



Factories Corporation of Jamaica Ltd
BOARD CHARTER

BACKGROUND

The Factories Corporation of Jamaica Ltd. (hereinafter called the FCJ or the Corporation) is a private company limited by shares incorporated under the Companies Act of Jamaica 2004. The core business functions of the FCJ is to provide real estate solutions for a variety of industries such as light manufacturing, agro-processing, warehousing, distribution and business process outsourcing. The Corporation is the largest provider of real estate in Jamaica with approximately 157,000 square meters and manages over one hundred facilities island-wide strategically situated, whether in close proximity to the island's ports, or commercial districts. The FCJ's mission is to satisfy customer needs and enhance national development by providing quality industrial and commercial spaces at competitive rates.

The Corporation has established a Board of Directors (herein after referred to as the Board) that is the primary decision-making authority of the FCJ and its roles and responsibilities vis-à-vis executive management are clearly documented to avoid any misunderstanding between the Board's role and that of executive management.

This Board Charter (the Charter) which has been adopted by the Company's Board of directors is prepared on the basis of and incorporates certain provisions of the Companies Act, Public Bodies Management and Accountability Act and the Corporate Governance Framework for Public Bodies. This Charter is to be read in tandem with the Terms of Reference (TOR) of the various Board Committees. These principles and policies are in addition to and are not intended to change, supersede or interpret any law or regulation, including the Companies Act, or the Articles of Association of the FCJ.

1. CORPORATE GOVERNANCE FRAMEWORK¹:

The Corporate Governance Framework for Public Bodies in Jamaica provides that:

- 1.1 "The Board is collectively responsible for strategic management and oversight, serves as the focal point for Corporate Governance and is accountable to the Responsible Minister & Shareholder representatives.
- 1.2 The Board is responsible to ensure compliance with the Public Bodies Management & Accountability Act, and other applicable legislation and Government of Jamaica policies."

2. GOVERNANCE STATEMENT:

- 2.1. The operations of the Corporation are structured to ensure compliance with the Framework and the Public Bodies Management and Accountability Act.

¹See section 6 of the Public Bodies Management & Accountability Act which requires Boards of Directors to establish appropriate corporate governance policies and procedures.

- 2.2. The FCJ, through the Chairman, works closely with the Responsible Minister of Government who has the power to issue general directions on matters of policy.
- 2.3. The Corporation is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will ensure the maintenance of high ethical standards by all members and employees of the Corporation.
- 2.4. Each Director is required to act honestly and in good faith and to ensure that the Organisation carries out activities within its prescribed purpose. Additionally, the Directors have collective responsibility for all strategic decisions made by the Board of Directors.

3. BOARD'S MANDATE:

The Board shall provide strategic leadership and oversight over the management of the Corporation's business and affairs while actively participating in the development of the Corporation's strategic direction. More specifically, the FCJ' mandate includes:

- (a) setting the Corporation's values and ethical standards and ensuring that its obligations to stakeholders are understood and met;
- (b) regularly reviewing with Management, the strategic environment, the emergence of new risks and opportunities and the implications for strategic direction;
- (c) approving corporate plans that take into account the Corporation's major risks and opportunities and overseeing the management of those risks;
- (d) facilitating discussions and approval of financial operations, policy issues, corporate governance principles and all other matters relating to the effective and efficient operations of the Corporation;
- (e) facilitating effective governance of the affairs of the Corporation;
- (f) putting policies in place to ensure the Corporation is duly diligent in meeting all requirements and obligations under law;
- (g) appointing, monitoring and assessing the performance of the Managing Director; charging the Managing Director with the general management and direction of the business and the affairs of the Corporation;
- (h) ensuring the formulation, development and implementation of succession planning and evaluation for all senior management;

- (i) ensuring that adequate and effective policies and systems are in place to monitor financial reporting, internal controls and risk management processes;
- (j) reviewing and approving the administrative and operational structure of the Organisation;
- (k) providing systematic reviews of systems and structures in place at the Corporation;
- (l) establishing and monitoring annual targets for the Corporation in line with the long-term goals of the Organisation and maintaining oversight of the general business of the Corporation;
- (m) approving the annual budget and financial statements/accounts and monitoring financial performance to ensure the financial viability of the Corporation and the efficient and effective use of its resources;
- (n) ensuring that the integrity and core values of the Organisation are maintained;
- (o) ensuring the annual evaluation of the Board and its committees;
- (p) approving expenditure limits within stipulated limits;²
- (q) establishing and maintaining a policy of Directors orientation for all new Board members; and
- (r) providing Director development and educational programmes as required.

