



JAMAICA URBAN TRANSIT COMPANY LIMITED

Terms of Reference for the Board of Directors

Scope and Status

- ❖ Every Public Body should be headed by an effective Board which is collectively responsible for strategic management and oversight, serves as the focal point for Corporate Governance and is accountable to the Responsible Minister and shareholder representatives as determined by law.
- ❖ In keeping with Government's policy framework, the Board should decide on the Public Body's values and strategy and provide the necessary leadership to secure human, physical and financial resources required for the organization to meet its objectives.
- ❖ Consistent with its respective statutes, constitution, governing codes, and Government Guidelines, the Board of the Public Body should apply leadership styles which are consistent with good practice in the conduct of its affairs.

Composition and Organisation

- ❖ The Board Chair and Directors are appointed by the Minister of Transport and Mining and the full complement is at his/her discretion.
- ❖ The Board should be organized in order to perform its tasks efficiently.
- ❖ There should be a clear separation of the responsibilities at the very top leadership of the Public Body where the Chairperson is responsible for leading the Board in the development of the policies and strategies of the organization, while the Managing Director is responsible for the day to day management of the Public Body.

Terms of Reference for the Board of Directors (cont'd)

- ❖ The decisions taken by the Board must be based on the objectivity of each director taken in the interest of the Public Body. The Board shall review and regularly monitor the effectiveness of the Company's fundamental operating, financial and other business plans, policies and decisions, including the execution of its strategies and objectives.
- ❖ The Board may delegate any of its powers, authorities and discretions for such time and on such terms as it thinks fit to any Committee.
- ❖ The Chairman shall ensure the proper and independent functioning of the Board.
- ❖ The Company Secretary shall be the Secretary for the meetings of the Board.

Matters reserved for the board

The Board delegates the management and day-to-day running of the company in accordance with such polices and directions as the Board may from time to time determine with the exception of the following matters which require the approval of the Board:

- ❖ company's strategic aims, objectives and annual plans, risk appetite and performance targets for the Group;
- ❖ annual operating and capital expenditure budgets and any material changes to them.
- ❖ the establishment of effective procedures for reviewing, monitoring and control of operations including internal procedures for audit, risk and compliance;
- ❖ extension of the company's activities into new business or geographic areas
- ❖ the authority to approve (a) credit, (b) market risk limits, (c) an acquisition, disposal, investment, capital expenditure or realisation or creation of a new venture;
- ❖ any decision to cease to operate all or any material part of the company's business.
- ❖ any substantial change in the policies established from time to time by the Board.

Roles and Responsibilities

- ❖ To provide leadership oversight within a framework of prudent and effective controls that enable risks to be assessed and managed.

- ❖ For the strategic direction of the Public Body ensuring alignment with the policy direction of government. The Minister may from time to time provide the Board with specific policy directives to guide the formulation of strategy
- ❖ The Board should appoint the Chief Executive Officer, decide on his/her compensation in accordance with relevant guidelines, establish performance standards and evaluate his/her performance annually.
- ❖ The Board (through a sub-committee) should lead the recruitment and performance evaluation processes for the Chief Internal Auditor (CIA) and the Corporate Secretary (CS), where the Corporate Secretary is not also vested with the position of legal counsel.
- ❖ The Board should determine the Committees that need to be established, to which it should delegate specialized functions such as Finance, Audit, Human Resources, Project Management, Risk Management, Procurement and Corporate Governance.
- ❖ In order to ensure that committees have the capability to perform the duties assigned, Boards may co-opt, to perform the duties of the committee, individuals who are not members of the Board but who possess a broad range of qualifications relevant to the function of the public body.
- ❖ Individuals co-opted to a committee shall have the rights and responsibilities of other members of that committee provided that – (i) a Board member shall be the chairman of the committee (with a casting vote on decisions where there is an equality of votes), and (ii) Board members shall comprise not less than one-half of the committee members.
- ❖ The Board should retain full and effective control over the strategic direction of the Public Body while allowing the CEO to take full responsibility for its day to day operations.
- ❖ The Board should set the Public Body's values and ethical standards, and ensure that its obligations to stakeholders are understood and met.
- ❖ The Board should take responsibility for the performance of the Public Body by monitoring CEO performance, ratifying strategic decisions and approving expenditure within stipulated limits.
- ❖ The Board may authorize the purchase of indemnity insurance for directors and officers, consistent with the conditions outlined in the PBMA Act.

Meetings and Quorum

The Board should meet sufficiently regularly to discharge its duties effectively. The Board shall meet with such frequency and at such times as it may determine. It is expected that the Board shall meet at least once per month.

The quorum for meetings of the Board is six Directors.