



## CHASE FUND

### BOARD CHARTER AND CORPORATE GOVERNANCE GUIDELINES

**CHASE FUND** is registered under the Companies Act as a company limited by guarantee not having a share capital with statutory functions pursuant to section 59 F of the Betting, Gaming and Lotteries Act of Jamaica.

**CHASE FUND** has to comply with the:

- **Companies Act, 2004** along with the **Memorandum and Articles of Association for the CHASE FUND**;
- **Charities Act 2013**;
- **Public Bodies Management and Accountability Act, 2001 (“PBMA Act”)**;
- **Financial Administration and Audit Act, 1959 (“FAA Act”)**;
- **Corporate Governance Framework for Public Bodies in Jamaica 2011, Revised 2012 (Corporate Governance Framework)**; together with all other applicable laws, regulations, and codes of best business practices and governance.

### CHASE FUND’S VISION, MISSION and CORPORATE VALUES

#### VISION

To be the premier funding agency providing impactful value to Jamaica in the areas of Culture, Health, Arts, Sports and Early Childhood Education.

#### MISSION

To be the premier funding organization in the provision of quality customer care to individuals, institutions and groups seeking to enhance the initiation, promotion and development of programmes and opportunities in the areas of Culture, Health, Arts, Sports, and Education through effective collaboration, teamwork, innovation and motivated staff for the sustained viability of the Fund in the process of nation building.

#### CORPORATE CORE VALUES

The delivery of our Mission requires people who are caring, innovative, creative and committed to personal excellence and who share the following values:

- Integrity and honesty
- Respect for the individual

- Passion for excellence
- Accountability and teamwork
- Professionalism and commitment
- Dedication to making others better
- Service and results

**CHASE FUND** recognizes its responsibility to be effective in achieving the fund's statutory objectives.

As a reflection of that responsibility CHASE FUND commits to expounding the nation's culture, improving the health of the Jamaican people, embellishing the art of the people, enhancing the sport industry of a talented 'sporting nation', and enlarging the education quality of the nation at large.

## **CULTURE**

**CHASE FUND** is proud of the unique culture of Jamaica which has made a larger footprint across the world than its population size predicts.

## **HEALTH**

**CHASE FUND** knows that a healthy nation is a prosperous nation and is focused on ensuring the nation's health is sufficiently resourced.

## **ARTS**

Jamaica's art reflects the diverse nature of its population melded with different races that the **CHASE FUND** is avowed to embellish.

## **SPORTS**

A sporting nation with a rich history of sporting prowess **CHASE FUND** is committed to providing the people of Jamaica with the sporting resources critical to uphold that legacy.

## **EDUCATION**

Without an educated population the nation will fail. **CHASE FUND** is focused on buttressing the educational infrastructure to complement the learning skills of the nation's future leaders.

**The Board of Directors, Management, Officers and Employees of CHASE Fund commit themselves to the principles and best practices of governance contained in this Charter as a guide to the attainment of its statutory objectives.**

### **1. Board Mandate**

The Board of Directors is required to adopt and adhere to the recommended practices of the  
 (i) **Corporate Governance Framework for Public Bodies in Jamaica 2011, Revised 2012**  
 (ii) **Public Bodies Management and Accountability Act, 2001.** The Board is therefore required to:

- take the necessary steps: (i) for the efficient and effective management of the CHASE FUND; (ii) to ensure accountability of all persons who manage the resources of the CHASE FUND **(PBMA Act Section 6)**;
- develop adequate information, control, evaluation and reporting of the statutory objectives of the CHASE FUND **(PBMA Section 6)**;
- develop specific and measurable objectives and performance targets for the CHASE FUND **(PBMA Section 6)**;
- advise the responsible/portfolio Minister on the undertakings of the CHASE FUND **(PBMA Section 6)**.

The Board shall also ensure that:

- (a) **CHASE FUND** is compliant with the applicable laws and regulations;
- (b) all stakeholders receive meaningful information with an appropriate degree of transparency with which to judge reasonably, the effectiveness of the Board of Directors and Senior Executive Management with respect to meeting CHASE FUND's statutory obligations.
- (c) The Board's role is critical to Jamaica's development and includes contributions and donations in the areas of health, education, community outreach and sports.
- (d) The Board of Directors shall ensure that Management has in place appropriate policies and processes to effectively approve and distribute these contributions and donations across the aforesaid areas.

