



JAMAICA CIVIL AVIATION AUTHORITY

BOARD CHARTER

Revision History

The following table details the revision history of this Board Charter.

Version	Date	Summary of Changes
1	February 2017	INITIALLY APPROVED CONTENTS
2	May 2018	NO CHANGES
3	Jan 2019	Meeting options; Confidentiality and Maintenance of Board Minutes

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A. Introduction

I. **Complementarity to the Law and GOJ requirements and guidelines.** These provisions are complementary to the Civil Aviation Act, Airports (Economic Regulation) Act, the Public Bodies Management and Accountability Act, the Financial Audit and Administration Act, the Contractor-General Act and every other law and or regulation (altogether or individually 'the Law') which impinges or affects the roles of the Jamaica Civil Aviation Authority (the "Authority"). As established by the Civil Aviation Act 1966, as amended, the Authority itself is comprised by the Members who are appointed by the Minister in the similar fashion to the appointment of other boards. For the purposes of this charter each member will be referred to as 'the Member' and altogether as 'the Members' or 'the Board') as the context requires. (The term 'board' is not found in the Civil Aviation Act). Such roles include the duties, responsibilities, functions, powers and rights, and specifically those regarding the Members, as well as all relevant requirements contained in any regulations, rules, guidelines, directives and or policies of the Government of Jamaica (altogether or individually 'the GOJ requirements and guidelines') wherever found such as but not limited to the GOJ Corporate Governance Framework, the Procurement Guidelines, and the provisions governing the relationship between the committees and the Board as contained in the charters of the committees (which have been developed and adopted by the Board). Where there is any conflict/dissonance between the provisions in this document and the Law and GOJ requirements and guidelines, the latter shall prevail.

II. **Charter on Website.** This charter and all committee charters shall be posted on the Authority's website.

III. For clarity it is noted that the word "Board" throughout this document denotes the complement of the Jamaica Civil Aviation Authority as set out in the First Schedule to the Civil Aviation Act, 1966, as amended, or any relevant portion thereof; and for the purposes of the other Laws and GOJ requirements and guidelines the word is taken to also refer to such Members as the governing body of the Authority. The terms 'Board Member(s)' and 'Member(s) of the Board', where used shall have the contextual meaning.

B. Chapter 1: Composition of the Board; Positions; Committees

I. Board Profile, Size, Expertise and Independence

a. **Board Profile.** This is directed by the provisions of the Civil Aviation Act whereby it is dependent upon the pleasure of the relevant Minister. However the Honourable Minister is to be guided by the GOJ Corporate Governance Framework as well as the Chairman for the desired expertise, competence, experience and background of the Members (the "Board Profile").

b. Number of Members. In accordance with the law, the Board shall have not less than six (6) nor more than eleven (11) appointed members to hold office for not more than three (3) years, plus Director General as *Ex-Officio* Member.

c. General Composition. The GOJ through the Minister together with the Chairman shall use their best efforts to ensure that:

- i. Its Members can act critically and independently of one another;
- ii. Each Member can actively support the broad outline of the Authority's overall policy;
- iii. Each Member has sufficient expertise to perform his or her role as a Member within the Board Profile;
- iv. At least one Member is a financial expert, meaning he/she has expertise in financial administration and accounting applicable in organisations similar to the Authority in size, role and sophistication; and
- v. the Responsible Minister may conduct the relevant evaluation and ensure that there are not less than twenty five (25) percent (%) of Board Members who are independent as defined in Section B Article I paragraph (d) below.

d. Independence. An independent Member is a Member who:

- i. Is not, and has not been employed by the Authority or any of its related parties at any time during the past three (3) years;
- ii. Is not, and has not been affiliated with an organisation that acts as an advisor or consultant to the Authority or its related parties, nor is not and has not him/herself acted in such capacity at any time during the past three (3) years;
- iii. Is not, and has not been affiliated with any significant customer or supplier of the Authority or its related parties at any time during the past three (3) years;
- iv. Does not currently have, nor has had any personal service contracts with the Authority, its related parties or its senior management at any time during the past three (3) years;
- vi. Does not receive, and has not received any additional remuneration from the Authority apart from a Member's remuneration,
- vii. His/her Member's remuneration from the Authority does not constitute significant portion of his or her annual income;
- viii. Is not employed as an executive officer of another company where any of the Authority's executives serve on that company's board;
- ix. Is not a member of the immediate family of any individual who is, or has been at any time during the past three (3) years, employed by the Authority or its related parties as an executive officer;
- x. Is not, nor has been at any time during the past three (3) years, affiliated with or employed by a present or former auditor of the Authority or auditor of any related party; and
- xii. Has not served on the Board for more than ten years.

