

ACT NO. _____ OF 2022

NATIONAL FOOD RESERVE & TRADING CORPORATION BILL

A Bill for an act of Parliament to provide for establishment of National Food Reserve & Trading Corporation, establishment of the Food Balance Sheet Committee for purposes of price and stock stabilization and for connected purposes.

PART 1- PRELIMINARY

Citation 1. This Act may be cited as the National Food Reserve & Trading Corporation Act, 2022

Interpretation 2. In this Act, unless the context otherwise requires—
“agent” means a person or entity appointed and authorized by the Corporation to undertake specified actions on behalf of the Corporation;

“aggregator” means a person or entity appointed and authorized by the Corporation to collect and standardize commodities on behalf of the Corporation;

“Board” means the Board of National Food Reserve and Trading Corporation constituted under section 8;

“Cabinet Secretary” means the Cabinet Secretary for the time being responsible for matters relating to Agriculture;

“collateral manager” means collateral manager as defined in Section 2 of the Warehouse Receipt System Act 2019;

“commercial stock” means commodities which are traded by the trading division of the Corporation

“Committee” means the Food Balance Sheet Committee established under Section 26;

“Corporation” means the National Food Reserve & Trading Corporation established under section 5 of the Act;

“digital food balance sheet” means a tool for monitoring and evaluating national food patterns and used to inform food security policy interventions;

“financial year” means the period of twelve months ending on the 30th June in each year;

“Food Reserve Commodities” means the commodities listed under the First Schedule of this Act and any other as the Cabinet Secretary may by gazette notice on the advice of the Board declare as Food Reserve Commodities under Section 25;

“hub” means a forum providing an integrated approach to the provision of farm inputs, extension, marketing, value addition and information dissemination.

“price stabilization” means a process of sale and purchase of the Food Reserve commodities from and into the National Food Reserve;

“National Food Reserve” means the National Food Reserve established under section 29;

“Store” means buildings or other enclosures in which goods other than food commodities are stored

“warehouse” means a certified building or other protected enclosure in which food commodities are stored for the purpose of safekeeping and includes field warehouses and a plant or other facility where the food commodities are packed, processed or otherwise transformed;

“warehousing services” means services rendered by the Corporation to preserve the quality and management of warehoused commodities that includes but not limited to fumigation, quality analysis, weighing and drying.

Objects and Purpose

3. (1) To promote Food and Nutrition Security in Kenya by providing a legal framework that establishes the National Food Reserve and Trading Corporation for -
 - (a) managing the National Food Reserve to address food shortages and price stabilization.
 - (b) supporting a sustainable food supply chain through commercial operations.
- (2) To establish the Food Balance Sheet Committee.

- Application** **4.** This Act applies to the determination, acquisition and management of the National Food Reserve and the commercial operations of the National Food Reserve & Trading Corporation.

PART II – ESTABLISHMENT AND ORGANIZATION OF THE NATIONAL FOOD RESERVE AND TRADING CORPORATION

- Establishment of National Food Reserve & Trading Corporation.** **5.** (1) There is established a corporation to be known as the National Food Reserve and Trading Corporation.
(2) The corporation is a body corporate with perpetual succession and a common seal and shall, in its corporate name, be capable of—
 (a) taking, purchasing or otherwise acquiring, holding, charging or disposing of movable and immovable property;
 (b) borrowing money or making investments;
 (c) entering into contracts; and
 (d) doing or performing all other acts or things for the proper performance of its functions under this Act which may lawfully be done or performed by a body corporate.

- Functions of the Corporation.** **6.** (1) The corporation shall be responsible for;
 (a) maintaining and operating the National Food Reserve;
 (b) maintaining stock and price stability within a competitive and structured market;
 (c) providing commercial services and such other activities to promote food production and availability;
 (d) facilitating the operations of the Food Balance Sheet Committee;

 (e) Transactional levy for National Food Reserve.

(2) Carry out any other function which is connected or incidental to the above

- Powers of the Corporation.** **7.** (1) The Corporation shall be a body corporate with perpetual succession and a common seal.