## 1.2 Selection and Composition of the Board of Directors

Until otherwise determined by the Company in its Annual General Meeting, or in a General Meeting, the number of Directors shall not be less than eight (8) or more than fifteen (15). **(Betting, Gaming and Lotteries Act, Section 59 F (2)).**

## 1.3 Board Functions

### **General Responsibilities of the Board of Directors are as follows:**

- to provide the guidance and oversight in accordance with the relevant statutes, governing codes and Government of Jamaica guidelines.
- to administer the business and affairs of the CHASE FUND including the review of management decisions, on-going monitoring of corporate business performance, plans and strategies, risk assessment, management compliance with legal requirements and corporate

policies as well as the quality of financial and other reports to be submitted to the responsible Minister in accordance with **(Sections 22 & 23 of the PBMA Act)**.

- to ensure good governance of the CHASE FUND by establishing the vision and mission of the CHASE FUND, strategic objectives, policies and procedures that may guide and direct the activities of CHASE FUND and the means to attain same as well as the mechanism for monitoring management's performance. **While the management of the day-to-day affairs of the CHASE FUND is the responsibility of the management team**, the Board is, however, responsible for monitoring and overseeing management's actions.
- To ensure the presence and adequacy of internal control mechanisms for good governance. The minimum control mechanisms for the Board's oversight responsibility include, but shall not be limited to:
  - (i) appointment of the Chief Executive Officer of the CHASE FUND;
  - (ii) defining the duties and responsibilities of the Chief Executive Officer of the CHASE FUND;
  - (iii) reviewing proposed senior management appointments; and
  - (iv) ensuring the selection, appointment and retention of qualified and competent management, reviewing CHASE Fund's personnel and human resources policies.

The Board of Directors shall undertake a formal annual evaluation of its own performance and that of its Committees and individual Directors. Board Evaluations are recognized as an essential component of good governance practices and can contribute significant improvements on four (4) levels:

**(a) Board**

- Builds trusts between Board members, encourages active participation and develops team dynamics;
- Demonstrates effective leadership behaviours by improving decision making, better time management and more efficient meetings.

**(b) Directors**

- Encourages individual director involvement which promotes commitment and a sense of ownership;
- Identify areas where the Directors' skills need development and ensuring that those skills are utilized effectively.

**1.4 Specific Responsibilities for Chairman, Company Secretary and the Board of Directors:-**

## 1.5 Chairman

The (Corporate Governance Framework for Public Bodies in Jamaica 2011, Revised 2012) states: The Minister appoints the Chairperson as head of the Board, who in turn is directly responsible to the Minister in relation to the implementation of the statutory objectives of the CHASE FUND. The Chairperson is responsible for:

- Chairing the meetings of the Board, maintaining the orderly conduct of meetings, affording participants a reasonable opportunity to speak and ensure that minutes of meetings accurately record decisions taken;
- Engaging all Board members and ensuring that they are fully informed of any issues on which a decision has to be taken;
- Exercising impartial judgment, acting objectively and ensuring all relevant matters are placed on the agenda and prioritized properly;
- Providing direction to the Company Secretary;
- Leading the Board in reviewing the performance of the Chief Executive Officer on an annual basis through an objective process as provided under the Government of Jamaica Accountability Framework;
- Appointing Chairpersons and members of Board Committees and conducting evaluation of their performance;
- Authorising and overseeing the execution of the annual, performance evaluation of the entire Board and individual members;
- Maintaining communication protocols with the Minister, Permanent Secretary and other stakeholders as established by the responsible Minister;
- Ensuring that a formal process of on-going professional development, sensitization and to improve the competency and level of performance of the Board members is effected in keeping with the related guidelines of the Ministry of Finance & the Public Service.

## 1.6 Company Secretary

**Every company shall have a secretary (Companies Act, Section 172 (2)).**

The Company Secretary is appointed by the Board. The function is essentially one of a central source of guidance to the entire Board on all matters of Corporate Governance, including sensitization and professional development of Directors, effective operations of the Board, regulatory and ethical standards compliance **(Corporate Governance Framework for Public Bodies in Jamaica Chapter 2 Principle 5).**

### 1.7 Board of Directors

The Board of Directors shall exert its best efforts to ensure a high standard of best practice for the CHASE FUND. In pursuance thereof, the Board shall perform all the functions and duties which it is required to perform under the (i) Betting, Gaming and Lotteries Act; (ii) Charities Act; (iii) Companies Act; (iv) Corporate Governance Framework for Public Bodies in Jamaica 2011, Revised 2012, (v) Public Bodies Management and Accountability Act, 2001 and any other relevant regulations. To this end, the Board of Directors shall -

- properly discharge Board functions by meeting regularly. Independent views during Board meetings should be given due consideration and all such meetings shall be minuted.
- establish an Audit Committee and such other Committees as are required by law and/or the requirements of good corporate governance.
- provide sound written policies and strategic guidelines on key capital expenditures, and periodically evaluate and monitor implementation of such policies and strategies.
- ensure that the CHASE FUND complies with all relevant laws, regulations and, as far as possible, best industry practices.
- adopt a system of internal checks and balances, which may be applied in the first instance to the Board. Such system shall be regularly reviewed and updated for effectiveness.