II. (Re-)Appointment; Term of Office; Resignation

- a. Appointment of Members, Chairman and Deputy Chairman. The responsible Minister (the "Minister"). The Minister appoints the Members, Chairman and Deputy Chairman of the Board in accordance with the law and GOJ Requirements and Guidelines.
- b. Substance of Nominations and Recommendations. A nomination or recommendation to the Minister for a candidate for the Board shall state:
 - (i) the candidate's age,
 - (ii) his or her profession,
 - (iii) the nature of any interest in the Authority's work,
 - (iv) any convictions for any crimes involving dishonesty, fraud or breach of trust,
 - (v) the positions she/he holds or has held in the past five years (including memberships on any board of Members or management boards/executive committees); and,
 - (vi) any other information relevant to assess his or her suitability as a Member of the Board.

Any nomination or recommendation by the Board for appointment or reappointment of a Board Member must be in accordance with Section B of this charter, including the Board Profile.

- c. Reappointment. Before recommending a member of the Board for reappointment, the Board must carefully consider his or her past performance on the Board.

III. Duties of Chairman and Deputy Chairman

- a. The Chairman of the Board presides over the Board. The Deputy Chairman replaces, and assumes the powers and duties of the Chairman when the Chairman is absent.

- b. Duties. The Chairman of the Board is primarily responsible for the activities of the Board and its committees. She/he shall act as the spokesman for the Board and is the principal contact for the Director General. The Director General and the Chairman of the Board shall meet regularly.

- c. Responsibilities. The Chairman ensures that:

- i. Board Members, when appointed, participate in an Orientation program and, as needed, additional education or training programs;
- ii. The Board Members receive all information necessary for them to perform their duties;
- iii. The Board has sufficient time for consultation and decision-making;
- iv. The committees function properly;
- v. The performance of the Board Members is evaluated at least once every two years;
- vii. The Board has proper contact with the executive management.

- d. In addition, the Chairman is primarily responsible for:

- i. Ensuring the Board performs its duties;

- ii. Determining the agenda of Board meetings, chairing such meetings and ensuring that minutes are kept of such meetings;
- iii. Consulting with external advisors appointed by the Board;
- iv. Addressing problems related to the performance of individual Board Members; and,
- v. Addressing internal disputes and conflicts of interest concerning individual Board Members and the possible resignation of such Members as a result.

IV. Corporate Secretary

- a. Corporate Secretary. The Corporate Secretary is the secretary of the Board and is required to assist the Board as required by the general law and best practice.
- b. General Access. All Board Members may go to the Corporate Secretary for advice or guidance in the understanding of and the execution of their duties.
- c. Responsibilities. The Corporate Secretary seeks and provides all relevant information and material and takes such steps as will support the Board in following correct procedures, acts ethically and in compliance with all relevant governance principles, so that the Board will itself comply with its obligations under Law and the GOJ requirements and guidelines and will make conforming strategy and policies.

The Corporate Secretary shall assist the Chairman of the Board in organizing the Board's activities and administration including governance and compliance, general administration, use of Seal, liaison – internal and external, providing information, preparing agenda, reporting of meetings, evaluations and training programmes, signing of documents and instruments, and record-keeping.

- d. Support for the Corporate Secretary. The Corporate Secretary shall be supported in achieving these purposes and carrying out responsibilities by the Secretariat in the Office of the Director General.

V. Committees

- a. Establishment of Committees. The Board may appoint committees from among its Members to perform specific tasks. The Board shall determine the Members of any committee and this determination will be in accordance with the Law and GOJ requirements and guidelines. The Board shall establish an Audit & Risk Committee, a Procurement Committee, a Human Resource Committee, a Finance Committee and a Technical Committee.
- b. Board Responsibility for Committee Action. The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. A Committee may be

asked to make recommendations to the Board, but decisions that, by law, must be taken by the Board may not be delegated to a committee.

c. Committee Reporting. Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each Board Member has unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

d. Committee Charters. The Board shall establish (and may amend) charters for each Committee. The charters shall indicate the role and responsibilities of the Committee, its composition and how it should perform its duties. The charter of a Committee shall require that the Committee has no less than two Members (or, if the Committee is composed of three or fewer Members, one member) who are independent, as defined in Section B Article I paragraph (d) of this charter.

e. Website Disclosure. The charters and the composition of the Committees shall be posted on the Authority's website.

C. Chapter II: Duties and Powers

I. General Duties and Powers

a. General Responsibilities. The Board oversees the general business of the Authority. The entire Board is responsible for such supervision and oversight.

b. The Board Acts in the Interest of the Authority. The Board shall act in the best interests of the Authority and its business, taking into consideration the interests of the Authority's stakeholders. Board Members shall perform their duties independent of any particular interest in the Authority. Members should not support one interest without regard to the other interests involved.

c. Quality of Performance. The Board is responsible for the quality of its own performance so that this accords with the Law and GOJ requirements and guidelines.

d. Action in Concert. As much as they can, within their individual responsibilities as Members of the Board, Members shall act and speak in concert with respect to decisions when taken by the Board.

e. Provision of Information. The Chairman and the Director General supported as required by the Corporate Secretary shall see to it that the management provides the Board and its committees with the information they need to properly function, in a timely manner.

