat and other organs for better carrying out the shared functions.

(2) The stakeholders' meeting shall be held at least once in every year for the purpose of agreeing on the funding and implementation of the shared functions and other matters of common interest.

[s. 36]

Powers to make regulations

38.—(1) The Minister may, upon consultation with the Board, make regulations for the better carrying out of the provisions and purposes of this Act.

(2) Without prejudice to the generality of subsection (1), the Minister may make regulations-

- (a) prescribing various forms to be used under this Act;
- (b) regulating and governing all aspects in dealing with cashewnuts;
- (c) prescribing procedures for registration, issuance, suspension and cancellation of licences;
- (d) providing for the grading, classification and definitions of grades of cashewnuts whether processed or not;
- (e) making provisions for better farming and trading of cashewnuts;

- (f) providing for the inspection of cashewnuts grown, processed, imported or exported and for the appointment of inspectors and prescribing their duties;
- (g) providing for the procedures for sampling, inspection, weighing and determination of quality of cashewnuts;
- (h) providing for records or information to be kept by cashewnuts dealers;
- (i) prescribing the forms and particulars to be included in any return, information or statistics to be submitted by the cashewnuts traders under the provisions of this Act;
- (j) prescribing procedures for appeals under this Act;
- (k) prescribing procedures for management and maintenance of the register;
- (l) providing for any fee or levies to be chargeable under this Act and the management of such fees or levies; and
- (m) prescribing anything which is to be or may be prescribed under this Act.

(3) The regulations made under this section shall be published in the *Gazette*.

[s. 37]

Powers to make
by-laws

39. Subject to this Act and regulations made thereto, a local government authority may, upon consultation with the Minister, make by-laws for the better carrying out of the shared functions agreed upon by cashewnuts stakeholders.

[s. 38]

Repeal
Act No.
21 of 1984

40. [Repeals Cashewnut Board of Tanzania Act].

[s. 39]

Savings
Act No.
21 of 1984

41. Notwithstanding the repeal of the Cashewnut Board of Tanzania Act, all the directions given and all regulations, orders, notices or rules made shall be deemed to be directions given and regulations made by or on behalf of the Board under the provisions of this Act and shall remain in force until revoked by directions given or regulations made under this Act.

[s. 40]

SCHEDULE

Made under section 4(3)

PROVISIONS RELATING TO THE BOARD

- Tenure of office** **1.**—(1) The members of the Board shall hold office for a period of three years from the date of appointment and shall be eligible for re-appointment for one more term.
- (2) Notwithstanding subparagraph (1), any member of the Board may at any time resign from the Board by giving notice in writing to the Minister and from the date specified in the notice or, if no date specified, from the date of receipt of the notice by the Minister, he shall cease to be a member.
- (3) A Board member, who is a member by virtue of his holding some office, shall cease to be a member upon his ceasing to hold that office.
- (4) Where a person ceases to be a member for any reason before the expiration of his term of office, the Minister shall appoint another person in his place and the person so appointed shall hold office for the remainder of the term of office of his predecessor.
- Meetings of Board** **2.**—(1) The Board shall meet four times a year for ordinary business and may convene extra ordinary meetings as it may be deemed necessary for the discharging its functions under this Act.
- (2) The Board of directors shall appoint one of their members to be a Vice-Chairman.
- (3) All meetings of the Board shall be convened by the Chairman or in the absence by the Vice-Chairman and in the absence of both, the members present shall elect one of their members to be an interim Chairman of that meeting.
- (4) The Chairman, or in the absence, the Vice Chairman, shall convene a special meeting of the Board upon a request in writing signed by not less than four members or the Board for such a meeting and shall cause such a meeting to be held within twenty one days of receiving such request.
- Co-opted members** **3.** The Board may co-opt any person to attend any deliberations of the meeting of the Board as an expert but such person so co-opted shall not have the right to vote
- Quorum and decision of Board** **4.**—(1) The quorum of the meetings of the Board shall be two thirds of the total number of members, and matters or things to be done by the Board shall be decided by a simple majority of the members present at the meeting.
- (2) Each member of the Board shall have one vote and in the event of equality of votes, the Chairman of the meeting shall have a casting vote.

(3) Notwithstanding subparagraphs (1) and (2) decisions may be made by the Board by circulation of papers to the members whereby each member shall express his views in writing:

Provided that, any member may require that any such decision be deferred for discussion at a full meeting of the Board.

Members to
declare interest

5. A member who is in anyway directly or indirectly interested in a contract declare or proposed contract or any matter being deliberated by the Board shall declare the nature or his interest to the other directors.

Minutes

6. Minutes of each meeting of the Board of Directors shall be kept in proper form and be confirmed by the Board at its next meeting and signed by the Chairman of the meeting.

Defects in
appointment
not to invalidate
proceedings

7. Subject to the provisions of paragraph 4 relating to quorum, the Board notwithstanding any vacancy in the members thereof, no act or proceedings of the Board shall be invalid by reason only or some defect in the appointment of a person who purports to be a member thereof.

Seal of Board

8.—(1) There shall be a Common Seal of the Board which shall be of such shape, size and form as the Board may determine.

(2) The Seal of the Board shall not be affixed to any deed, instrument, contracts or agreements, to which the Board is a party except in the presence of Chairman or a member authorised by him and the Director General or a person authorised by him.

Power to regulate
its procedure

9. Subject to the provisions of this Act the Board shall have power to regulate its own proceeding in respect of the meetings and the proper conduct of its business.