- (2) The Corporation shall have power—
- a) to enter into contracts and arrangements which may, in the opinion of the Corporation, be necessary or expedient for the better carrying out of the objects of this Act;
 - b) to establish and operate in the name of the Corporation any bank account(s) it may deem necessary or convenient;
 - c) to invest and deal with any moneys of the Corporation not immediately required by the Corporation, in and upon such investments and securities as are allowed by law for the investment of trust funds or such other securities or investments as may be approved by the Ministry responsible for Finance;
 - d) to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading and other negotiable or transferable instruments or securities;
 - e) to raise or borrow, with the approval of the Cabinet Secretary, such sums of money as it may require for the provision of working capital, the establishment or acquisition of property or undertakings required by the Corporation, or any other expenditure properly incurred by the Corporation for the purposes of this Act.
 - f) to hold and alienate movable and immovable property.
 - g) enter into association with such other bodies or organizations within or outside Kenya as it may consider desirable or appropriate and in furtherance of the purposes for which the Corporation is established;
 - h) undertake any other activity necessary for the fulfilment of any of its functions.

Board of the Corporation

- 8.** (1) The management of the Corporation shall vest in a Board which shall consist of;
- (a) a non-executive Chairperson appointed by the President;
 - (b) the Principal Secretary of the Ministry for the time being responsible for Agriculture, or a person

- deputed by him in writing either generally or for a particular purpose;
 - (c) the Principal Secretary of the Ministry for the time being responsible for Finance, or a person deputed by him in writing either generally or for a particular purpose;
 - (d) the Principal Secretary of the Ministry for the time being responsible for matters relating to Devolution, or a person deputed by him in writing either generally or for a particular purpose;
 - (e) The Managing Director who shall be an ex-officio member of the Board.
 - (f) One person with expertise in agriculture and food security nominated by the Council of Governors and appointed by the Cabinet Secretary.
 - (g) A person representing food crop producers in Kenya nominated by Agriculture Sector Network and appointed by the Cabinet Secretary.
 - (h) Two persons appointed by the Cabinet Secretary from the private sector of which;
 - i. one shall be a representative from Academia or Research with knowledge and experience on Food Security ; and
 - ii. the other a finance, accounts or audit expert nominated by the Institute of Certified Public Accountants of Kenya;
- (2) A person appointed as a member of the Board under subsection (1)(a) shall—
- (a) be a person who—
 - i. holds a degree from a university recognized in Kenya; and
 - ii. has knowledge and experience in agriculture, finance, law, administration, human resource management or such other expertise as the appointing authority may consider relevant;
 - (b) serve for a term of three years and shall be eligible for re-appointment once for a further term of three years.
- (3) A member of the Board, appointed under subsection (1) (g) and (h);

- (a) May at any time resign from office by notice in writing to the Cabinet Secretary;
- (b) Shall serve for a term of three years and shall be eligible for re-appointment once for a further term of three years.
- (c) May be removed from office if the member—
 - i. has been absent from three consecutive meetings of the Board without the permission of the Chairperson;
 - ii. is adjudged bankrupt or enters into a composition scheme or arrangement with his or her creditors;
 - iii. is convicted of an offence involving dishonesty or fraud;
 - iv. otherwise fails to comply with the requirements of Chapter Six of the Constitution;
 - v. is convicted of a criminal offence and sentenced to imprisonment for a term exceeding six months or to a fine exceeding ten thousand shillings or both;
 - vi. is incapacitated by prolonged physical or mental illness or is deemed otherwise unfit to discharge duties as a member of the Board.

(4) The Corporation Secretary shall be the secretary to the Board.

Conduct of business and affairs of the Board

- 9.**
- (1) The conduct and regulation of the business and affairs of the Board shall be as provided in the Second Schedule
 - (2) Except as provided in the Second Schedule the Board may;
 - (a) expeditiously convene, if required to do so on account of the need to urgently make decisions and recommendations on matters regarding National Food Reserve
 - (b) regulate its own procedures.

Managing Director

- 10.**
- (1) There shall be a Managing Director who shall be the Chief Executive Officer of the Corporation.
 - (2) The Managing Director shall be recruited by the Board through a competitive process.
 - (3) The appointment of the Managing Director under subsection (2) shall be done by the Cabinet Secretary.