f. Responsibility for Securing Information. The Board and its individual Members each have responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary; it may obtain information from officers and

external advisers of the Authority. The Executive Management shall aid the Board in obtaining such information. The Board may require certain officers and external advisers to attend, but never to vote at its meetings.

g. Access to Records. Each member of the Board has access to the books and records of the Authority, if useful to perform his or her duties. Unless the charter of a committee states otherwise, Board Members shall consult with the Chairman of the Board and the Corporate Secretary before exercising their privilege under this provision.

h. Use of Experts. The Board may hire experts to assist or advise them. The cost of such experts shall be agreed to by the Board and shall be paid by the Authority. A Member may rely upon the advice of the relevant expert so long as the Member has no reason to question the expert's report or conclusion.

i. Power to Co-Opt to Board Committees. In order to ensure that committees have the capability to perform the duties assigned, the Board may co-opt, to perform the duties of a committee, individuals who are not Members of the Board but who possess the range of qualifications relevant to the functions of the Authority. Individuals co-opted to a committee shall have the rights and responsibilities of other members of that committee, provided that:

- (a) The chairman of a committee (with casting vote on decisions where there is an equality of votes) shall be a Board Member; and
- (b) Generally Board Members shall comprise not less than one-half of the committee members, save and except for the Procurement Committee where not more than 40% of the committee shall be Members.

II. Duties Regarding the Supervision of Management

a. Nature of Supervision. In supervising the management, the Board shall consider:

- (i) the plans and programmes to achieve the Authority's objectives;
- (ii) the strategy and risks in the Authority's activities;
- (iii) the structure and operation of the internal risk management, and audit and control systems;
- (iv) the financial reporting process;
- (v) compliance with law and regulations; and,
- (vi) any other matters which the law requires or permits the Board to consider.

b. Financial Reporting. The Board supervises the Authority's financial reporting in accordance with Section C Article V below.

c. Annual Risk Review. At least once per annum, the Board shall discuss the Authority's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

e. Resolutions Subject to Approval. The following resolutions are subject to the approval of the Board:

- i. Determining and amending the operational and financial strategic objectives of the Authority;
- ii. Determining and amending key performance indicators in support of the strategic objectives (including, for example, any financial ratios);
- iii. The resolutions listed in Annex 1 of this Charter; and,
- iv. Any other matters that the Law and GOJ requirements and guidelines requires the Board to approve.

III. Duties Regarding the Members and the Performance of the Board

a. Duties Regarding Board. The duties of the Board (in consultation with the appropriate Board committees) in relation to the Members of the Board include, but are not limited to the following:

- i. Defining the roles of committees required
- ii. Establishing committees
- iii. Appointment of Members to committees,
- iv. The evaluation of the Board,
- v. evaluation of Members
- vi. Evaluation of the committees
- vii. Evaluation of the Board Profile, conducted under the GOJ guidelines by the responsible Minister,
- viii. Providing the orientation, education and training; and
- ix. Addressing any conflict of interest issues

b. Board Self-Assessment. At least once a year, the Board shall discuss its own activities and those of its individual Members, the effectiveness of such activities, and the composition and competence of the Board.

c. Members' Attendance. If a Member fails to attend Meetings regularly this suggest inability or unwillingness to meet the requirements of his or her fiduciary duties to the Authority and its mission. This would undermine effective oversight and corporate governance. Members are expected to attend at and actively participate in all regularly scheduled meetings of the Board and such Committees to which they have been assigned, and to meet as frequently as necessary to properly discharge their duties. While it is understood that Members might miss meetings due to circumstances they do not control such as illness, business travel, or other duties, it is expected that Members shall notify the Chairman or Corporate Secretary prior to anticipated absence or as soon as practicable in such cases. Failure to notify is unacceptable.

The Chairman may recommend to the Minister that the appointment of a Member be revoked if a Member is absent for three (3) consecutive board meetings without accepted apology or excuse or misses one third of the total number of Board meetings in a twelve-month period.

A Committee Chairman may recommend to the Board Chairman that the assignment of a Member to that Committee be re-examined if such Member is absent for three (3) consecutive Committee meetings without accepted apology or excuse or misses one quarter of the total number of Committee meetings in a twelve-month period.

Attendance at meetings by Members shall be recorded.

IV. Other Duties of the Board

- a. Duties Generally. The other duties of the Board include:
 - i. Duties regarding the external auditor as described in Section C.VI. of this Board charter and in the charter of the Audit and Risk Committee; and,
 - ii. Other duties imposed by law, the GOJ Requirements and Guidelines, this charter and the charter of a committee.
- b. Annual Report and Accounts. The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by Law and the GOJ requirements and guidelines

