



Trinidad & Tobago  
Mortgage Finance  
Company Limited

## BOARD CHARTER

Version 1.0

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## **1. PURPOSE**

This Board Charter (“Charter”) sets out the role, responsibilities, structure and composition of the Board of Directors of Trinidad and Tobago Mortgage Finance Company Limited (“**TTMF**”).

## **2. COMPLEMENTARY TO LAWS, ARTICLES AND BY-LAWS**

These provisions are complementary to the requirements regarding the Board and Board members contained in the **Companies Act Chapter 81:01** and other legislation of the Republic of Trinidad and Tobago, regulations, the Articles of Association of **TTMF** (‘Articles’), its By-Laws and the provisions governing the relationship between the committees and the Board as contained in the terms of reference of the committees (which have been adopted by the Board).

## **3. ROLE AND RESPONSIBILITIES**

The key responsibilities of the Board are as follows:

- a. To develop, review and monitor the strategic aims of **TTMF** and provide strategic direction to management.
- b. To approve and monitor annual budgets, major capital commitment, capital management, acquisitions and divestitures.
- c. Ensuring that **TTMF** has the appropriate organizational structure in place to achieve the mission and vision of the company.
- d. To identify and review principal risks that may face the company and ensure the implementation of appropriate internal controls for risk mitigation.
- e. To review the adequacy and integrity of the management information and internal control systems of **TTMF**.
- f. To provide input and final approval of management’s development of corporate strategy and performance objectives.

- g. To ensure the adoption of appropriate corporate governance practices, monitoring its effectiveness and making changes as needed.
- h. To monitor and manage potential conflicts of interest of management and board members.
- i. To monitor and manage potential misuse of corporate assets and abuse in related party transactions.
- j. To select, appoint and determine the terms of appointment of the Managing Director/Chief Executive Officer (MD/CEO), Chief Operating Officer/Secretary, General Manager, Mortgage Services and the Chief Financial Officer.
- k. To review the performance of the MD/CEO.
- l. To review succession plans for the MD/CEO and the Executive Management Team.
- m. To review and approve the company's financial statements and other reporting.
- n. To monitor compliance with legal, regulatory requirements and ethical standards.
- o. To use its best effort to provide shareholders with information necessary or requested by/for shareholders at the Annual Meeting.
- p. Other functions as stated in Section **2.2.6.2 of the State Enterprises Performance Monitoring Manual**.

#### **4. ROLE AND DELEGATION TO MANAGEMENT**

The Management of **TTMF's** day to day operations is undertaken by the management team subject to specified delegations of authority approved by the Board. The Management team is headed by the MC/CEO.

#### **5. APPOINTMENT; COMPOSITION OF THE BOARD**

The Articles provide for a minimum of 4 and a maximum of 8 Directors

The shareholders of **TTMF** appoint members of the Board.

## 6. TERM OF OFFICE AND RETIREMENT

A director (other than the MD/CEO ) may not retain office for more than three years without submitting for re-election.

At the Annual Meeting each year, one-third of the Directors for the time being or if their number is not three or a multiple of three, then the number nearest to but not exceeding one-third shall retire from office to avoid many board members retiring at the same time.

The director to retire in every year shall be those who have been longest in office since their last election but as between persons who became directors on the same day those to retire shall (unless otherwise agreed among themselves) be determined by lot.

The Board may amend the rotation plan.

## 7. DIRECTOR INDEPENDENCE

The majority of the Board shall comprise of non-executive directors determined to be independent.

An independent director is a director who:

- a. Is not, and has not been, employed by **TTMF** at any time during the past five years;
- b. Is not and has not been affiliated with a company that acts as an advisor or consultant to the company or its related parties , nor is not or has not him/herself acted in such capacity at any time during the past five years;
- c. Is not or has not been affiliated with any significant customer or supplier of the company or its related parties (i.e. a company that makes payments to , or receives payments from the company for property or services in an amount which in any single fiscal year , exceeds the greater of TT\$500,000 or 2% of such other company's consolidated gross revenues) at any time during the past five years;
- d. Does not currently have or has had any personal service contracts with the company; its related parties or its senior management at any time during the past five years;
- e. Is not affiliated with any non-profit organization that receives significant funding from the company or its related parties ;
- f. Does not receive, and has not received additional remuneration from **TTMF** apart from a director's remuneration, nor participates in the company's share option or

performance related payment plans, nor is a participant in the company's pension plan;

- g. His/her director's remuneration does not constitute a significant portion of his or her annual income.
- h. Is not employed as an executive officer of another company where any of the company's executives serve on that company's board;
- i. Is not a member of the immediate family of any individual who is or has been at any time during the past five years, employed by the company or its related parties;
- j. Is not, nor has been at any time during the past five years affiliated with or employed by a present or former auditor of the company or auditor of any related party;
- k. Has not served on the board for more than ten years.