- (4) The Managing Director shall hold office for a period of not more than three years, on such terms and conditions of employment as the Board may determine, and shall be eligible for re-appointment for one further term.
- (5) The Managing Director shall—
 - (a) be responsible for the day-to-day management of the Corporation;
 - (b) subject to the direction of the Board, be responsible for the direction of the affairs and transactions of the Corporation, the exercise, discharge and performance of its objectives, functions and duties, and the general administration of the Corporation;
- (6) A person appointed as a Managing Director of the Corporation under subsection (3) shall—
 - (a) be a person who—
 - i. holds a degree in a relevant field from a university recognized in Kenya; and
 - ii. has knowledge and experience in agriculture, finance, law, administration, food security, business, statistics, economics, public policy or such other expertise as the appointing authority may consider relevant;
 - iii. At least twelve years' relevant experience five of which should be at a senior management and leadership position;
 - iv. Is in compliance with the provisions of Chapter Six of the Constitution of Kenya 2010

**Corporation
Secretary**

11.

- (1) There shall be a Corporation Secretary who shall be appointed by the Board through a competitive process.
- (2) A person appointed as the Corporation Secretary under subsection (1) shall be a staff of the Corporation who shall possess approved qualifications and experience.
- (3) The Corporation Secretary shall be employed on such terms and conditions as the Board shall determine.

- (4) Subject to sub-section (3) the Corporation Secretary shall be secretary to the Board;
- Organization of the Corporation** 12. (1) The Corporation shall execute its mandate through the National Food Reserve Division, Trading Division and such other divisions as the Corporation may determine with the approval of the Cabinet Secretary.
(2) The National Food Reserve Division and the Trading Division shall have such degree of independence as to enable them perform their roles.
- Management of the Divisions** 13. (1) Each of the Divisions in Section 11 shall be headed by a General Manager or the equivalent answerable to the Managing Director.
(2) The General Manager or the equivalent shall be a staff of the Board who shall possess approved qualifications and experience.
- Roles of National Food Reserve Division** 14. The National Food Reserve Division shall be responsible for: -
a) Acquisition and management of the Food Reserve commodities
b) Stabilization of food commodity prices through market driven off-take, hold and release of Food Reserve commodities.
- Roles of the Trading Division** 15. (1) The Trading Division shall be responsible for the following commercial services;
(a) Establishing and operating a network of warehouses and stores
(b) leasing-in and leasing-out warehouses in relation to its mandate.
(c) Offering warehousing services
(d) Facilitating access to agricultural inputs
(e) Aggregation and marketing of commercial stock.
(f) Provision of post-harvest management services.
(g) Provision of collateral management services.
(h) Stimulating the development of hubs and spokes to promote food security
(i) Carrying out any other activities which is connected or incidental to the above.

- (2) The Trading Division may undertake capacity building of actors in the food produce value chains.
- Committees of the Board** 16. The Board may appoint committees, whether of its own members or otherwise, to carry out general or particular functions as may be specified by the Board, and the Board may delegate to any of those committees such of its powers as it may deem fit.
- Officers and staff of the Corporation** 17. The Board may appoint such officers, agents and other staff as are necessary for the proper and efficient discharge of the functions of the Corporation under this Act, upon such terms and conditions of service as the Board may determine.
- The Common Seal of the Corporation** 18. (1) The common seal of the Corporation;
a) shall be kept in the custody of the Corporation Secretary or of such other person as the Board may direct, and shall not be used except upon the order of the Board.
b) when affixed to a document and duly authenticated, shall be judicially and officially noticed, and unless the contrary is proved, any necessary order or authorization by the Board under this section shall be presumed to have been duly given.
c) shall be authenticated by the signature of the Chairperson of the Board and the Managing Director.
(2) The Board shall, in the absence of either the Chairperson or the Managing Director, in any particular matter, nominate one member of the Board to authenticate the seal of the Corporation on behalf of either the Chairperson or the Managing Director
- Protection from Personal Liability** 19. Nothing done by a member of the Corporation or any officer, employee or agent of the Corporation shall, if it is done bona fide for executing the functions, powers or duties of the Corporation, render the member, officer, employee or agent or any person acting on the directions of the Corporation personally liable to any action, claim or demand whatsoever.