4. BOARD COMPOSITION; APPOINTMENT, TERM, QUORUM & TRAINING:

4.1. BOARD PROFILE, SIZE, AND INDEPENDENCE:

4.1.1 Board Profile:

The Board, through the Corporate Governance Committee, shall prepare a profile of its composition, considering the nature of the Corporation's business, and the desired expertise and background of the directors (the "Corporation Competency Profile"). The Board Competency Profile shall be in line with the Competency Profile instrument for the Boards of Public Bodies.

4.1.2. Size of Board:

Article 77 of the Company's Articles of Association prescribe that the number of Directors of the Company which shall constitute the whole Board shall be determined by instrument in writing signed by the shareholders and thereafter decided by the

² The Corporate Governance Framework for Public Bodies -Principle 2 (12)

shareholders in General Meetings. The exact number of Directors within such range shall be fixed from time to time by resolution of the Board. The Board currently believes that **the optimum number of Directors is 12.**

4.1.3. General Comportment:

The Board shall use its best efforts to ensure that:

- (a) its members can act critically and independently of one another;
- (b) each director can assess the broad outline of the Corporation's overall policy;
- (c) each director's expertise is fully utilized in the performance of his or her role as a director;
- (d) the Board competencies match the competency profile of the Corporation;
and
- (e) the Board has adequate independent non-executive and non-executive directors.

4.1.4. Independent Board member:

An independent director is someone who:

- (a) is not, and has not been, employed by the Corporation or any of its related entities at any time during the past three years;
- (b) is not, and has not been affiliated with an entity that acts as an advisor or consultant to the Corporation, nor is not and has not acted in such capacity at any time during the past three years;
- (c) is not, and has not been affiliated with any significant supplier or contractor of the Corporation at any time during the past three years. A significant supplier or contractor is one that makes payments to, or receives payments from the Corporation for goods or services in an amount to be agreed upon.
- (d) does not currently have, nor has had any personal service contracts with the Corporation or its senior management at any time during the past three years;
- (e) does not receive and has not received any additional remuneration from the Corporation apart from a Director's remuneration, nor participates in the Corporation's performance-related payment plans;

- (f) is not a member of the immediate family of any individual who is, or had been at any time during the past three years, employed by the Corporation as a senior executive officer;
- (g) is not, nor has been at any time during the past three years, affiliated with or employed by a present or former Auditor of the Corporation; and

4.2. BOARD APPOINTMENT, TRAINING, QUORUM AND TERM:

4.2.1. Appointment of Directors:

- (a) All Directors shall be appointed by the Responsible Minister after consultation with the Cabinet.
- (b) Sole power to appoint and revoke an appointment to the Board resides in the Responsible Minister.
- (c) Upon being selected for appointment, each Director shall receive a letter of Appointment from the Responsible Minister clearly stating the period of his or her appointment.
- (d) After appointment, each Director shall receive from the FCJ an introductory letter detailing his or her responsibilities and other matters relating to the operations of the Board and the Corporation.

4.2.2. INDUCTION PROGRAMME, ONGOING TRAINING AND EDUCATION:

Director Induction Programme:

- (a) Upon appointment, each Director shall participate in an induction programme that covers the Corporation's strategy, general financial and legal affairs, financial and regulatory reporting by the Board, any specific aspects unique to the FCJ and its activities, and the responsibilities and expectations of a Director.
- (b) The training of Directors is critical to ensure the maintenance of good governance. The Board through the Corporate Governance Committee, will recommend such training for Directors as is necessary for them to maintain the knowledge and expertise required to better understand the operations of the Corporation and to properly discharge their role and function as Directors. The cost of such training shall be included in the budget for the year.

Annual Review of Training:

- (c) The Board shall conduct an annual review to identify any area where the Directors require further training or education.

