

TERMS OF REFERENCE FINANCE COMMITTEE

1. Policy Statement

The Port Authority (PAJ) is a statutory body established under the Port Authority Act (1972) and governed primarily by the Port Authority Act, Public Bodies Management and Accountability Act and the Corporate Governance Framework for Public Bodies (CGF). The Board of Directors has established a Finance Committee (hereinafter called “the Committee”) to provide financial oversight for the financial and investment activities of the PAJ.

2. Purpose

This Finance Committee Terms of Reference (“the TOR”) defines the purpose, authority and responsibility of the Committee. In addition, the TOR is intended to assist the Board of Directors in fulfilling its fiduciary responsibilities. The Finance Committee is appointed to assist the Board in evaluating investment, acquisition, enterprise services, joint and all transactions in which PAJ engages as part of its business strategy.

3. Roles and Responsibilities

The roles and responsibilities of the Committee are as follows:

- (1) To perform an advisory role on The Port Authority’s financial operations.
- (2) To review and make recommendations to the Board on the following: -
 - Financial Management Policies and Strategies
 - Cost Management Programme
 - Cash Flow Management
 - Capital Investment Programme
 - Budget Administration
 - Financial Plans
- (3) To make recommendations to the Board on matters of finance and accounting in general.
- (4) To bring to the attention of the Authority any perceived weaknesses in the accounting and finance system, with suitable recommendation for addressing such deficiencies.
- (5) Perform such other functions as assigned by the board.

4. Composition

The Members of the Finance Committee shall be appointed by the Board and should consist of no less than four (4) individuals which shall include at least two (2) directors, one of whom is to be designated as the Chairman.

- A. The Chairman shall ensure that decisions and recommendations of the Committee are arrived at in a timely manner and reports on the Committee’s proceedings and recommendations sent to the board for approval.
- B. 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 PAJ.

- C. 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
- D. The majority of the members of the Committee should be financially literate and/or should have significant, recent and relevant financial experience and knowledge.
- E. The Committee should not include the Chairman of the Audit Committee.
- F. The President & CEO and the Snr. Vice President, Finance, Corporate Planning, Information Services and Material Management shall be invitees to all Committee meetings.

5. Meetings

- A. The Finance Committee shall meet every month and have the authority to convene additional meetings, as may be required. A meeting may be called by the Chairman or by the majority of the members of the Committee.
- B. Failure to attend at least 3 consecutive meetings without acceptable reasons to the Committee Chairman, will give rise to a consideration of continued membership.
- C. The Committee shall determine its own procedures.
- D. The Committee may request any member of management or staff to attend meetings of the Committee in order to carry out its responsibilities.
- E. Meeting agendas and documents will be prepared for each meeting and provided at least 3 working days in advance to the Committee members along with appropriate briefing materials.
- F. Meetings may be conducted via teleconference, face to face or electronically;

6. Authority

The Committee has the authority to request the Audit Committee 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 of the PAJ 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 any review as may be required.

7. Reporting Responsibilities

The Committee shall submit reports of its meetings to the Board outlining the Committee's activities, findings and related recommendations.

The Committee shall also prepare an annual report on its work and this report should be included in the PAJ Annual Report.

¹ (Section 8(8) – PBMA Act)

8. Quorum

The quorum for meetings consists of 2 members of the Committee of which 1 must be a member of the Board. The Chairman shall have a casting vote.

9. Committee Secretary/Minutes

The Secretary for the Committee shall be the Corporate Secretary who shall assign 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, 3 working days prior to the meetings of the Committee, all agenda 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.

10. 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.

11. Committee Development and Evaluation

- 11.1 The Committee will ensure that members receive continuing education on current accounting, investment, and financial reporting standards and practices;
- 11.2 An annual evaluation of the performance of the Committee and individual members will be done taking into consideration the Committee's goals and objectives established at the beginning of the fiscal year.

12. Conflict of Interest

Where there is a conflict of interest, the Committee Member so affected shall declare his/her interest to the Committee 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.

13. Confidentiality of Committee Information

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

14. Review and Assessment of Terms of Reference

The Committee will review and assess the adequacy of its Terms of Reference at least every 2 years and request the Board's approval for proposed changes.