V. Supervision of Financial Reporting

- a. General Supervision Responsibilities. The Board, in collaboration and or with any guidance of the Audit and Risk and Finance Committees, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly (if any) and semi-annual financial reports and any other financial information.
The Board, with the active consultation of or through the Audit and Risk Committee, also supervises the internal control and audit mechanisms for external financial reporting.
- b. Discussion of Financial Reports. The Audit and Risk Committee shall regularly, and in any event as soon as possible, provide the Board with reports on the annual report and accounts, and the quarterly (if any) and semi-annual financial reports, which will then be discussed at a meeting of the Board. The annual report and accounts for the any just ended shall be discussed in a meeting with the Board within four months of the year end. The semi-annual and quarterly (if any) financial reports of the Authority for any respective period just ended shall be discussed in a meeting with the Board within two months of the end of the period.
- c. External Auditor. Pursuant to and in accordance with the Law and GOJ requirements and guidelines, the external auditor:
 - (i) shall be entitled to be given notice of and attend every meeting of the Members or Audit and Risk Committee, in relation to matters concerning the auditor's functions or on which the auditor has made a report; and
 - (ii) shall attend every such meeting when requested to do so by the Board Members or Audit and Risk Committee, at which, for example, the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the Board decides whether or not to approve the annual accounts;
 - (iii) shall receive such information and explanation and records, documents, books of accounts and vouchers of the public body or any of its subsidiaries as the auditor may require in order to enable him to prepare any report required by the Public Bodies Management Accountability Act or any relevant enactment. Such information may include, but is not limited to any financial information underlying the quarterly (if any)

and/or semi-annual financial reports, and other interim financial reports, and shall be given the opportunity to respond to all queries;

- (iv) shall have access to the detailed records kept of the meetings the Audit and Risk Committee shall keep and such records shall be made available to the external auditor and any examiner of a public body during any external audit or examination.

d. Audit and Risk Committee is Principal Contact with External Auditor. The Board's principal contact with the external auditor is through the Chairman of the Audit and Risk Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit and Risk Committee and the external auditor.

e. Recommendations by External Auditor. The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the Authority's internal controls, as expressed in the 'management letter'.

VI. Duties Regarding Nomination and Assessment of External Auditor

a. Appointment of External Auditor. The external auditor shall be appointed in accordance with the Public Bodies Management and Accountability Act and applicable GOJ guidelines. The appointment must be approved by the Minister responsible for Transport. The Audit and Risk Committee shall be responsible for the oversight of the external audit process and recommend the appointment and removal of the External Auditor and advise the Board on such matters. The Board nominates a candidate for this appointment based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor.

b. Compensation of External Auditor. The compensation of the external auditor, and instructions to the external auditor to provide non-audit services, shall be closely reviewed and approved by the Board on the recommendation of the Audit and Risk Committee, thus ensuring for the auditor's independence.

c. Reports to the Board. The Audit and Risk Committee shall report their dealings with the external auditor to the Board on an annual basis, including their assessment of the external auditor's independence (for example, the desirability of rotating the responsible partners of the external auditor and the desirability of the external auditor providing both auditing and non-audit services to the Authority). The Board shall take this into account when deciding its nomination for the appointment of an external auditor.

d. Assessment. At least once every three years, the Audit and Risk Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the Board so it may assess the nomination for the appointment of the external auditor.

e. Conflicts of interest. Conflicts of interest and potential conflicts of interest between the external auditor and the Authority shall be resolved in accordance with the policy laid down in Annex 2 or, to the extent not dealt with in this Annex, as determined by the Board on the recommendation of Audit and Risk Committee. Board Members must inform the Chairman of the Audit and Risk Committee of any matters they know of that may compromise the independence of the external auditor or that may result in a conflict of interest between the external auditor and the Authority.

f. Representation by External Auditor. When appointed, the external auditor shall state it is aware of:

- (i) the Authority's policy set out in Section C. Article VI paragraph (e) and Annex 2: and,
- (ii) other matters provided for in this charter and the charter of the Audit and Risk Committee and that she/he agrees to abide by and promote such policies.

g. Notice of recommendation not to renew the appointment. Where the Board does not recommend the renewal of appointment of the external auditor, the Board shall give written notice to the Auditor-General and the responsible Minister stating the reasons therefor.

VII. Duties to Ensure effective Internal Control

- a. Internal Control systems. Pursuant to and in accordance with the Law and GOJ requirements and guidelines and general best practices for effective oversight, the Board ensures that the Authority establishes and maintains internal control to include internal audit, risk management and procurement functions.
- b. Board Committees assigned to oversee these internal control structure and systems are
 - i. the Audit and Risk Committee having responsibility for the oversight of internal audit systems which should supervise, liaise with and take reports from, and also conduct the performance evaluation of the Chief Internal Auditor
 - ii. the Procurement Committee having responsibility for the oversight of procurement functions including activities, decision-making and approvals.

VIII. Compensation of Executive Management and Board Members

- a. Compensation policies and activities should be reported on and planned and shall be in accordance with the Law and GOJ requirements and guidelines.
- b. Approval by the Board Meeting. The remuneration policy planned for the next financial year and subsequent years as specified in the remuneration report shall be submitted to the Board for its approval. Every change to the compensation policy shall also be submitted to the Board for its approval.

c. Remuneration. The Board shall determine the compensation of the executive management within the terms of the remuneration regulation, policy and directives, prescribed by the Ministry responsible for Finance and the Public Service.

d. Extraordinary Compensation. If a Board Member or former Board Member is paid special compensation during any financial year, an explanation of this compensation shall be included in the remuneration report and the annual report. The remuneration report shall detail and explain any compensation paid or promised to a Board Member.