Costs to FCJ:

- (d) The costs of the induction course and any training or education shall be

paid for by the Corporation.

4.2.3. Quorum:

The quorum at any meeting of the Board shall be **fifty percent (50%) plus 1** Directors.

4.2.4. Tenure of Office and Reappointment:

The appointment of a member of the Board shall be for a period of two (2) years, and every appointed member shall be eligible for re-appointment

4.2.5. Resignation:

(a) A member of the Board, other than the Chairman, may at any time resign his or her office through instrument in writing addressed to the Chairman and transmitted through the Chairman and from the date of receipt by the Responsible Minister, the Director shall cease to be a member of the Board.

(b) The Chairman may at any time resign his office through instrument in writing addressed to the Responsible Minister and the resignation shall take effect from the date of receipt by the Responsible Minister.

(c) If any vacancy occurs in the appointed membership of the Board, such vacancy shall be filled by the appointment by the Responsible Minister of another member of the Board who shall hold office for the remainder of the period for which the previous appointed member was appointed.

5. CHAIRMAN OF THE BOARD:

5.1 The Chairman of the Board is primarily responsible for the activities of the Board and its committees; and is the principal contact for the Managing Director who shall meet regularly with the Chairman.

5.2 The Chairman of the Board is also responsible for maintaining communication protocols with the Responsible Minister, Permanent Secretary and other stakeholders as established by the Ministry of Finance & Public Service.

5.3 The Chairman presides over the meetings of the Board and in the absence or inability of the Chairman to act, the members present and constituting a quorum shall elect one of the members present to perform the functions of the Chairman.

5.4 The Chairman ensures that:

(a) Directors, when appointed, participate in an orientation programme and, as needed, additional education or training programmes;

(b) the Directors receive all information necessary for them to perform their duties;

- (c) the Directors have sufficient time for consultation and decision-making;
- (d) the committees function properly and according to their respective Terms of Reference;
- (e) the performance of the overall Board and individual directors are evaluated at least once every year;
- (f) the Board establishes and maintains the agreed protocols for communication with the organisation's management;
- (g) the Board establishes operating procedures for its meetings;
- (h) the Board fulfils its duties to all key stakeholders and promotes sustainability;
- (i) the agendas of Board meetings are in order and that minutes are kept of such meetings; and
- (j) internal disputes and conflicts of interest concerning individual Directors are addressed and resolved.

6. DIRECTORS:

6.1. Role of a Director:

As a member of the Board, each Director shall:

- (a) through the exercise of due diligence, fulfil the legal requirements and obligations of a Director in discharge of his/her fiduciary duties, namely: to act honestly and in good faith in the best interests of the Corporation and to exercise the due diligence and skill that a reasonably prudent person would exercise in comparable circumstances;³
- (b) recognize the Board's accountability to stakeholders in the governance of the Corporation and ensure that the best interests of the Corporation are considered paramount;
- (c) devote sufficient time to the Corporation's affairs;
- (d) assist the Corporation in the achievement of its corporate strategic objectives;
- (e) ensure that he or she and the Board as a whole act in the best interests of the Corporation rather than in the interests of an individual Director or any other interests;
- (f) monitor his or her continued ability to meet these expectations; and
- (g) shall, if requested, join the Committees of the Corporation.

6.2. Specific Conduct as a Director:

To enable the Board to discharge its collective responsibilities for stewardship, including oversight and strategic leadership, each Director shall:

- (a) conduct himself or herself honestly, fairly, ethically and with integrity;
- (b) contribute views based on his or her unique skills and experience;

³ Section 17 of the Public Bodies Management & Accountability Act.

- (c) address any requests of Senior Management through the Managing Director;
- (d) monitor potential conflicts of interest he or she may have regarding any matters before the Board; and
- (e) declare any potential conflicts promptly to the Board and abstain from discussion and voting on any related matter

6.3. Role of Managing Director

- a) The Managing Director reports directly to the Board through the Chairman.
- b) The Managing Director is responsible for the day-to-day operations of the FCJ and shall be held accountable for the effective and efficient implementation of Board approved strategic objectives.
- c) The Managing Director will operate as the chief spokesperson for FCJ and will communicate with shareholders and stakeholders as required.
- d) A healthy and open relationship should exist at all times between the Permanent Secretary and the Managing Director.
- e) The Managing Director shall ensure that annual performance appraisals are conducted for all his/her direct reports.