Pension and other funds.

20. The Corporation may establish and make contributions to a pension, superannuation or provident fund, for the benefit of its officers or servants, and may require its officers and servants to contribute to those funds.

Remuneration and expenses of Board members and Officers of the Corporation.

21. (1) The Corporation shall pay to the Board members and officers such remuneration, fees or allowances for expenses as per the guidelines issued by the Salaries and Remuneration Commission and other Government circulars issued from time to time;
(2) The Corporation shall refund travelling and other expenses as may reasonably have been incurred by its members, officers or servants in the course of performance of their duties under this Act or as maybe provided by Government circulars issued from time to time.

PART III - ROLES OF NATIONAL AND COUNTY GOVERNMENTS

Roles of National Government

22. (1) The Cabinet Secretary shall give the policy direction to the Corporation in regard to the National Food Reserve and commercial trading.
(2) Fostering development of stable/predictable food commodity markets that facilitate sustainable availability and affordability of food commodities.
(3) Development of framework for the provision of incentives and subsidies targeted towards ensuring food security.
(4) Carry out capacity building from time to time of actors in the food produce value chain.
(5) Performing any other function in furtherance of the objectives and purpose of this Act.

Roles of the County Government

The County Governments shall;
23. (1) Collaborate with the Corporation in stimulating the production of food commodities with comparative advantages.
(2) Promote development or establish warehouses to facilitate food commodities storage and trading.
(3) Collaborate with the Corporation to support the development of hubs to facilitate input access, services, aggregation and marketing.
(4) Collect and provide data on production, trade and storage of food commodities.

- (5) Implement frameworks for the provision of incentives and subsidies.
- (6) Carry out capacity building from time to time of food producers and other value chain actors.
- (7) Performing any other function in furtherance of the objectives and purpose of this Act.

PART IV – NATIONAL FOOD RESERVE AND PRICE STABILIZATION

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| National Food Reserve | 24. | <ol style="list-style-type: none"> 1) There is hereby established the National Food Reserve which shall constitute physical stock of food commodities held in form of warehouse receipts and its cash equivalent. 2) The physical stock shall be determined based on the country's three months' food requirement calculated at maize consumption equivalent. 3) The cash equivalent shall be based on the prevailing food reserve commodity prices. 4) The Cabinet Secretary may inform the public by notice in the Gazette the status of the National Food Reserve from time to time. |
| Declaration of Food Reserve Commodities | 25. | <ol style="list-style-type: none"> 1) The Commodities specified in the First Schedule are the Food Reserve Commodities for purposes of this Act 2) The Cabinet Secretary may, by notice in the Gazette declare any other food commodity to be a Food Reserve Commodity for purposes of this Act. |
| Establishment of the Food Balance Sheet Committee | 26. | <ol style="list-style-type: none"> (1) There is established a committee to be known as the Food Balance Sheet Committee. (2) The Food Balance Sheet committee shall exercise such degrees of autonomy as may be necessary to effectively undertake the roles specified under section 28. |
| Membership to the Food Balance Sheet Committee | 27. | <ol style="list-style-type: none"> (1) The committee shall consist of: - <ol style="list-style-type: none"> (a) A Chairperson who possess a basic degree from a University recognized in Kenya and at least 10 years relevant experience on matters relating to food security appointed by the Cabinet Secretary; (b) A representative from the State Department for the time being responsible for Crop Development. |

- (c) A representative from the State Department for the time being responsible for Livestock Production.
 - (d) A representative from the State Department for the time being responsible for Fisheries.
 - (e) A representative from the office of Council of Governors responsible for matters relating to agriculture
 - (f) The Director from Kenya National Bureau of Statistics
 - (g) The Director of Internal Trade from the Ministry of Trade
 - (h) The Director from Kenya Meteorological Department
 - (i) A representative from Academia or Research with knowledge and experience on Food Security
 - (j) A person nominated by the Agriculture Sector Network
 - (k) The General Manager responsible for National Food Reserve in the Corporation who shall be the Secretary to the Committee
- (2) The Food Balance Sheet Committee may co-opt any other member to provide expertise as may be required from time to time

Roles of the Food Balance Sheet Committee

- 28.** The Committee shall be responsible for—
- (1) generating, analyzing and providing information for determining the national food security situation;
 - (2) advising the Cabinet Secretary, the Corporation and the County Governments on the country's food supply, utilization and distribution;
 - (3) recommending possible intervention measures to address food and nutrition security.