IX. Relations with Stakeholders

a. Compliance with Law. The Board shall ensure that all laws regarding the duties, functions, responsibilities, powers and rights of the Authority and the Members are complied with.

b. Attendance by Members. The Chairman shall use his best endeavours with the support of the Corporate Secretary to ensure, through monitoring, notices and follow up, that all the Members of the Board attend the Board meetings (unless there are important reasons duly notified for non-attendance).

c. Disclosure of Resolutions. Except as required by law or the Authority's operational requirements, a Resolution of the Board may be publicly disclosed only through a statement from the Chairman of the Board.

d. Changes to Corporate Governance. Any substantial change to the corporate governance structure of the Authority shall be submitted to the Board for discussion under a separate agenda item.

f. Attendance by external auditor. Pursuant to the directive of the Board and or the Audit and Risk Committee the Corporate Secretary shall notify the engagement partner of the external auditor of all meetings at which his/her presence is required or entitled, relying on the provisions of the Public Bodies Management Accountability Act and or Chapter II, Paragraph V(c)(i)-(ii) herein, so that the engagement partner of the external auditor shall or may attend the Board and or Audit and Risk Committee meeting, as the case may be, and be available to address the meeting. The external auditor may be questioned by the Board in relation to the audit of the Authority's financial statements.

D. Chapter III: Board Meetings; Decision-Making

I. Meetings, Notice, Agenda and Venue

a. Meetings. The Board shall meet as often as necessary, but not less than ten (10) times in each year. If possible, meetings shall be scheduled annually in advance. The Board shall meet earlier than scheduled if deemed necessary by the Chairman of the Board or two other Members of the Board.

A Special Meeting may be called by the Chairman; and shall be called by the Chairman if two Members request same in writing.

A private Members Caucus to exclude the Director General may be called by the Chairman.

b. Notice and Agenda.

i. Save in urgent cases, as determined by the Chairman, the Notice for meetings of the Board together with or followed closely by an Agenda for each meeting shall be sent to all Board Members at least five calendar days before the meeting. For each item on the agenda, all necessary explanation and related documentation shall be provided. The Chairman shall consult with the Director General prior to convening the meeting on the content of the agenda. Each Board Member and the Director General has the right to request that an item be placed on the agenda for a Board meeting; provided that the item is notified to the Chairman at least six (6) days prior to the meeting.

ii. Board Members who have taken part in a meeting may not object to resolutions passed at that meeting on grounds of an invalid notice.

c. Venue. Board meetings are generally held at the corporate offices of the Authority but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously, and therefore participation by such modes is equivalent to attendance, and shall be so minuted.

II. Attendance at and Admittance to Meetings

a. Attendance by Director General and other Executives. The Director General, although she/he is a Member of the Board, may be excluded from its meeting where the Board deems fit. The organisation's other Executives may be invited to attend meetings of the Board in whole or in part.

b. Proxies. A Board Member may be represented at Board meetings by another Board Member holding a proxy in writing. The existence of such authorization must be proved satisfactorily to the Chairman of the meeting.

c. Undue Absence. If a Board Member is frequently absent from Board meetings, she/he shall be required to explain such absences to the Chairman.

d. Attendance by Non-Members. The Chairman, Director General and Committee Chairmen are permitted from time to time to invite officers and employees of the Authority as well as external advisors and experts to attend Board Meetings and or Committee Meetings when deemed appropriate to support the decision making in furtherance of the functions of the Authority.

The admission to a meeting in session of persons other than Board Members, the Director General, the Corporate Secretary, the Executive Management and other invited officers and employees shall be decided by majority vote of the Board Members present at the meeting.

III. Chairman of the Meeting

Board meetings are presided over by the Chairman of the Board or, in his or her absence, the Deputy Chairman. If both are absent, one of the other Board Members, designated by majority vote of the Board Members present at the meeting, shall preside.

IV. Decision-Making within the Board

a. Preference for Unanimity. The Board Members shall endeavour to unanimously pass or adopt resolutions. However, Board Members are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

b. Individual Vote. Each Board Member has the right to cast one vote.

c. Majority Vote; Quorum. Where unanimity cannot be reached and the Law, the GOJ requirements and guidelines, or a resolution duly passed, or this Charter do not prescribe a different majority, all resolutions of the Board are adopted by a simple majority of the votes cast. In the event of a tie, the Chairman of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if the quorum for meetings, being a simple majority of the Members, is present or represented.

d. Adoption at Meeting. Resolutions of the Board are generally adopted at a Board meeting, subject to paragraph herein below on use of process of Round Robin methodology.

e. Round Robin Resolution.