6.4. Duty to act properly:

A Director who becomes aware of circumstances which are, or are likely to be perceived as likely to detract from his or her ability to act in accordance with his or her fiduciary duty, shall forthwith report such circumstances to the Board through the Chairman or the Company Secretary. The need to take such action may arise in the following circumstances:

- (a) a change in affiliation or employment;
- (b) being appointed to any position that creates, or appears to create inherently conflicting responsibilities; or
- (c) being unable to attend or participate in Board and Committee meetings consistent with the established standard.

6.5. Potential Conflicts of Interest:

Potential conflicts of interest include a personal or business interest in a matter requiring Board decision, arising either directly (e.g. through an ownership or employment interest) or indirectly (e.g. through potential benefit from participation in a sector).

6.5 **Notice of Outside Positions:**

Directors must inform the Board of their other positions which may be of importance to the Corporation or affect the performance of their duties as a Director. If the Board determines that there is a risk of a conflict of interest, the matter shall be fully discussed by the Board in accordance with the appropriate section of this Charter. The Company Secretary shall keep a list of the outside positions held by each Director.

7. **CONFLICTS OF INTEREST OF DIRECTORS:**

7.1. **Duty to Disclose:**

Upon appointment, each Director shall complete a Declaration of Interest form which will be maintained by the Company Secretary and a copy of which shall be sent to the Responsible Minister through the Permanent Secretary. A Director shall immediately report to the Board, any conflict of interest or potential conflict of interest and shall provide all relevant information, including but not limited to, information concerning spouse, registered partner or other life companion and the details of the conflict must be recorded by the Secretary. The Director concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

7.2. **Related Party Transaction:**

A potential conflict of interest exists if the Corporation intends to enter into a transaction with a Related Party. A '**Related Party**' includes the following:

- (a) A Director of the Corporation;
- (b) the Managing Director and Senior Managers of the Corporation including anyone who reports directly to the Board or the Managing Director;
- (c) the father, mother, sons, daughters, husband, or wife of any of the natural persons listed herein; and
- (d) any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in paragraphs a-c above.

7.3. **Abstention by Conflicted Party:**

Where conflicts of interest do occur, Directors must recuse themselves from the discussions in respect of those interests and shall not take part in any discussion or decision-making regarding any subject or transaction in which there is a conflict of interest with the Corporation or exercise their right to vote in respect of such matters

7.4. **Requirements to Approve Conflicts of Interest:**

All transactions in which there are conflicts of interest with Directors shall be agreed on terms that are customary for 'arm's-length' transactions in the Corporation's business.

Decisions to enter into transactions in which there are conflicts of interest with Directors require the approval of the Board.

8. CONFIDENTIALITY:

8.1. Principle of Confidentiality:

Confidential Information means all data and information relating to the business, management and affairs of the Corporation, its customers and partners, which are, or come to be, in the possession of the Corporation by virtue of his or her office as Director and which is not in the public domain.

8.2. As a general rule, each Director shall keep all Confidential Information confidential and no Director shall use Confidential Information for personal gain or use. This obligation survives the termination or resignation of a Director as a Director of the Corporation.

8.3. Unless required to do so by law, no Director shall, during membership on the Board or afterwards, disclose any information of a confidential nature regarding business of the Corporation, that came to the person's knowledge in the capacity as a Director and which the person knows or should know to be of a confidential nature.

8.4. A Director may disclose such information to fellow Directors as well as to staff members of the Corporation who, in view of their activities for the Corporation should be informed of the information.

8.5. A Director shall not use such Confidential Information for personal benefit.

8.6. Notice of Disclosure:

If a Director intends to disclose to third parties' information which the person has become aware of in duties and which may be confidential, the Director must inform the Board of the intent and the identity of the person who is to receive the information with sufficient notice for the Board to assess the situation and take a decision. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

9. REMUNERATION OF DIRECTORS:

Directors are remunerated in accordance with Ministry of Finance & Public Service Circulars in effect.⁴

⁴ Section 20 of the Public Bodies Management & Accountability Act.

