



Finance and Procurement Committee Charter

1. PURPOSE

1.1 The major objective of the Finance and Procurement Committee is to provide oversight in reviewing and resolving financial and procurement issues and to ensure that funds are fully accounted for and procurement of goods and services are done in compliance with the Law.

1.1.1 The Board of Directors has established a Finance and Procurement Committee for the purpose of:

- overseeing all areas of corporate finance for the Company, including capital structure, equity and debt financings, capital expenditures, cash management, banking activities and relationships, investments and foreign exchange activities;
- ascertaining whether systems of control now in place are operating so as to promote the most economic, efficient and effective use of resources, as also safeguarding the Authority's assets; and
- providing oversight to ensure procurement responsibilities are fulfilled.

2. MEMBERSHIP

2.1 The Committee will consist of a minimum of two members of the Board of Directors, the majority of whom shall be "independent". ¹A Director will not be considered to be "independent" if any of the following conditions exist at the time of determination or existed at any time during the preceding five-year period:

- The Director is employed by the SMA or the portfolio Ministry;
- An immediate family member of the Director is employed as an officer of the SMA;
- The Director is employed by or affiliated with the SMA's independent auditor;

¹ Page 24; Term and Definition: The GOJ Policy Guidelines for the Nomination, Selection and Appointment of the Boards of Public Bodies

- An immediate family member of the Director is employed as a partner, principal or manager by the SMA's independent auditor; or
- An executive officer of the SMA serves on the Board of Directors of a company that employs the director or employs an immediate family member of the director as an officer;
- For purposes of the above, "immediate family member" includes spouse, parents, children, siblings, mothers-in-law, fathers-in-law, sons-in-law, daughters-in-law, brothers-in-law, sisters-in-law and other persons living in the director's home (not including employees of the Director).

2.1.1 The members of the Committee are appointed by and serve at the discretion of the Board of Directors and should not include the Chairman of the Audit Committee. The majority of the members of the Committee should be financially literate and at least one member of the Committee shall be a qualified accountant, registered under the Public Accountancy Act, or possess expertise in the area of finance.

2.2 ***Co-opted Members***

2.2.1 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 SMA. ²Every co-opted individual shall have all rights and responsibilities of the other members of the Committee with respect to the work of the Committee.

3. **QUORUM**

3.1 The quorum for meetings consists of two (2) members of the Committee of which one (1) must be a member of the Board.

4. **RESPONSIBILITIES**

4.1 The Finance and Procurement Committee shall be responsible for reviewing with Company management, and shall have the power and authority to recommend to the Board of Directors, any and all strategies, plans, policies and actions related to corporate finance and procurement, including the following:

- keeping abreast of updated Circulars from the Ministry of Finance and the Public Service affecting the entity regarding finance and procurement and sharing same with the Board;

² Public Bodies Management and Accountability Act: Section 8 (8)

- capital structure plans and strategies and specific equity or debt financings;
- capital expenditure plans and strategies and specific capital projects;
- strategic and financial investment plans and strategies and specific investments;
- mergers, acquisitions and divestitures;
- cash management plans and strategies and all activities relating to cash accounts and cash investments portfolio, including the establishment and maintenance of bank, investment and brokerage accounts; and Plans and strategies for managing foreign currency exchange exposure and other exposures to economic risks and with full adherence to the Financial administration and Audit Act.
- review and assess the effectiveness of systems for internal financial control and financial reporting, as also those relating to the Procurement Regulations stipulated by the Ministry of Finance.
- assure integrity and transparency of the SMA's procurement process.
- ensure members of the Internal Procurement Committee and Procurement Committee of the Board undergo frequent training to be kept abreast of the latest developments in law and regulations as it relates to the GOJ's Procurement Guidelines.

Notwithstanding the power and authority of the Committee to act on behalf of the Board of Directors with respect to such matters, the Committee, will submit any such matter, along with its recommendation with respect thereto, to the full Board of Directors for consideration and approval.

5. RESOURCES AND AUTHORITY:

- 5.1 The Committee shall have the resources and authority to discharge its responsibilities, including the authority, to the extent it deems necessary or appropriate, to retain independent financial, legal or other advisors under the company's procurement guidelines. The Company shall provide funding, for payment of compensation to any independent advisors or administrative support employed for such purposes.

6. MEETINGS AND REPORTS:

- 6.1 The Committee shall hold regular meetings at least once each month, generally in conjunction with the regularly scheduled meetings of the

Board of Directors, and such special meetings as the Chair of the Committee or the Chairman of the Board may direct. The Committee shall maintain written minutes of its meetings, which will be filed with the minutes of the Board of Directors.

- 6.1.1 The Committee may request any member of management or staff to attend meetings of the Committee in order to carry out its responsibilities.
- 6.1.2 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 submitted to the Board for approval.
- 6.1.3 Unless otherwise agreed, notice of each meeting together with an agenda shall be forwarded to each member of the committee and any other person attending, at least five (5) days before the date of the meeting.

7. CONFLICT OF INTEREST:

- 7.1 Where there is a conflict of interest, the Committee Member so affected shall declare his/her interest to the Committee Chairman, and the details of the conflict are to be recorded by the Secretary. That member shall not participate in the deliberations on the particular matter and will recuse himself/herself from the discussion in respect of those interests during the period of discussion of the matter.

8. REMUNERATION:

- 8.1 Members of the Committee will be compensated for meetings attended as per the guidelines of the Ministry of Finance.

9. REVIEW

The Charter shall be reviewed annually or at such intervals as the Board may require.

Reviewed by the Corporate Governance Committee: **November 12, 2019**

Recommended by the Finance and Procurement Committee: **November 20, 2019**

Approved by the Board of Directors: **January 30, 2020**