Conduct of business and affairs of the Committee

- 29.**
- (1) The conduct and regulation of the business and affairs of the Committee shall be as provided in the Third Schedule
 - (2) Except as provided in the Third Schedule the Committee may regulate its own procedures.
 - (3) The committee shall write and submit reports pursuant to meetings held and such reports shall

inform on the country's food security situation and recommendations based on the roles outlined in section 28.

Data and Information

30. The Food Balance Sheet Committee shall maintain data and information as prescribed in the regulations in this Act.

Price stabilization measures

No. 8 of 2019

31. (1) Price stabilization measures may include sale and purchase of Food Reserve commodities into and out of the National Food Reserve through the Warehouse Receipt System.

(2) The Committee shall advise the Corporation to cause the purchase and sale of warehouse receipts for purposes of price stabilization.

PART V - FINANCIAL PROVISIONS

Funds of the Corporation

No. 18 of 2012.

- 32.** (1) The funds and assets of the Corporation shall comprise of—
- a) The funds of the National Food Reserve Fund established pursuant to the provisions of the Public Finance Management Act and its attendant Regulations.
 - b) All monies for the Corporation as provided for in;
 - i. Such funds as may be appropriated by Parliament for purposes of this Act
 - ii. such fees, monies or assets as may accrue to or vest in the Corporation in the course of the exercise of its powers or the performance of its functions under this Act or under any written law
 - iii. all monies from any other lawful source provided for or donated or lent to the Corporation including contributions, gifts or grants from or by way of testamentary bequest by any person
- (2) The monies in (a) and (b) shall be managed distinctly and separately.

Financial year

33. The financial year of the Corporation shall be the period of twelve months ending on the thirtieth June in each year.

Annual estimates 34.

- (1) At least three months before the commencement of each financial year, the Board shall cause to be prepared estimates of the revenue and expenditure of the Corporation for that year.
- (2) The annual estimates shall make provision for all estimated expenditure of the Corporation for the financial year and in particular, the estimates shall provide for—
 - a) the payment of the salaries, allowances and other charges in respect of members and staff of the Corporation;
 - b) the payment of pensions, gratuities and other charges in respect of staff of the Corporation;
 - c) the proper maintenance of the buildings and grounds of the Corporation;
 - d) the maintenance, repair and replacement of the equipment and other property of the Corporation; and
 - e) the creation of such reserve funds to meet future or contingent liabilities in respect of retirement benefits, insurance or replacement of buildings or equipment, or in respect of such other matter as the Corporation may deem appropriate.
- (3) The annual estimates of the Corporation shall be approved by the Board before the commencement of the financial year to which they relate and shall be submitted to the Cabinet Secretary for approval and after the Cabinet Secretary's approval, the Board shall not increase the annual estimates without the consent of the Cabinet Secretary.

Accounts and Audit 35.

- (1) The Corporation shall cause to be kept all proper books and records of accounts of the income, expenditure and assets of the Corporation.
- (2) Within a period of three months from the end of each financial year, the Board shall submit to the Auditor-General or to an Auditor appointed under this section, the accounts of the Corporation together with—

- a) a statement of the income and expenditure of the Corporation during that year; and
 - b) a balance sheet of the Corporation on the last day of that year.
- (3) The accounts of the Corporation shall be audited and reported upon in accordance with the Public Audit Act, 2015

PART VI- MISCELLANEOUS PROVISIONS

Regulations

- 36.** (1) The Cabinet Secretary may, on the advice of the Corporation, make regulations generally for the better carrying out of the purposes and provisions of this Act, and without prejudice to the generality of the foregoing, may make regulations on —
- (a) management and operations of the National Food Reserve;
 - (b) management and operations of the Food Balance Sheet Committee;
 - (c) maintenance of data and information by the Food Balance Sheet Committee;
 - (d) price stabilization measures;
 - (e) collection and management of transactional levies;
 - (f) disputes resolutions between and among parties under the Act;
 - (g) production of national food reserve commodities and incentive systems; and
 - (h) any other issue in furtherance of objects and purpose of this Act

Power to impose transactional levy

- 37.** The Cabinet Secretary may, upon the advice of the Corporation, at any time by notice in the Gazette, impose a levy of not more than 0.5% of the transactional cost on the National Food Reserve sale for the purpose of Section 6 (1)(e).