10. COMPANY SECRETARY:

10.1. Appointment:

The Board shall appoint a Secretary who shall report directly to the Board through the Chairman of the Board and will have an indirect operational reporting relationship with the Managing Director.

10.2. Role:

The Secretary is the secretary of the Board and its Committees and assists the Board in the execution of critical administrative and governance functions which demand a high degree of compliance and ethical conduct.

10.3. General Access:

All Directors may go to the Company Secretary for advice.

10.4. Key Responsibilities:

(a) The Secretary sees to it that the Board follows correct procedures and that the Board complies with obligations under law.

(b) The Secretary shall assist the Chairman of the Board in developing the annual Board work plan, co-ordinating the evaluation of the Board and its members; and organizing the Board's activities (including providing information, preparing agendas, reporting of meetings, evaluations and training programmes).

(c) The Secretary should prepare and circulate Board papers & Board minutes within the agreed time line.

11. COMMITTEES, MEMBERSHIP & REPORTING:

11.1. Establishment of Committees:

(a) To support the Board in effectively performing its duties the Board may from time to time establish Sub-Committees and the Board shall determine the members of any such committees.

(b) The Board should establish the following committees to govern areas of its operations:

- Projects Committee
- Corporate Governance Committee
- Audit & Risk Management Committee
- Finance Committee
- Human Resource & Administration Committee
- Public Relations & Marketing Committee

(c) Notwithstanding the provisions of clause 11.1(b) the Board may establish additional committees as deemed necessary.

- (d) The Chairpersons of Board Committees shall be chosen by the Board and shall be independent non-executive members of the Board.
- (e) A Committee may include persons who are not Directors (hereinafter referred to as Co-opted Committee Members) but at **least one half of the members** of such committee shall be Directors.⁵
- (f) The validity of the proceedings of a committee shall not be affected by any vacancy among the members thereof or any defect in appointment of a member thereof.

11.2. Co-opted members & Invitees:

- (a) The Board in accordance with this Charter, and the Committees terms of reference, may co-opt such persons as it deems fit to serve on Committees established by the Board
- (b) Co-opted Committee Members have the same rights and privileges at Committee meetings as other members of the Committees including the right to vote⁶.
- (c) The admission to a meeting of persons other than co-opted members, directors, the Managing Director, the Secretary and (if invited) other executives, shall be decided by majority vote of the Committee members present at the meeting.
- (d) Invitees to meetings shall not constitute part of the quorum and shall not be entitled to vote⁷.

11.3. Board Responsibility for Committee Action:

- (a) The Board remains collectively responsible for the decisions and actions taken by any committee.
- (b) A committee may only perform the tasks delegated to it by the Board and its powers may not exceed powers of the Board as a whole.
- (c) Decisions that by law must be taken by the Board may not be delegated to a committee.

11.4. Committee Reporting:

- (a) Each committee must promptly inform the Board of major developments of which it becomes aware.
- (b) Each Director shall have unrestricted access to all committee meeting records.

⁵ The Corporate Governance Framework for Public Bodies, Principle 2(9).

⁶ The Corporate Governance Framework for Public Bodies, Principle 2 (9)

⁷ The Corporate Governance Framework for Public Bodies, Principle 6(1).

(c) The Board shall, as set forth in the Terms of Reference of the committee concerned, receive a report from the committee describing the committee's actions and findings.

11.5. Committee Terms of Reference:

(a) The Board shall establish, and may by resolution, amend the Terms of Reference (TOR) for each committee.

(b) The TOR shall indicate the role and responsibilities of the committee, its composition, structure, quorum requirements and how it should perform its duties.

(c) The TOR of a committee shall require that the committee has no less than two members.

12. DUTIES AND PERFORMANCE OF THE BOARD:

12.1. General Duties of Board:

The general duties of the Board include duties imposed by law, the Board's Governance Framework and this Charter.