Upon request of the Director General or Committee Chairman, Corporate Secretary shall seek permission from the Chairman to use round robin methodology described herein for deliberations and decision-making.

Upon the Chairman's agreement, Corporate Secretary will circulate the Board Submission or information prepared by the relevant officer, as request for Round Robin Resolution (RRR) *via* email to all Members including *ex-officio* Member, with a request that the matter be considered and Members respond via e-mail to all or per telephone to the Secretariat/Corporate Secretary. A simple majority of all Members is required to carry the vote and pass the resolution. The outcome is provided to the Board Members via e-mail and the relevant officer is advised to proceed in accordance with the decision.

If the vote is carried per the RRR process, the RRR is presented for adoption and ratification of the decision at the next following Board Meeting.

If the vote is not carried, this does not preclude the re-submission of the matter for consideration at the next following Board Meeting.

f. Minutes. Minutes must be drawn up for every Board meeting and for every Resolution adopted outside a meeting. The minutes are to be signed by the Chairman of the meeting and then added to the company's record. Each member of the Board shall receive a copy of the minutes. Each member of the

Board may demand a note explaining how she/he voted or that a formal declaration by him be included in the minutes. Urgent resolutions may be drawn up and adopted immediately in the relevant meeting. Minutes shall be stored in fire-proof lock-capable safes or cabinets – for paper, and or as required in secure electronic format and location to include regular copying to a secondary off-site location for preservation in case of data corruption, equipment failure or other catastrophe so that the record might be returned to its essential state thereafter. Minutes are to be maintained *ad infinitum* however the paper versions may be destroyed after a period of not less than twenty-five (25) years of their origination.

g. Certification of Resolutions. A resolution adopted by the Board may be certified for duly authorised public disclosure only through a statement from the Chairman of the Board, or as otherwise required by the Law.

E. Chapter IV: Other Provisions

I. Conflicts of Interest of Board Members

a. Duty to Disclose. A Board Member shall immediately report to the chairman of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning his or her spouse, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree. The Board Member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

b. Related Party Transactions. A potential conflict of interest exists if the Authority intends to enter into a transaction with a related party, and the Authority shall act in accordance with the policy set out in the Law and GOJ requirements and guidelines as replicated herein on how to deal with such conflicts or potential for conflict of interest. A related party includes the following:

1. The Board Members of the Authority, the responsible Minister, affiliated or sister organisations, its subsidiary, and its Consultants.
2. The Director General or Deputies, and key officers, including anyone who directly reports to the Board or the Director General.
3. The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in this Article/paragraph.
4. Any business, and the members, Members, and key officers of any business, in which any of the natural persons listed in this Article/paragraph, own jointly or severally at least 20% of the voting rights.
5. Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in these paragraphs (1) to (5).

c. Abstention by Member with conflict of interest. A Board Member shall not take part in any discussion or decision-making regarding any subject or transaction in which she/he has a conflict of interest with the Authority.

d. Requirements to Approve Transactions with Conflicts of Interest. All transactions in which there are conflicts of interest with Board Members shall be agreed on terms that are customary for arms' length transactions in the Authority's business. Decisions to enter into transactions in which there are conflicts of interest with Board Members require the approval of the Board.

II. Compensation of Board Members

a. Approval by Board Meeting. The compensation of the Board Members is determined by the GOJ. The Board may submit proposals on its compensation to the Minister responsible for the Public Service.

b. Reimbursement of Transportation Costs. Apart from their compensation, Board Members shall be reimbursed for all reasonable transportation costs incurred in connection with their attendance of meetings. The reasonableness of such costs shall be approved by the Chairman of the Board (costs incurred by the Chairman of the Board shall be approved by the Deputy Chairman) but must be in accordance with the Law and GOJ requirements and guidelines. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairman or the Corporate Secretary on his or her behalf (or if it concerns the Chairman, the Deputy Chairman or the Corporate Secretary on his or her behalf).

c. Loans and Guarantees. The Authority and its subsidiaries shall not grant personal loans, guarantees or the like to Board Members.

III. Orientation Programme, On-going Training and Education

a. Orientation Programme. Upon his or her appointment, each Board Member shall participate in an Orientation programme that covers the Law and GOJ requirements and guidelines and policies, the Authority's strategy, general financial and legal affairs, financial or other reporting by the Authority, any specific aspects unique to the Authority and its regulatory, service-provision or administrative activities, site visits, and the responsibilities of a Board Member in relation to their role(s) and function(s) on the board.

b. Annual Review of Training. As part of its annual evaluation exercise, the Board shall conduct an annual review to identify areas where the Board Members require further training or education.

c. Costs. The costs of the Orientation course and any training or education shall be paid for by the GOJ or the Authority as the case might be.