### 1.8 Specific Responsibilities of each Director

Pursuant to the **Companies Act (Section 174)** every director and officer of a company in exercising his powers and discharging his duties shall-

- act honestly and in good faith with a view to advancing the best interest of the CHASE FUND; and
- exercise the care, diligence and skill that a reasonable prudent person would exercise in comparable circumstances, including, but not limited to the general knowledge, skill and experience of the director or officer.

#### **Additionally, each Director is required to:**

- commit sufficient time for preparing and attending meetings of the Board and its Committees. Directors who are unable to attend a Board Meeting have a responsibility to review board papers received prior to the Meeting and submit any general comments or questions to the Company Secretary for discussion at the Board Meeting.

- Have in-depth knowledge of the CHASE FUND's statutory objectives so as to make informed and objective decisions thereto.
- Act judiciously. Before deciding on any matter brought before the Board of Directors, every Director should evaluate the issues, ask questions and seek clarification as appropriate.
- Exercise independent judgment. A Director should view each problem/situation objectively and support plan and ideas which he/she believes are in the best interest of the CHASE FUND.

### **1.9 Conflicts of Interest/Disclosure**

A Director must avoid conflicts between his/her personal interests and those of CHASE FUND. If a director is in any way, whether directly or indirectly, interested in a transaction or proposed transaction with the CHASE FUND, he/she shall as soon as practicable after the relevant facts come to his/her knowledge declare the nature of his/her interest at a meeting of the Directors of the CHASE FUND. These shall include but not be limited to;

- Any interest in contracts or proposed contracts with the CHASE FUND;
- General disclosure on interest in a firm, which does business with the CHASE FUND;
- Interest in securities held by the CHASE FUND.

Disclosure shall be made in writing and such disclosure shall be recorded in the Minutes of the Board Meetings.

The Director shall then excuse himself/herself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue. The disclosure of a Director's interest shall include interests of his/her family and affiliates of his/her business.

### **1.10 Code of Conduct**

All Directors are expected to:

- Act with honesty and integrity;
- Be open and transparent in his/her dealings;
- Use his/her power responsibly;
- Do not place himself/herself in a position of conflict of interest;
- Strive to earn and sustain public trust of a high level;
- Demonstrate accountability for his/her decisions;
- Not engage in activities that may bring himself/herself or the CHASE FUND into disrepute;
- Act fairly and impartially;
- Avoid bias, discrimination, caprice or self-interest;
- Demonstrate respect for others by acting in a professional and courteous manner;
- Ensure information gained as a Director is only applied to proper purposes and is kept confidential;

- Use his/her position appropriately. Do not use such position as a Director to seek an undue advantage for himself/herself, family members or associates, or to cause detriment to the CHASE FUND;
- Exercise due care, diligence and skill. Ascertain all relevant information; make reasonable enquiries, understand the financial, strategic and other implications of board decisions;
- Act within the powers and for the functions set out in the **Betting, Gaming and Lotteries Act, Charities Act, Companies Act, the PBMA Act, Corporate Governance Framework for Public Bodies in Jamaica** and any other enabling legislations or regulations; and
- Demonstrate leadership and stewardship.

### 1.11 Director Orientation and Education

It is the responsibility of each Director to acquaint himself/herself with the statutory objectives of the CHASE FUND, policies of the Board, CHASE FUND's Corporate Plan, the organizational structure and the corporate governance policies, procedures and best practices.

The Human Resources Personnel should conduct a comprehensive orientation process for new Directors to become familiar with the CHASE FUND's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material and meetings with senior management. An annual Board Retreat is recommended.

### 1.12 Board Compensation

This is determined by the Corporate Governance Framework for Public Bodies in Jamaica, revised 2012 (Corporate Governance Framework).

### 2.0v Board Committees

Board Committees are established in accordance with the statutory obligations of the CHASE FUND, each with clearly defined Terms of Reference, Procedures, Responsibilities and Powers, in order to support the Board in effectively performing its duties.

The members of the Board Committees are chosen by the Chairman of the Board, who also appoints the Chairperson of the respective Committees.

Each Committee reports directly to the Board and the Board as a whole remains accountable for any decisions made by its Committee.