12.2. Duties of the Board in relation to members:

The duties of the Board (in consultation with the appropriate Board committees) in relation to the Directors:

(a) addressing any conflict of interest issues between the Board and the Directors;

12.3. Responsibilities of Board:

The Board oversees the general business of the Corporation. The entire Board is responsible for such supervision and oversight.

12.4. The Directors act in the interest of the Corporation:

The Directors shall act in the best interests of the Corporation and its business, taking into consideration the interests of the Corporation's stakeholders. Directors shall perform their duties independent of any particular interest in the Corporation and should not support one interest without regard to the other interests involved.

12.5. Quality of Performance:

The Board is responsible for the quality of its own performance.

12.6. Provision of Information:

To assist the Board to fulfil its duties, the Chairman and the Managing Director shall see to it that management, in a timely manner, provides the Board and its committees with the information they need to properly function.

12.7. Responsibility for Securing Information:

- (a) The Directors each have responsibility for obtaining all information from management and the internal and external auditor needed to carry out their duties.
- (b) If the Board thinks it is necessary it may obtain information from officers and external advisors of the Corporation.
- (c) The Board may require certain officers and external advisors to attend, but never to vote, at its meetings.

12.8. Access to Records:

Each Director has access to the relevant books and records of the Corporation as necessary to discharge his or her function as a Director; requests for such books and records must be routed through the Managing Director and copied to the Company Secretary.

12.9. Use of Experts:

- (a) The Board may hire experts to assist or advise them and the cost of such experts shall be agreed to by the Board and shall be paid by the Corporation.
- (b) A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.⁸

12.10 Proceedings

The Board may regulate its own proceedings.

13. DUTIES REGARDING THE SUPERVISION OF MANAGEMENT:

13.1. Nature of Supervision

In supervising the management, the Board shall consider:

- (a) the achievement of the Board's objectives as set out in the Corporate Plan;
- (b) the strategy and risks in the Corporation's activities;
- (c) the structure and operation of the internal risk management and audit and control systems;
- (d) the financial reporting process;
- (e) whether expenditure has been in-keeping with the approved budget;
- (f) compliance with law and regulations; and
- (g) any other matters the law requires the Board to consider.

13.2. Financial Reporting:

The Board supervises the financial reporting in accordance with Section 15 below.

⁸Section 19 of the Public Bodies Management & Accountability Act.

13.3. Annual Risk Review:

At least once a year, the Board shall discuss the Corporation's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

13.4. Resolutions Subject to Approval:

The following resolutions are subject to the approval of the Board:

- (a) determining and amending the operational and financial strategic objectives of the Corporation;
- (b) determining and amending key performance indicators in support of the strategic objectives (including, for example, any financial ratios);
- (c) any other matters that Jamaican laws or regulations require the Board to approve;
- (d) such other matters as are reserved by the Board for its attention.

14. ANNUAL EVALUATION:

14.1. Board & Director Evaluation:

The Board will conduct an annual performance evaluation of each Director, the Board on a whole and the Chairman. The evaluation process will be conducted in accordance with procedures established by the Board, on the recommendation of the Corporate Governance Committee, and shall evaluate performance in line with the Corporation's set goals and objectives and may also include setting out the goals and objectives of the Corporation for the upcoming year.

14.2. Managing Director & Secretary Evaluation:

The performance of the Managing Director and the Company Secretary are to be evaluated annually by the Board led by the Chairman.

15. SUPERVISION OF FINANCIAL REPORTING:

15.1. General Supervision Responsibilities:

- (a) The Board, in consultation with the Audit & Risk Management Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly and semi-annual financial reports and any other financial information.
- (b) The Board, through the Audit & Risk Management Committee, also supervises the internal control and audit mechanisms for external financial reporting.

15.2. Discussion of Financial Reports:

- (a) The Audit & Risk Management Committee shall facilitate the financial reporting requirements under the Public Bodies Management & Accountability Act and regularly, and in any event as soon as possible, provide the Board with reports on the annual report and accounts, and the quarterly and semi-annual financial reports, which will then be discussed at a meeting of the Board.
- (b) The annual report and audited accounts for the year just ended shall be discussed in a meeting with the Board and submitted to the Responsible Minister within four months of the year-end.
- (c) The semi-annual and quarterly (if any) financial reports of the Corporation for the respective period just ended shall be discussed in a meeting with the Board within two months of the end of the period.

