

## **SECTION III: TERMS OF REFERENCE FOR THE CDA**

### **Corporate Governance and Ethics Committee Terms of Reference (Recommended)**

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#### **1. CREATION**

- 1.1. The Corporate Governance and Ethics Committee of the Chaguaramas Development Authority shall be established in accordance with the policy directives issued by the Board of Directors and recorded in the minutes of a meeting of the Board.
- 1.2. The committee will be vested with all the powers, privileges, and duties set forth in these terms of reference and in any subsequent resolutions by the Authority's Board of Directors.

#### **2. PURPOSE**

- 2.1. The objective of the Corporate Governance and Ethics Committee of the board will be to maintain oversight of the Board's own operations and effectiveness as well as the Authority's compliance with all relevant legal and regulatory requirements and internal policies and values. The Committee will take a leadership role in shaping the corporate governance and ethical practices of the Authority.
- 2.2. The committee will endeavor to achieve global corporate governance and ethical best practice standards and to promote a culture of responsibility, accountability, and ethical behavior in order to safeguard the reputation and optimize the performance of the Authority.

#### **3. COMPOSITION AND QUALIFICATION OF MEMBERS**

- 3.1. The committee consists of a minimum of three (3) members of the Board.
- 3.2. The Committee members shall be appointed by resolution of the Board. Each member shall continue as a member until a successor is appointed, unless the member resigns, or is removed by resolution of the Board or otherwise ceases to be a member of the Board.
- 3.3. Where a vacancy occurs at any time in the membership of the Committee, it may be filled by the Board, and shall be filled by the Board if the membership of the Committee is less than three (3) members as a result of the vacancy.
- 3.4. The Chairman of the Board shall be the Chairman of the Committee. If the Chairman of the Committee is not present at any meeting of the Committee, the Chairman of the meeting shall be chosen by the Committee from among the members present.
- 3.5. The Board shall ensure that all members of the Committee possess the professional skills and personal characteristics necessary to carry out their duties as members of the committee. Committee members should all receive training in corporate governance and ethical business principles.

- 3.6. The Committee may co-opt one or more of the other members of the Authority to attend meetings of the Committee and any such co-opted member or members may advise but not vote on any matter at such meetings.

#### **4. AUTHORITY**

The Committee is authorized by the Board to:

- 4.1. Conduct or authorize investigations into any matters within its scope of responsibility.
- 4.2. Seek any information it requires from employees of the Authority, all of whom are required to cooperate fully with committee investigations or requests for information.
- 4.3. Request from management or employees, any written reports or participation in Committee meetings in order for them to provide advice to the Committee.
- 4.4. Obtain external independent advice and assistance as the Committee deems necessary, including professional advice legal and regulatory matters; and corporate governance. The Committee may retain and compensate such professional service providers at the expense of the Authority. Such advisors may attend meetings as necessary.

#### **5. FUNCTIONS**

The Board vests with the Corporate Governance and Ethics Committee strategic responsibility for overseeing issues related to corporate governance, ethics and compliance. In order to fulfill its purpose, the Committee shall have the following authorities and responsibilities:

##### **5.1. Corporate Governance**

The Committee shall:

- 5.1.1. Develop for the board's approval and annually review the Authority's corporate governance policies, procedures and practices, including but not limited to board and committee charters and the board's communication policy and any other documents that in effect set out the Authority's corporate governance and ethics principles.
- 5.1.2. Make recommendations to the board concerning the size, composition, and organization of the Committees.
- 5.1.3. Consider possible conflicts of interests and any related party transactions and make recommendations to the board in accordance with the Authority's policies and rules governing such transactions.
- 5.1.4. Oversee the development and implementation of a board induction process for new directors and a program of continuing director development.
- 5.1.5. Develop a process for evaluating board effectiveness and co-ordinate the annual board effectiveness evaluation, including evaluation of individual members as well as committees.
- 5.1.6. Recommend to the Board candidates for assignment to or removal from board committees, and consider the rotation of members of various board committees.