IV. Other Positions

a. No Excess Memberships. Members of the Board shall limit their other positions so as to ensure they can perform their duties as Members of the Board. Outside Memberships may be capped by the responsible Minister (see Chapter I, Paragraph I(c)(v) herein).

b. Notice of Outside Positions. Board Members must inform the Board of their other positions which may pose or seem to pose an actual or potential conflict of interest and may be actually or potentially detrimental to the best interests of the Authority and or the Government of Jamaica before accepting such positions. If the Board determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with Section E Article I of this charter. The Corporate Secretary shall keep a list of the outside positions held by each Board Member.

V.INTENTIONALLY LEFT BLANK.....

VI. **Confidentiality**

a. Duty to Keep Information Confidential. Unless required to do so by law no Member shall, during his or her Membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Authority and/ or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Authority and which she/he knows or should know to be of a confidential nature. A Member may disclose such information to fellow Board Members as well as to staff Members of the Authority and companies in which the Authority holds a stake who, in view of their activities for the Authority and companies in which the Authority holds a stake, should be informed of the information. A Board Member shall not use such confidential information for his or her personal benefit. In carrying out this duty, each Member shall keep all documents related to Board matters and in his/her possession, inclusive of submissions, minutes, notes, summaries, reports and electronic versions of all documents, stored in a secure and safe environment at all times to include when same are being perused.

b. Return of Confidential Information. At the end of each Board Member's term of office, she/he shall return all confidential documents in his or her possession to the Authority or guarantee their disposal in a manner that ensures confidentiality is preserved.

c. Notice of Disclosure. If a Board Member proposes to disclose to third parties information which she/he has become aware of in his or her duties and which may be confidential, she/he must inform the Chairman of his or her intent and the identity of the person who is to receive the information with sufficient notice for the Chairman to be able to assess the situation and grant or deny permission for disclosure to be made by the Board Member.

d. Application of this Section. This section applies to any person attending Board or Committee meetings and should be brought to their attention by the respective Chairman. This section also applies to both official, and personal statements which in terms of their content and form are clearly only intended for the Board Members.

VII. **Miscellaneous**

a. Acceptance by Board Members. Anyone who is appointed as a Board Member must, upon assuming office, declare in writing to the Board that she/he accepts and agrees to comply with the provisions of

this Charter. A corresponding reference to this extent will be included in a Member's appointment letter.

b. Occasional Non-Compliance. If permitted by the Law and GOJ requirements and guidelines, the Board may occasionally decide (by unanimous decision) at its sole discretion not to comply with the provisions of this charter.

c. Amendment. This charter may be amended by the Board at its sole discretion without prior notification.

d. Interpretation. In case of uncertainty or difference of opinion on how a provision of this charter should be interpreted, the opinion of the Chairman of the Board shall be decisive.

e. Partial Invalidity. If one or more provisions of this charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this charter is, to the greatest extent possible, similar to that of the invalid provisions.

f. Procedures if a Member does not comply with the principles and policies and procedures set out in this Charter including specifically on Confidentiality. The following protocol shall apply where there is a question whether or not a Member has failed to comply with the principles and procedures set out in the Charter:

- i. A Member who considers that another Member has breached this Charter may inform the Chair of the alleged breach.
- ii. A Member who considers that the Chair has breached this Charter may inform the Deputy Chair of the alleged breach.
- iii. The Chair or Deputy Chair must inform the Member of the allegation as soon as possible after it has been made.
- iv. The Chair or Deputy Chair must determine a process for investigating the allegation and such process shall follow due process and natural justice principles to include:
 - (1) inviting the Member against whom the allegation has been made to make written and/or oral submissions in response to the allegation;
 - (2) consideration of the allegations and any written or oral submissions; and
 - (3) determining whether the Member has or has not breached any provision of this Charter.

- v. At the completion of the process the Board will decide what action should be undertaken as a result of the outcome of the investigation which in the case of a serious breach may include referring the matter to the Minister.

F. Annex 1: List of Approvals Required by Board

The approval of the Board is required for:

- I. All transactions between the Authority and natural or legal persons - over J\$1M, as recommended by the Procurement Committee; by Board itself pursuant to GOJ Handbook of Public Sector Procurement Procedures; and any external submissions, requests for approval or endorsement to be made by the management externally;
- II. A resolution on the operational and financial aims of the company, the strategy designed to achieve the aims, and any parameters to be used in relation to the strategy;
- III. All material transactions in which there are conflicts of interest or the potential for conflicts of interest with Board Members;
- IV. The appointment and removal of and compensation policy for the Corporate Secretary;
- V. The appointment and removal of and compensation policy for Executive Management in general and the Director General in particular;
- VI. Any changes in policy direction;
- VII. The annual capital investment budget, all acquisitions and disposals of business activities;
- VIII. All financial statements before publication;
- IX. All other acts that by the Law and GOJ requirements and guidelines, require such approval; and
- X. Any modifications to this Charter.

G. Annex 2: Policy Regarding Independent External Auditor

I. Policy

The company and its subsidiaries shall use the services of the external auditor only to the extent this does not prejudice the independence of the external auditor.

II. Terms of Reference

The external auditor must be independent.