16. DUTIES REGARDING APPOINTMENT AND ASSESSMENT OF EXTERNAL AUDITOR:

Appointment of External Auditor:

- 16.1. The external auditor of the Corporation shall be appointed by the Board and must be a registered Public Accountant under the Public Accountancy Act.

Representation by External Auditor:

- 16.2. When appointed, the external auditor shall indicate its awareness of the Corporation's policies and other matters provided for in this Charter and the Terms of Reference of the Audit & Risk Management Committee and shall agree to abide by and promote such policies.

Compensation of Auditor:

- 16.3. Compensation of the external auditor and instructions to the external auditor to provide non-audit services shall be closely reviewed and approved by the Board on the recommendation of the Audit & Risk Management Committee, thus ensuring the auditor's independence.

Attendance of External Auditor:

- 16.4. The Corporation shall ensure that the external auditor attends the meeting of the Board at which the report of the auditor with respect to the audit of the annual accounts is discussed and at which the Board decides whether or not to approve the annual accounts. The external auditor shall receive any financial information underlying the quarterly and/or semi-annual financial reports and other interim financial reports, and shall be given the opportunity to respond to all information.

Contact with External Auditor:

- 16.5. The Board's principal contact with the external auditor is through the Chairman of the Audit & Risk Management Committee. If any irregularities in the financial reports are

discovered, the first discussion regarding such irregularities in the financial reports should be between the Audit & Risk Management Committee and the external auditor.

16.6. Recommendations by External Auditor:

The Board shall carefully consider and, if accepted, put into effect any recommendation by the external auditor. This will include recommendations made by the external auditor on the Corporation's internal control, as expressed in the 'management letter.'

16.7 Reports to the Board:

The Audit & Risk Management Committee shall report its dealings with the external auditor to the Board on an annual basis, including its assessment of the external auditor's independence.

16.8 Assessment of External Auditor:

At least once every three years, the Audit & Risk Management Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the Board so it may assess the nomination for the reappointment of the external auditor.

16.9 Conflicts of Interest – External Auditor:

Conflicts of interest and potential conflicts of interest between the external auditor and the Board shall be resolved in accordance with the Audit & Risk Management Committee's TOR laid down or as determined by the Board on the recommendation of the Audit & Risk Management Committee. Directors shall inform the Chairman of the Audit & Risk Management Committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Corporation.

17. STRUCTURE OF BOARD MEETINGS:

17.1. Notice and Agenda:

A notice of each meeting together with an agenda for the meeting shall be circulated to all Directors at least **four (4) clear working days** prior to the meeting.

17.2. For each item on the agenda, an explanation in writing shall be provided where necessary and related documentation will be attached.

17.3. The Chairman shall consult with the Managing Director prior to convening the meeting on the content of the agenda and the Managing Director and Directors shall have the right to request that an item be placed on the agenda for a Board meeting provided that the item is notified to the Chairman at **least ten days prior to the meeting.**

18. VENUE, FREQUENCY OF MEETINGS & ATTENDANCE:

Venue of meetings:

- 18.1.** Board meetings are generally held at the offices of the Corporation but may also take place at such places and times and on such days as the Board may determine.
- 18.2.** In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

Frequency of Meetings:

- 18.3.** The Board shall meet at **least ten (10) times** for the year.
- 18.4.** An annual schedule of Board meetings for the following year shall be agreed by the Board and circulated to Directors at the start of each year.
- 18.5.** Each year the Board reserves at least **one (1) full day** to discuss and develop strategic policies and to assess or review the Corporate Plan.

Special Meeting:

- 18.6.** It is within the power of the Chairman to convene a meeting outside of scheduled meeting times as may be necessary and expedient for the transaction of business. The Chairman may therefore at any time call a special meeting of the Board and shall call a special meeting to be held within 10 days of a written request for that purpose addressed to him by any two Directors.

