

TERMS OF REFERENCE CORPORATE GOVERNANCE COMMITTEE

Governance Statement

The Corporate Governance Committee (CGC) of the Port Authority (PAJ) exercises an independent review function to assist the Board in fulfilling its oversight responsibilities. The Committee evaluates and monitors the adequacy of and compliance with all governance matters pursuant to the Boards' Policies.

The CGC acts to ensure that the PAJ adheres to its Corporate Governance mandate in line with the Public Bodies Management and Accountability Act (PBMAA), Port Authority Act, Corporate Governance Framework for Public Bodies and other applicable laws, regulations and government guidelines.

The CGC will assess the PAJ's and its subsidiaries governance and compliance and provides advice and guidelines on matters brought to its attention or on its own volition.

The CGC is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will monitor the maintenance of high ethical standards of all employees and Directors of PAJ.

I. Purpose

The Board's Corporate Governance Committee shall:

1. Monitor compliance with applicable laws and regulations.
2. Oversee the performance evaluation of the Board.
3. Develop and recommend amendments to the Board's corporate governance policies and principles.
4. Review the organization and operational performance of the Board's Committees.
5. Review and recommend short development programmes related to new standards or regulatory related developments, including but not limited to, corporate governance and accounting standards, which can assist directors to properly discharge their role and function. This must be done in line with approved budget.
6. Ensure all new Directors go through an appropriate orientation programme.
7. Ensure that the appropriate interface exists and is maintained between the Board and Management.

8. Monitor conduct of the PAJ's operations to ensure adherence to PAJ's Code of Ethics and principles of good corporate citizenship and that all operations are in line with the Public Sector Corporate Governance Framework.
9. Review annually the competency profile of the Board for submission to the Permanent Secretary.

II. Membership

1. The CGC shall be comprised of a minimum of three (3) members of which at least 2 members should be Directors of the board.
2. The Board may co-opt, to perform the duties of the Committee, individuals who are not Directors but who possess a broad range of qualifications relevant to the functions of the Committee.
3. Every co-opted individual shall have all the rights and responsibilities of the other members of the Committee with respect to the work of the Committee.¹
4. The Corporate Secretary will be the assigned secretary for the CGC.
5. The President & CEO shall be invited to all Committee meetings.

III. Meetings, Quorum and Procedures

1. The CGC will determine its own rules of procedure, provided they are consistent with the regulations that govern the Board and the organization, generally.
2. The CGC will meet at least twice annually and more frequently as circumstances require.
3. The Chair of the CGC or a majority of the members of the Corporate Governance Committee may call a special meeting of the CGC.
4. Two (2) members of the CGC will constitute a quorum and this must include at least one (1) Director.
5. Meetings may be conducted via teleconference, face to face or electronically.

1. ¹ (Section 8(8) – PBMA Act)

6. The CGC may form sub-committees for any purpose that the CGC deems appropriate and may delegate to such sub-committees such power and authority as the CGC deems appropriate. No sub-Committee should consist of fewer than two members.
7. Senior Management or other persons, whose advice and counsel are sought by the CGC, may attend meetings of the Committee to provide such pertinent information as the CGC requests.
8. The CGC shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.
9. An annual Corporate Governance statement, which speaks to the state of the PAJ's overall Governance, will be prepared by the CGC and approved by the board for inclusion in the PAJ's Annual Report.

IV. Specific Responsibilities and Duties

The CGC will have the following duties and responsibilities:

IV a) Monitor Adherence to Laws & Regulations

1. To ensure that the Board is and remains in compliance with the Public Bodies Management & Accountability Act 2001; Port Authority Act; the Corporate Governance Framework for Public Bodies and all other applicable and relevant laws and regulations.

IV b) Recommend and Review Policies

2. To develop and periodically review changes to the Corporate Governance Principles and Policies that will guide the Board in the execution of their responsibilities. The CGC will ensure that such principles and policies are appropriate to the PAJ's business, and comply with applicable laws, and regulations.
3. To monitor a Code of Ethics for Directors and employees, and to periodically review such Code and recommend changes as required.
4. To consider any other corporate governance issues that arises from time to time, and to develop appropriate policy recommendations for the Board.