These regulations are based on the principles that:

- (i) the external auditor must be independent from the client audited, both in mind as in appearance; and,
- (ii) an external auditor is someone who is able, in the light of all relevant facts and circumstances, to form an objective and impartial opinion on all matters that fall within the scope of his or her assignment.

Under the PBMA Act and the GOJ CGF an external auditor is not allowed to perform a statutory audit if she/he has financial, commercial, employment or other ties with the client that in the opinion of a reasonable and properly informed third party expert compromise the auditor's independence.

The Authority may require from the external auditor that she/he maintains the right balance between effectiveness and efficiency; e.g. audit costs, risk management, independence and reliability. The Audit and Risk Committee sees to it that the external auditor complies with the relevant provisions of the law and GOJ Requirements and Guidelines and the above terms of reference, and may request more detailed explanations and written confirmations from the external auditor that these provisions are followed. In addition to the audit work, the external auditor of the Authority may also carry out non-audit work, to the extent allowed under applicable legislation and regulations and the internal procedures of the Authority. The non-audit work shall not jeopardize the independence of the external auditor. In no event shall the individuals performing the audit work engage in any non-audit work. All audit and non-audit work (including fees and conditions) carried out by the external auditor for the Authority must be approved in advance by the Board on a proposal of the Audit and Risk Committee. The Board may, within the framework set by the Board, delegate this duty to the Audit and Risk Committee that in turn, in exceptional circumstances only, may delegate this power to its Chairman, on the understanding that a decision by the Chairman of the Audit and Risk Committee to give his or her approval will be presented to the full Audit and Risk Committee at its next meeting.

III. Work

Audit Work

Audit work means the audit of the annual financial reports of the Authority, the assessment of interim financial reports that are disclosed, services that are traditionally provided by the external auditor and that are related to filings and obligations under legislation or regulations, and services that only the external auditor can reasonably provide. The external auditor does not need to go through a tender process for each individual engagement.

Non-Audit Work

The Board shall on the proposal of the Audit and Risk Committee set one or more financial thresholds for non-audit work of the external auditor other than:

- (i) Services that can only be provided by the external auditor;
- (ii) Services that are an extension of the work performed as part of the audit of the Authority or rely on work performed as a part of the audit such that the quality and timeliness of the services can most effectively be provided by the external auditor; or
- (iii) Services that enhance the effectiveness of the external auditor's examination of the Authority's financial statements.

For non-audit work by the external auditor that is expected to exceed these thresholds, a very strong rationale must be presented to support the selection of the external auditor and alternative service providers should be considered.

For further explanation whether certain activities should be considered audit work or non-audit work and whether certain non-audit activities fall under any of the categories listed above, the head of the internal audit department should be contacted who, when in doubt, will consult the Chairman of the Audit and Risk Committee.

IV. Rotation of Partners Responsible for Audit Work

In order to prevent the external auditor and the Authority becoming too close, the number of years a person may be part of the audit team of the external auditor, is capped. Partners of the audit team for the Authority who are charged with essential audit tasks must be replaced at minimum every three year(s) after the start of their involvement. The partners of the audit team for the Authority charged with essential tasks who have been replaced are not allowed to work on a new assignment for the Authority until at least three years have expired from the date of their replacement.

The Audit and Risk Committee shall also supervise the risks of dependency of other Members of the audit team of the Authority who are involved with the audit for a significant period. The Audit and Risk Committee shall consult the engagement partner of the external auditor regularly on safeguards set up by the external auditor to assess the risk of dependency and to reduce it to an acceptable minimum level.

V. Appointment of the External Auditor

The external auditor shall be appointed in accordance with Section C.VI. of this charter of the Board. If the decision is taken to call in the services of another external auditor, the tender process approved by the Audit and Risk Committee shall be followed.

VI. Staff Transfer Restrictions

The Authority and the external auditor shall agree on a policy regarding the restriction of staff transfers from the Authority and its group to the organization of the external auditor and vice versa, taking into account all relevant legislation and regulations.

This policy is subject to the approval of the Board. In no event, however, shall the Authority hire an audit partner or other senior member of the audit staff of the external auditor if such person audited, conducted a review of or prepared the Authority's financial statements during the previous one year, in particular as the Authority's Member of Finance.

---END---

ADOPTION & AUTHENTICATION

This Charter has been adopted as revised by the Members of the Jamaica Civil Aviation Authority and is intended to assist the Board and its Committees in the exercise of their responsibilities. It is reiterated that these principles and policies are in addition to and are not intended to change the applicability of, nor interpretation of any Law or GOJ requirements and guidelines.


The Board of Members will review this Charter at least annually and or, where appropriate, revise, adjust or amend same from time to time.

This version has been adopted by the Board at its regular meeting held at 4 Winchester Road, Kingston on January 29, 2019 and the signature of the Chairman of the Jamaica Civil Aviation Authority, signifies such approval for effectiveness.

CHAIRMAN's SIGNATURE:



Chairman: PHILLIP HENRIQUES



Date: