Factories Corporation of Jamaica Limited

TERMS OF REFERENCE FOR THE PROJECTS AND OPERATIONS COMMITTEE

BACKGROUND

The Projects and Operations Committee ("PC") (hereinafter called "the Committee") is established by the Board of Directors of the Factories Corporation of Jamaica Ltd (hereinafter called "the Corporation") and is a committee of the Board. The Committee shall function in accordance with the terms of reference conferred by the Board, and shall have no authority other than that conferred by the Board.

The key objective of the Projects and Operations Committee is to assist the Board of Directors in fulfilling its fiduciary and oversight responsibilities for all of the Corporation's major enterprise projects. The Committee will act in an advisory capacity to the Board by reviewing, overseeing and monitoring all development projects, all commercial space that is being acquired, leased, disposed of or rehabilitated, taking into consideration the short term and long-term strategic vision of the Corporation.

The Committee shall also examine the development and provision of the Corporation's new facilities and the change of use of existing facilities. All recommendations should be in line with government procurement guidelines and other related regulations as required.

A. PURPOSE

The Board will appoint a Projects and Operations Committee to:

1. Monitor the implementation progress of all projects, infrastructure or otherwise, that impact the development of FCJ.

2. Oversee the reporting and performance targets of each project ensuring they are in line with agreed targets and budget.

3. To support the policy direction of the Corporation by examining from time to time the development of project proposals and make recommendations to the Board on the implementation of such proposals.

4. Develop strategies to effectively address delays in the implementation of projects.

5. To provide oversight for the Corporation's business continuity programmes.

B. MEMBERSHIP

1. The PC shall be comprised of a maximum of eight (8) members with at least five (5) members being Directors.

2. The Board, through the Chairman, shall appoint the Chairman of the Committee who at all times must be a sitting Director.

3. Members will be appointed by the Board and will serve until resignation or until the termination of their appointment to the Board. Members may also be removed by majority vote of the Board of Directors.

4. The Board may co-opt, to perform the duties of the Committee, individuals who are not Directors but who possess a broad range of project related qualifications relevant to the functions of the Committee.

5. Co-opt members should not constitute more than forty percent (40%) of the committee's membership.

6. Every co-opted individual shall have all the rights and responsibilities of the other members of the Committee with respect to the work of the Committee.[1]

7. The Corporate Secretary will be the assigned secretary for the PC. In the absence of the Corporate Secretary, the Chair of the PC may make alternate arrangements for a member of the Corporation's staff to act as Secretary to the Committee.

8. The **Managing Director, Director of Finance, Property Manager, Strategic Officer and Legal Officer** shall **be invited** to all Committee meetings.

9. The Committee has the power to require any member of staff of the Corporation to attend meetings.

C. MEETINGS, QUORUM AND PROCEDURES

1. The PC will determine its own rules of procedure, provided they are consistent with the regulations that govern the Corporation and the organization, generally.

2. The PC will meet at **least monthly** and more frequently as circumstances require.

3. Failure to attend at least three (3) consecutive meetings without acceptable reasons to the Committee Chairman, will give rise to consideration of continued membership.

4. The Chair of the PC or a majority of the members of the Projects Committee may call a special meeting of the PC.

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1. [1] *(Section 8(8) – PBMA Act)*

5. **The Committee's quorum will be fifty percent (50%) membership plus 1.** This must include at least five (5) appointed Directors.

6. The PC may form sub-committees for any purpose that the PC deems appropriate and may delegate to such sub-committees such power and authority as the PC deems appropriate. No sub-Committee should consist of fewer than two (2) members.

7. Meeting agendas and documents will be prepared for each meeting and provided **within a minimum of 3 working days in advance** to the Committee members along with appropriate briefing materials.

8. Senior Management or other persons, whose advice and counsel are sought by the PC, may be invited to meetings of the Committee to provide such pertinent information as the PC requests.

9. The PC shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.

10. An annual report, which speaks to the activities of FCJ's Projects and Operations Committee, will be included in the Corporate Governance section of the FCJ's Annual Report.

D. SPECIFIC RESPONSIBILITIES AND DUTIES

The Projects and Operations Committee will have the following duties and responsibilities:

1. The Committee shall monitor, evaluate, advise and make recommendations to the Board on all projects and related policies of the organization, and shall consider any other matter delegated to the Committee by the Board.

2. The Projects and Operations Committee shall have general responsibilities for reviewing and recommending to the Board:

   2.0 To consider all projects related to infrastructure planning and the infrastructure development needs of the Corporation.

   2.1 To review appropriate systems and procedures which assist FCJ to identify the infrastructure requirements of the Corporation.

   2.2 To consider the appropriate allocation and use of space.

   2.3 To make clear recommendations and prioritize infrastructure project needs, and table these recommendations to the Corporation to facilitate decision making.