The Board of Directors remains **collectively responsible** for the decisions and actions taken by a 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. Decisions that, by law, must be taken by the Board may not be delegated to a Committee.

The Chairperson of all Board Committees should be Non-Executive Directors.

Terms of Reference should be made available for each Committee setting out the parameters within which Committees can operate and should contain therein their duties, responsibilities, appointment procedures and quorum requirements.

The Board may, at its discretion, establish other Committees as it sees fit.

## **2.1 Relationship between the Committees and the Board:**

Reports that are submitted to the Committees of the Board are included in the monthly Board Documents. The Board of Directors in Board Meetings shall:

- Review and approve/ratify decisions of Committees and save for the powers which are delegated to Committees, retain responsibility for approval of:
  - (i) Interim and annual financial statements;
  - (ii) Business/Corporate Plan and Operating Budget;
  - (iii) Lending and investment policies.
- Review annually the Committee's policies, practices and performance.

## **Frequency of Meetings:**

During each financial year, there shall be regular monthly Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

## **Composition of Board Committees.**

Includes all non-executive Directors including the Chief Executive Officer.

All Board Committees should consist of at least **three (3)** Directors, including the Chief Executive Officer. Persons external to the Board with the requisite skills, knowledge, expertise and experience may be appointed by the Chairman to the Board Committees as deemed necessary.

Board Committees are required to review, analyse, monitor and recommend to the Board, policies and strategies which have been implemented or proposed by management.

## **2.2 Distribution of Board Material**

All Board materials should be distributed to the Directors at least five (5) days in advance of a Board meeting.

## **2.3 Selection of Agenda Items for Board Meetings**

The Chairman, the Chief Executive Officer and Company Secretary shall establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the Agenda.

Information important to the understanding of the business of the board shall be distributed electronically and or in writing to the Board at least 5 days before the Board meetings.

As a general rule, presentation on specific subjects should be sent to the Board Members in advance to save time at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

#### **2.4 Additional attendees to the meeting**

The Board of Directors encourages the Management to bring managers into Board meetings who:

- can provide additional insight into items being discussed because of personal involvement in these areas.

#### **2.5 Board Relationships**

Board relationships shall include:

- (a) Interaction with the Chief Executive Officer;**
- (b) Contact with the portfolio Ministry, media, suppliers, contractors, consultants and stakeholders; and**
- (c) Access to management and employees.**

### **3.1 Audit & Finance Committee**

The **PBMA Act (Section 8)** states that:

- (i) Inter alia, the Audit Committee of a public body shall consist of not less than three (3) Directors and should act as an advisor to the Board of Directors.

#### **Membership:**

**Three (4)** directors, together with the Chief Executive Officer and the Finance Manager in attendance.

**Section 9 (1) (a) of the PBMA Act** states that the Audit Committee of a public body shall advise the Board on:-

- (i) practices and procedures which will promote productivity and the quality and volume of service;
- (ii) the extent to which the objects of the public body are being achieved; and
- (iii) the adequacy, efficiency and effectiveness of the accounting and internal control structure and systems of the public body.

#### **Quorum:**

Two (2) Directors

#### **Frequency of Meetings:**

Monthly.

**Role/Principal Functions:**

➤ **Financial Statements:**

- Monitor the integrity of the CHASE FUND's financial statements, the accounting and financial reporting processes and audits of the financial statements;
- Assess CHASE FUND's policies and programmes regarding adequacy, efficiency and effectiveness of internal controls with respect to CHASE FUND's financial transactions and thereafter advise the Board of Directors.

➤ **Regulatory Compliance:**

- Review and monitor provisions and legislative amendments affecting compliance under the applicable laws (Companies Act, PBMA Act and the FAA Act).

➤ **Auditors:**

- Review and advise the Board on the External Auditor's Report and on any special audit conducted by CHASE FUND portfolio Ministry's auditors or the Auditor General's Department. **Section 8 (4) of the PBMA Act** states that the External Auditor is entitled to be given notice of and attend every Board or Audit Committee meeting in relation to matters concerning the Auditor's functions or reports generated by the External Auditor. It also requires the External Auditor to attend every meeting when requested to do so by the Board or the Audit Committee.