Disclosure of Information

- 38.** Except as provided for under section 26, any person who discloses, publishes, broadcasts, causes to be published or otherwise makes public, without the approval of the Managing Director on matters relating to National Food

Reserve and confidential information relating to the Corporation, commits an offence and is liable on conviction to a fine not exceeding two million shillings or to imprisonment for a term not exceeding one year or both.

PART VII – REPEAL AND TRANSITIONAL PROVISIONS

Interpretation of terms

- 39.** For purposes of this part;
- “Appointed date” shall refer to the commencement date of this Act;
- “Former Board” refers to the National Cereals and Produce Board existing immediately before the commencement date of this Act

Repeal

- 40.** (1) The Corporation shall be the successor to the National Cereals and Produce Board established by the Cap 338 of 1985.
- (2) The National Cereals and Produce Board Act Cap 338 is repealed.

Rights, Obligations and Liabilities

- 41.** All rights, obligations, liabilities and contracts which, immediately before the coming into operation of this Act, were vested in or imposed on the National Cereals and Produce Board shall by virtue of this section, be deemed to be the rights, obligations, liabilities and contracts of the Corporation.

Staff of the former Board

- 42.** (1) Every person who, immediately before the appointed day was an officer or member of staff of the former Board, not being then under notice of dismissal or resignation shall, on the appointed day and subject to subsection (2), become an officer or staff of the Corporation as the Cabinet Secretary may, by order, determine on the same or improved terms and conditions of service.
- (2) A person who does not intend to become an officer or member of staff of the Corporation, as the case may be, shall, within a period of fourteen days from the appointed day, give a notice in writing to the Corporation, and such person shall be deemed not to have become such an officer or member of staff under

subsection (1) but to have retired from the service of the former Board on the day preceding the appointed date.

(3) The term of any person who is, at the commencement date of this Act, a member of the Board of the former Board, shall expire on the commencement date of this Act.

(4) The Cabinet Secretary may, by order, make provisions with respect to pension or provident fund benefits of the members of staff of the Corporation and with respect to the pension scheme and provident fund of the former Board.

**Assets and
Liabilities**

- 43.** On the appointed date—
- (a) all funds, assets, and other property, moveable and immovable which, immediately before such day were vested in the former Board, shall, by virtue of this paragraph, vest in the Corporation as the Cabinet Secretary may, by order, determine;
 - (b) all rights, powers, liabilities and duties whether arising under any written law or otherwise howsoever, which immediately before the appointed date were vested in, imposed on or enforceable by or against the former Board shall, by virtue of this paragraph, be transferred to, vested in, imposed on or enforceable by or against the Corporation.
 - (c) On or after the appointed date, all actions, suits or legal proceedings whatsoever pending by or against the former Board shall be carried on or prosecuted by or against the Corporation as the case may be, and no such action, suit or legal proceedings shall in any manner abate or be prejudicially affected by the enactment of this Act.

**Reference to
written laws**

- 44.** Any reference to the former Board in any written law or in any contract, document or instrument of whatever nature shall, on the commencement date of this Act, be read and construed as a reference to the Corporation.

Directions, orders, etc., of the former Board

45. All directions, orders and authorizations given, or licenses or permits issued, or registrations made by the former Board and subsisting or valid immediately before the appointed date, shall be deemed to have been given, issued or made by the Corporation under this Act.