   2.4 To provide support and guidance for applications related to infrastructure needs.

2.5 To review all policies and procedures relating to the Corporation's project management.

2.6 To document and facilitate the upfront as well as ongoing costs, where appropriate, of all infrastructure projects identified.

2.7 To support the policy direction of the Board by way of ensuring the effective packaging of the Corporation's assets.

2.8 To understand and appreciate the investor community for the purpose of proper promotion, maintenance and advancement of assets.

2.9 To assess the business and economic environment and appetite for investment relative to the mandate of the Corporation.

2.10 To monitor FCJ's business continuity processes and procedures, ensuring these are tested and in line with policy requirements.

Other specific considerations for infrastructure projects by the committee

Recommendations to the Corporation will be based on the following principles:

1. Infrastructural development should be aligned with institutional goals and the Corporation's Development Framework.
2. Broad consultation.
3. Maximum effectiveness, given budget constraints.

The following will be considered in formulating recommendations:

1. The current timetable and the possibility of changes in this regard.
2. The available infrastructure and the extent and intensity of its use.
3. Current infrastructure projects already approved and either to be constructed or already under construction.
4. Current infrastructure not in use and that could be brought into use through renovations and/or refurbishment.
5. The infrastructure funding likely to be received in future years.

E. SELF-EVALUATION

a) The PC shall periodically conduct a self-evaluation of its performance.

b) In conducting this review, the PC will also evaluate whether this term of reference appropriately addresses the matters including, but not limited to, attendance and participation, or should be within its scope.

c) In conducting this review, the PC will address all matters that it considers relevant to its performance, including at least the following:
   i. The adequacy, appropriateness and quality of its information and recommendations to the Board;

ii. The manner in which they were discussed or debated;
iii. Whether the number and length of meetings are adequate for the PC to complete its work in a thorough and thoughtful manner and
iv. Understanding of the business, its objectives and services.

d) The PC will provide the Board with a written report of the results of its self-evaluation, including any recommended amendments to this term of reference.

F. COMMITTEE SECRETARY

The Secretary for the Committee shall be the Corporate Secretary who shall attend all meetings. An in-house recording secretary can be assigned to take the Minutes of the meetings.

The Committee Secretary is required to:

a) circulate the notices and minutes of the Committee meetings;

b) distribute to Committee members, **3 working days prior to the meetings** of the Committee, all agenda and documents of meetings, reports and/or related documents which are prepared for consideration by the Committee;

c) keep detailed records of the Committee's meetings; and

d) have such other duties as may be assigned by the Committee.

G. REPORTING RESPONSIBILITIES

The Committee shall report to the Board of Directors within seven (7) days after each meeting of the Committee. A written report shall be submitted to the Board through the Chairman of the Committee, at the following Board Meeting.

H. REMUNERATION

The legislation makes provision for remuneration of Committee Members and this is determined according to prescribed rates as formulated by the Minister responsible for Finance.

I. CONFLICT OF INTEREST

Where there is a conflict of interest, the Committee Member so affected shall declare his interest to the Chairman and the details of the conflict are to be recorded by the Committee Secretary.

The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

J. CONFIDENTIALITY OF COMMITTEE INFORMATION

All information received by the Committee is confidential and is the property of the Factories Corporation of Jamaica Ltd and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

K. AUTHORITY

The Committee has the authority to request the Audit & Risk Management Committee to conduct investigations into any matters within its scope of responsibility. In so doing, it is empowered to:

a) Investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of the FCJ;

b) Seek any information it requires from any officer or employee of FCJ and such officers or employees shall be instructed by the Board to respond to such enquiries;

c) Meet with officers/employee of the FCJ for the purpose of furthering its investigations; and

d) Provided that the approval of the Board is first obtained, retain outside counsel or other experts to advise the Committee or assist in the conduct of an investigation.

L. AUTHORITY TO ENGAGE ADVISORS

The PC, with the prior approval by the Board, may engage outside advisors as it deems appropriate and necessary to assist it in the effective discharge of its functions.

M. REVIEW AND ASSESSMENT OF TERMS OF REFERENCE

The Board will conduct a review and assessment of the PC terms of reference at least every two (2) years in such manner as the Board deems fit.

<u>DOCUMENT CONTROL</u>

<u>REVISION HISTORY</u>

Version	Description	Reviewed by	Date Reviewed
1	Reviewed and updated	Consultant	March 2019
2	No amendments made	Corporate Governance Committee	March 2021
3	Reviewed. No amendments necessary.	Committee Chairman	March 2023
4	Reviewed. The TOR is in keeping with the requirements for projects and operations. No amendments made.	Committee Chairman and Corporate Governance Committee.	February 12, 2025

APPROVAL HISTORY

Version	Approved by	Date Approved	Date Effective
1	Board of Directors	September 2016	Septemebr 2016
2	Board of Directors	March 2019	March 2019
3	Board of Directors	March 30, 2023	March 30, 2023
4	Board of Directors	May 1, 2025	May 1, 2025