➤ **Audit Work:**

- Review the internal audit reports prepared (as frequently as deemed necessary but not less than bi-monthly);
- Review the financial report for the previous month;
- Review annual Budgets for recommendation to the Board;
- Monitor CHASE FUND's fiscal performance against the budget;
- Review short term and long-term capital proposals for alignment to the strategic vision of the CHASE FUND;
- Examine and recommend strategies that facilitate CHASE FUND's maximization of revenue/minimization of expenditure;
- Review policies and procedures over CHASE FUND's investment activities;
- Review policies and procedures over the recognition of grants, gifts and other contributions;
- Review and approve the write off of accounts receivable in accordance with Ministry of Finance and Public Service guidelines; and
- Review annual audited financial statements with CHASE FUND's external auditors
- Review the outcomes of audit activities;
- Review and approve the annual audit plan;

- Establish and review the mandate, nature and reports of internal audit work;
- Review the work of the External Auditor and ensure the independence of the external auditor(s);
- Review the organizational structure of the Internal Audit Department;
- Review the External Auditor's management letter;
- Inform CHASE FUND management of patterns, trends or systemic issues arising from internal audit work;
- Monitor and review CHASE FUND's implementation of audit recommendations; and
- Inform immediately the Chief Executive Officer of CHSE FUND through a Letter of Information, about suspected fraud and irregularities.

**Committee Structure:**

- **Each member of the Audit & Finance Committee shall:**
  - (a) be a member of the Board and meet the independence and other requirements established by the GOJ, International Financing Reporting Standards (IFRS) and the Institute of Internal Auditors ("IIA"), as then in effect;
  - (b) comply with the financial literacy requirements. The Board shall determine whether at least one member of the Audit Committee qualifies as an "audit committee financial expert", in compliance with the criteria established by the GOJ.

### **3.2 Arts & Culture Committee**

**Membership:**

Three (4) directors.

**Quorum:**

Two (2) directors.

**Frequency of Meetings:**

Monthly

**Role/Principal Functions:**

- The principal objective of the Culture Committee is to enhance the cultural footprint of Jamaica.
- Review Management's proposals/recommendations for culture programmes and sponsorship of same.

- The principal objective of the Arts & Culture Committee is to enhance the island's beauty of its natural and non-natural resources.
- Review Management's proposals/recommendations for artistic programmes and events and supporting the sponsorship of same.

### **3.3 Health Committee**

**Membership:**

Three (3) directors

**Quorum:**

Two (2) directors.

**Frequency of Meetings:**

Monthly.

**Role/Principal Functions:**

- To provide technical and financial consideration, review, evaluate health projects and individuals with chronic health issues for pay out and budgetary support on health equipment.
- Review Management's proposals/recommendations for health projects contracts and or public education initiatives/programmes.
- Review the monetary value of financial commitments arising from approved project submissions to ensure consistency with the Budget and to anticipate and recommend whether any additional funding should be allocated by the Board during a given fiscal year;
- Review reports and recommendations from Management on the evaluation of tenders, provide interim approvals for matters to be taken to the Board.
- Examine Project proposals and make recommendations to the Board on the implementation of such proposals;

Specifically, the Committee will oversee:

- (a) Award of Contracts in excess of \$1,000,000.00 Jamaican dollars with respect to the procurement of health equipment and construction work to include the following:
  - (i) General Contractors;
  - (ii) Consultants;
  - (iii) Procurement of Materials

- (b) Major health Equipment within the guidelines of the National Contracts Commission and the Government of Jamaica Procurement Procedures to include Ministry of Health recommendations.

### **3.4 Education Committee**

**Membership:**

Three (5) directors.

**Committee Structure:**

**Quorum:**

Two (3) directors.

**Frequency of Meetings:**

Monthly

**Role/Principal Functions:**

- The principal objective of the Education Committee is to improve the school infrastructure for the nations' children.
- Review Management's proposals/recommendations for education programmes and sponsorship of same.

### **3.5 Communications Committee**

**Membership:**

Three (4) directors.

**Committee Structure:**

**Quorum:**

Two (2) directors

**Frequency of Meetings:**

Monthly

**Role/Principal Functions:**

- Provides timely and accurate disclosure of all material information about the CHASE FUND and its activities as well as fair and equal access to such information;
- Oversee the CHASE FUND website;
- Ensures the programmes and activities of the CHASE FUND are effectively promoted and packaged and disseminated to the media.

### **3.6 Ad Hoc Committees**

The Board may establish temporary Committees to address a specific issue(s). The rules, under which such Committee governs, shall be set out at each occasion by the Board. All Committees whether explicitly mentioned or not shall be subject to the annual evaluation process, as applied to the Board itself.

### **3.7 Implementation and Review Guidelines of the Board Charter and Corporate Governance Guidelines**

Implementation and review of these guidelines is the responsibility of the Board. They should conduct an annual review and assessment of these guidelines in such manner as the Board deems fit.

**November 2018.**