## **8. CHAIRMAN AND DEPUTY CHAIRMAN**

The Board of Directors may elect a Chairman and Deputy Chairman from among its members and determine the period for which they are to hold office. The Deputy Chairman replaces and assumes the powers and duties of the chairman when the chairman is absent.

The Chairman must be an independent non-executive Director.

The Chairman is primarily responsible for the activities of the Board and its committees. He/she is the principal contact for the MD/CEO.

As per section **2.2.6.1 of the State Enterprises Performance Monitoring Manual**, the Chairman shall not be a member of the Audit Committee or Tenders Committee of the Company.

In addition to the responsibilities as stated in section **2.2.6.1 of the State Enterprises Performance Monitoring Manual**, the chairman is primarily responsible for:

- a. Ensuring the Board members receive all information necessary for them to perform their duties;
- b. Ensuring the Board satisfies its duties;

- c. The efficient organization and conduct of the Board's functioning, including determining the agenda of board meetings in consultation with the Managing Director, chairing such meetings and ensuring that minutes are kept of such meetings;
- d. Consulting with external advisors appointed by the Board;
- e. Addressing problems related to the performance of individual Board members;
- f. Addressing internal disputes and conflicts of interest concerning individual Board members and the possible resignation of such members as a result;

## **9. MANAGING DIRECTOR/CHIEF EXECUTIVE OFFICER**

In addition to the responsibilities of the MD/CEO listed in **section 2.2.6.5 of the State Enterprises Performance Monitoring Manual** , The MD/CEO is responsible for :

- a. Leading the development and execution of board approved strategy for desired results;
- b. Managing the management team;
- c. The assessment of business opportunities which are of potential benefit to TTMF;
- d. Bringing material and other relevant matters to the attention of the board in an accurate and timely manner
- e. Voting on any issues referred to the Board of Directors for adjudication as a full member of the Board.

## **10. SEPARATION OF FUNCTIONS BETWEEN THE CHAIRMAN AND THE MANAGING DIRECTOR**

The roles of the Chairman and the Managing Director are strictly separated.

## **11. THE COMPANY SECRETARY/ASSISTANT COMPANY SECRETARY**

The Company Secretary or the Assistant Secretary in his/her absence, is the Secretary of the board.

The Board is responsible for the appointment and supervision of the Company Secretary and the Assistant Company Secretary and any question of the removal of the Company Secretary or the Assistant Company Secretary should be a matter for the Board.

The Company Secretary, or the Assistant Company Secretary in his/her absence, sees to it that the Board follows correct procedures and that it complies with its obligations under law, the company's Articles and By-Laws. The Company Secretary shall assist the Chairman in organizing the Board's activities (including providing information, preparing an agenda, reporting on meetings).

The responsibilities of the Company Secretary are specified in **section 2.2.6.7 of the State Enterprises Performance Monitoring Manual**.

All directors have access to the advice and services of the Company Secretary or Assistant Secretary.

## **12. BOARD COMMITTEES**

The board has established committees to assist in exercising its authority including the responsibilities set out in section 3 above.

The standing committees are:

- a. Audit Committee;
- b. Asset Liability and Risk Management Committee;
- c. Human Resources Committee and
- d. Tenders Committee.

The Board may appoint from time to time committees from among its members to perform specific tasks.

The Board will determine the membership and composition of its committees, having regard to workload, skills and experience and other regulatory requirements.

The Board remains collectively responsible for the decisions and actions recommended by any committee.

A committee may only perform the tasks delegated to it by the board and may not exceed the authority or powers bestowed on it by the Board.

As per section **84(2) of Companies Act Chapter 81:01**, decisions that must be taken by the Board may not be delegated to a committee.

The Board shall establish (and may amend) terms of reference for each committee.

The terms of reference shall indicate the role, responsibilities of the committees, its composition and how it should perform its duties.

The terms of reference and the composition of the committees shall be posted on the company's official website ( [www.ttmf-mortgages.com](http://www.ttmf-mortgages.com) ).

### **13. INDEPENDENT ADVICE**

Directors have the right to seek independent professional advice on the furtherance of their service as directors, at the company's expense.

Written approval must be obtained from the MD/CEO prior to incurring the expense on behalf of the company.

### **14. CODE OF CONDUCT**

A Director must act honestly, in good faith and in the best interest of the company as a whole.

A Director must adhere to the company's 'Code of Conduct- Directors' Policy Version 1.3 as may be revised from time to time.

## **15. PUBLICATION OF CHARTER**

Key features of this Charter are to be outlined in the Annual Report.

A copy of this charter is to be made available on the company's website at [www.tmf-mortgages.com](http://www.tmf-mortgages.com) .

## **16. AMENDMENT OF THIS CHARTER**

This Charter has been adopted by the Board. Any amendment to this charter must be approved by the Board.

This Charter will be reviewed every three (3) years to ensure its continued compliance with legal and corporate governance requirements.

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