19. MEETING ATTENDANCE & PREPARATION:

Attendance of Directors:

- 19.1.** Directors are expected to attend and actively participate in meetings of the Board and the committees on which they serve, and to meet as frequently as necessary to properly discharge their duties.
- 19.2.** Attendance at the meetings by the Board must be recorded.
- 19.3. Attendance by Managing Director & Management:**
The Managing Director shall attend Board meetings unless it is necessary for him to be recused.
- 19.4.** To ensure proper review of materials being used at the Board meetings, Directors are to receive the materials four (4) working days in advance of meetings.

19.5. Extended Absence:

A Director who needs to be absent from Board meetings for more than three meetings, shall be required to explain to the Chairman of the Board or the Committee (as applicable) the reason for such absence.

20. COMMUNICATION:

20.1. The Board is committed to providing timely, accurate and balanced information on the operations of the Corporation.

21. MINUTES, RESOLUTIONS & PREFERENCE FOR UNANIMITY:

Minutes & Records:

21.1 The Company Secretary is charged with the responsibility of recording accurate minutes of meetings and the decisions which are made at every Board meeting.

21.2 The minutes of the meeting must be confirmed by the Board and then signed by the Chairman of the meeting and the Secretary and added to the Board's records.

21.3 Each Director shall receive a copy of the minutes.

Resolutions & Adoption at Meeting:

21.4 At a meeting, the Board may only pass resolutions if a quorum is present.

21.5 Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

21.6 The Directors shall try to arrive at unanimous decisions. However, Directors are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

Round Robin Resolutions:

21.7 In the event that an urgent decision is required before the next scheduled meeting of the Board, a round robin may be circulated to all Directors for comment and/or voting. All comments and/or votes shall be recorded.

21.8 A decision made by round robin shall be as valid and effectual as if it had been passed at a meeting of the Board duly convened and held, and shall be noted at the subsequent meeting.

21.9 All resolutions approved by round robin should thereafter be noted at the next regular Board meeting.

Objection to Resolutions:

- 21.10 A Director who objects to any resolution adopted by the Board shall have his or her objection recorded in the minutes.
- 21.11 Directors who have taken part in a meeting may not object to resolutions adopted at the meeting on the grounds of an invalid notice.
- 21.12 Directors absent from meetings will be taken to have accepted any decisions made if no objections are **made within 7 days of becoming aware** of the decision.⁹

Individual Vote:

- 21.13 Each Director has the right to cast one vote.

Majority Vote:

- 21.14 Where unanimity cannot be reached and the law does not prescribe a larger majority, all resolutions of the Board shall be adopted by a majority of the votes cast. In the event of a tie, the Chairman of the Board has the deciding vote.

22. MISCELLANEOUS:

Restriction on Loans and Guarantees:

- 22.1 The Board does not grant personal loans, guarantees or the like to Directors.

22.2 Agreement to be bound by Charter:

Anyone who is appointed as a Director must, upon assuming office, declare in writing to the Corporation that the person accepts and agrees to comply with the provisions of this Charter. A corresponding reference to this extent is included in a Director's appointment letter.

22.3 Indemnity:

No action, suit, prosecution or other proceedings shall be brought or instituted personally against any member of the Board in respect of any act done *bona fide* in pursuance or intended execution of the Director's functions.

22.4 Seal:

The Seal of the Corporation shall be authenticated by the Chairman of the Board or any Director authorized to act in that behalf.

22.5 Website Disclosure:

The Board's Charter and the Terms of References and the composition of the committees shall be posted on the Corporation's website.

⁹Section 18 of the Public Bodies Management & Accountability Act.

22.6 Interpretation:

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the Corporate Governance Committee of the Board shall make a decision in relation thereto and provide its recommendation to the Board.

22.7 Partial Invalidity:

If one or more provisions of this Charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provision by provisions which are valid and the effect of which, given the contents and purpose of this Charter is to the greatest extent possible, similar to that of the invalid provisions.

22.8 Entire Charter & Amendment:

This document represents the entire Charter; and may, subject to relevant legislation be amended by the Board at its sole discretion.

23. Charter Review:

The Board shall review this Charter at least every two (2) years.

DOCUMENT CONTROL

<i>Version</i>	<i>Date</i>	<i>Date Approved by Board</i>
1	June, 2017	
2 (Updated)	April, 2019	March 2019