



Finance & Investment Committee Charter

The Charter has been based on the requirements of the Code of Corporate Governance 2016.

1. Objective of the Committee

- The Finance and Investment Committee shall operate as a standing Committee of STC Board of Directors; and
- In the event that any activity of this Committee is unforeseen or not specified in these Terms of Reference, the extent of the powers and duties of this Committee shall be determined by the Chairperson of this Committee in consultation with the Chairperson of the Board of STC.

2. Responsibilities of the Committee

The Committee shall undertake and be responsible for the following:

2.1 Oversight of Budgeting and financial performance

- Scrutinising the interim/provisional budgets and the annual budget and operational plan prepared by Management and advising the Board on their adoption;
- Reviewing Management accounts and monitoring performance against the financial and resource objectives approved in the operational plan and budget;
- Considering expenditure not budgeted and advising the Board on the financial and other resource implications;
- Reviewing the project portfolio against budget and operational plan;
- In accordance with the Corporation's delegated authority levels, reviewing capital expenditure policy for approval by the Committee or for recommendation to the Board;
- Considering the budgetary impact of proposed variations to activities through restructuring, acquisition/disposal or other significant changes and report to the Board;
- Recommend internal control and accountability policies; and
- Monitoring the financial position of the Corporation to ensure that it can meet its commitments and strategic objectives.

2.2 Financial strategy, planning and policy

- Reviewing the financial strategy and advising the Board on its approval. Monitoring and reporting on any subsequent changes;
- Reviewing the investment policy regularly, including risk appetite, investment parameters and ethical policy, and advising the Board on the adoption of any proposed changes;
- Receiving reports from Corporation's investment advisors and Fund Managers and monitoring their performance against the investment policy;
- Advising the Board on the financial and other impacts of new accounting policies, laws and

regulations;

- Reviewing annually or as required the funding position of the Corporation's pension funds and advising the Board on the financial implications;
- Reviewing annually or as required Management's procedures for procurement and the controls in place to ensure value for money and integrity of procedures;
- Develop policy on Donations and Sponsorship for the STC;
- Advise or seek advice on preparation of easily readable financial reports for Board Members; and
- Develop useful and readable report formats in collaboration with Management.

2.3 Financial reporting

- Reviewing the Annual Report and accounts for consistency with financial information reviewed by the Committee during the year and advising the Board on any differences;
- Reviewing annually or as required with Management the efficiency and effectiveness of financial systems and the progress made in implementing internal and external audit recommendations for enhancement; and
- Overview the internal security and confidentiality procedures including financial, computer and IT security.

3. **Membership**

- The Committee will comprise of:
 - the Chairperson of the Finance and Investment Committee;
 - 3 Board Members; and
 - the General Manager of STC and the Secretary of the Committee, who will be in attendance.
- The Committee Chairperson shall be appointed by the Board as well as other members of the Committee;
- For purposes of integrity of the process, the Chairperson of the Finance and Investment Committee cannot be the Chairperson of the Audit and Risk Management Committee;
- Membership of the Finance and Investment Committee shall be disclosed in the Annual Report;
- Appropriate training and development shall be provided to ensure that members of the Committee have the skills and knowledge to carry out their role;
- The Committee shall be appointed by the Board of Directors and any changes will be validated by the Board of Directors of the STC;
- The Board remove any member from the Committee and to fill any vacancies created by such removal; and

- In case of deadlock, the Board of Directors will be asked to decide.

4. Secretary

The Board Secretary, or his or her nominee, shall act as the Secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

5. Quorum

The quorum necessary for the transaction of business shall be at least three members, one of whom must be an independent director.

6. Frequency of Meetings

- The Committee shall meet at least once a year or as required and at time as determined by the Committee in the Boardroom of the Corporation; and
- In addition, the Committee Chairperson may convene additional Meetings of the Committee to consider business which may require urgent consideration.

7. Notice of Meetings

- The Chairperson of the Committee will set the agenda for meetings;
- Meetings of the Committee shall be convened by the Secretary of the Committee; and
- Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the Committee, any other person required to attend, as far as possible, no later than five working days before the date of the meeting. (Except for urgent meetings).

8. Minutes of Meetings

- The Secretary shall minute the proceedings and decisions of all meetings of the Committee, including recording the names of those present and in attendance; and
- Minutes of Committee meetings shall be circulated, as far as possible, no later than ten working days after the meeting to all members of the Committee. Once approved, minutes may be circulated to all other members of the Board.

9. Reporting responsibilities

The Committee Chairperson shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities and shall also formally report to the Board on how it has discharged its responsibilities.

This report shall include:

- In addition to providing the Board with the verbal updates and approved Minutes of Meetings, the Finance and Investment Committee shall produce an Annual Report to the Board to be presented by the Committee Chairperson.
- The Committee has a duty to review its own performance and effectiveness, including running costs and terms of reference, on an annual basis. The report shall be submitted to the Board for discussion.

10. Other matters

The Committee shall:

- Have access to outside or other independent professional advice as it considers necessary to carry out its duties;
- Have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- Oversee any investigation of activities which are within its term of reference;
- Work and liaise with all other Board Committees, as necessary; and
- Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board.

11. Authority

The Committee is authorised to:

- Seek any information it requires from any employee of STC in order to perform its duties;
- Obtain, at STC's expense, independent legal, accounting or other professional advice on any matter it believes it necessary to do so; and
- Call any employee to be questioned at a meeting of the Committee as and when required.

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20 April 2017