IV c) Assessment / Evaluation of Board

5. To promote the qualities and characteristics needed by the Board to effectively execute its corporate governance responsibilities, especially when reviewing changes to the Board Committees. These will include:
 - a) Maturity of judgment
 - b) Experience
 - c) Range of Professional Skills

- d) Accountability
 - e) Integrity
 - f) Financial Literacy
 - g) High Performance Standards
 - h) Time Available to the Board
 - i) Industry Knowledge
 - j) Networking/Contacts
 - k) Degree of Independence
6. With a view to supporting the Permanent Secretary in discharging his/her responsibilities for a competency profile, the CGC will do a periodic review of the existing skills and competencies of the Board, identifying gaps and submitting same to the Board for approval. The CGC review should take into consideration the following experience and skills in areas such as:
- a) Accounting & Finance
 - b) Business
 - c) Engineering
 - d) Port Operations and Government /public Policy and regulations
 - e) Port Security operations
 - f) Economics
 - g) Commerce & Marketing
 - h) International Relations
 - i) Leadership
 - j) Strategic Visioning
7. To develop and oversee annual evaluations/assessments of the performance of the Board, its Committees and individual Directors.
8. To review and approve Directors to be selected for chairmanship and/or membership on, or removal from, the various Committees based on performance evaluation.
9. To review and approve appropriate PAJ related short development programmes for Directors, within budget, that will assist the Board to properly discharge their role and function.
10. To ensure appropriate orientation of new Directors, in order to improve Member's ability to contribute effectively to the deliberations of the Board.
- IV d) Corporate Social Responsibility (CSR)***
11. The CGC will review and approve CSR initiatives in line with the Boards' CSR Policy ensuring that each initiative adds value to the Authority and supports the vision and mission of PAJ and is within budget.

V. Self-Evaluation

1. The CGC shall periodically conduct a self-evaluation of its performance.
2. In conducting this review, the CGC will also evaluate whether this term of reference appropriately addresses the matters including but not limited to attendance and participation, or should be within its scope.
3. In conducting this review, the CGC will address all matters that it considers relevant to its performance, including at least the following:
 - The adequacy, appropriateness and quality of its information and recommendations to the Board;
 - The manner in which they were discussed or debated; and
 - Whether the number and length of meetings are adequate for the CGC to complete its work in a thorough and thoughtful manner.
4. The CGC will provide the Board with a written report of the results of its self-evaluation, including any recommended amendments to this term of reference.

VI. COMMITTEE SECRETARY

The Secretary for the Committee shall be the Corporate Secretary who shall appoint a recording secretary to take the Minutes of the meetings.

The Committee Secretary is required to:

- I. circulate the notices and minutes of the Committee meetings;
- II. distribute to Committee members, three (3) working days prior to the meetings of the Committee, all agenda and documents of meetings, reports and/or related documents which are prepared for consideration by the Committee;
- III. keep detailed records of the Committee's meetings; and
- IV. have such other duties as may be assigned by the Committee.

VII. REPORTING RESPONSIBILITIES

The Committee shall submit a report to the board on the Committee's activities, findings and related recommendations.

VIII. REMUNERATION

The legislation makes provision for remuneration of Committee Members and this is determined according to prescribed rates as formulated by the Minister responsible for Finance.

IX. CONFLICT OF INTEREST

Where there is a conflict of interest, the Committee Member so affected shall declare his/her interest to the Chairman and the details of the conflict are to be recorded by the Committee Secretary.

The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

Directors with conflicts of interest shall not participate in any vote at meetings where the transactions are being discussed, or exert any influence on the voting on the resolution in respect of the transaction.

X. Authority

The Committee has the authority to conduct investigations into any matters within its scope of responsibility. It is empowered to:

- A. seek any information it requires from employees, all of whom are directed to cooperate with the Committee's requests;
- B. meet with officers or outside counsel, as necessary; and
- C. recommend to the Board that independent counsel, experts and other advisors be retained to advise the Committee or assist in the conduct of an investigation.

XI. CONFIDENTIALITY OF COMMITTEE INFORMATION

All information received by the Committee is confidential and is the property of the Port Authority of Jamaica and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

XII. REVIEW AND ASSESSMENT OF CHARTER

The Board will conduct a review and assessment of the CGC terms of reference at least every 2 years in such manner as the Board deems fit.