FIRST SCHEDULE

(Section 25)

LIST OF NATIONAL FOOD RESERVE COMMODITIES

1. Maize;
2. Rice;
3. Wheat;
4. Dried Cassava;
5. Beans;
6. Green grams;
7. Irish Potatoes;
8. Powdered Milk;
9. Canned Meat;
10. Dried Fish;
11. Other pulses

SECOND SCHEDULE

(Section 9)

PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE BOARD

1. Meetings
 - (i) The Board shall meet not less than four times in every financial year and not more than four months shall elapse between the date of one meeting and the date of the next meeting.
 - (ii) Notwithstanding the provisions of subparagraph (i), the Chairperson may, and upon requisition in writing by at least six members, convene a special meeting of the Board at any time for the transaction of the business of the Board.
 - (iii) Unless three quarters of the total members of the Board otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Board.
 - (iv) The quorum for the conduct of the business of the Board shall be six members including the Chairperson or the person presiding.
 - (v) The Chairperson shall preside at every meeting of the Board at which he is present but, in his absence, the members present shall elect one of the members to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the Chairperson.
 - (vi) Unless a unanimous decision is reached, a decision on any matter before the Board shall be by a majority of votes of the members present and voting and, in the case of an equality of votes, the Chairperson or the person presiding shall have a casting vote.
 - (vii) Subject to subparagraph (iv), no proceedings of the Board shall be invalid by reason only of a vacancy among the members thereof.
2. Disclosure of interest by Board members
 - (i) If a member is directly or indirectly interested in any contract, proposed contract or other matter before the Board and is present at a meeting of the Board at which the contract, proposed contract or other matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the contract, proposed contract or other matter, or be counted in the quorum of the meeting during consideration of the matter:

Provided that, if the majority of the members present are of the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the Board may permit the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question.

- (ii) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
- (iii) A member of the Board who contravenes subparagraph 2(i) commits an offence and is liable on conviction to imprisonment for a term not exceeding one year, or to a fine not exceeding one hundred thousand shillings, or both.

3. Minutes

- (i) The Board shall cause minutes of all resolutions and proceedings of meetings of the Board to be entered in books kept for that purpose.

THIRD SCHEDULE

(Section 29)

PROVISIONS AS TO THE CONDUCT OF BUSINESS AND AFFAIRS OF THE FOOD BALANCE SHEET COMMITTEE

1. Meetings

- (iv) The Committee shall meet at least once in a month and not more than 30 days shall elapse between the date of one meeting and the date of the next meeting.
- (v) Notwithstanding the provisions of subparagraph (i), the Chairperson may, and upon requisition in writing by at least six members, shall convene a special meeting of the Committee at any time for the transaction of the business of the Committee.
- (vi) Unless three quarters of the total members of the Committee otherwise agree, at least fourteen days' written notice of every meeting of the Board shall be given to every member of the Committee.
- (vii) The quorum for the conduct of the business of the Committee shall be six members including the Chairperson or the person presiding.
- (viii) The Chairperson shall preside at every meeting of the Committee at which he is present but, in his absence, the members present shall elect one of the members to preside, who shall, with respect to that meeting and the business transacted thereat, have all the powers of the Chairperson.
- (ix) Unless a unanimous decision is reached, a decision on any matter before the Committee shall be by a majority of votes of the members present and voting and, in the case of an equality of votes, the Chairperson or the person presiding shall have a casting vote.
- (x) Subject to subparagraph (iv), no proceedings of the Committee shall be invalid by reason only of a vacancy among the members thereof.

2. Disclosure of interest by Committee members

- (i) If a member is directly or indirectly interested in any matter, before the Committee and is present at a meeting of the Committee at which the matter is the subject of consideration, that member shall, at the meeting and as soon as practicable after the commencement thereof, disclose the fact and shall not take part in the consideration or discussion of, or vote on, any questions with respect to the matter, or be counted in the quorum of the meeting during consideration of the matter:

Provided that, if the majority of the members present are of the opinion that the experience or expertise of such member is vital to the deliberations of the meeting, the Committee may permit the member to participate in the deliberations subject to such restrictions as it may impose but such member shall not have the right to vote on the matter in question.

- (ii) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.
- (iii) A member of the Committee who contravenes subparagraph (i) commits an offence and is liable to imprisonment for a term not exceeding one year, or to a fine not exceeding one hundred thousand shillings, or both.

3. Minutes

- (i) The Committee shall cause minutes of all resolutions and proceedings of meetings of the Committee to be entered in books kept for that purpose.