

**TERMS OF REFERENCE  
FINANCE COMMITTEE**

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**1. PURPOSE**

The purpose of the Finance Committee is to monitor significant financial planning, management and reporting matters of the Board of Directors.

**2. RESPONSIBILITIES AND OBJECTIVES**

2.1 The Finance Committee shall:

- a. Advise the Board on:
  - i. all financial matters affecting Petrojam Limited, including investments in major projects and any significant financial planning, management and reporting issues.
- b. Make recommendations for the Boards' approval and/or deliver reports to the Board on the following issues:
  - i. Annual operating and capital budget
  - ii. Monthly financial statements
  - iii. Project expenditures in excess of US\$100,000
  - iv. Cash Flow Management
  - v. Contract, agreements or other instrument involving the financial affairs of Petrojam Limited
- c. Review the effectiveness of the Company's financial reporting systems and procedures for effectiveness in the identification, assessment and monitoring of critical financial risks.
- d. Review the consistency of accounting policies and procedures annually, including policies related to financial management.

2.2 Regarding Major Projects the Finance Committee shall:

- a. Contribute to the development of the capital budget and assignment of priorities annually.

2.3 Perform such other related functions as may be assigned by the Board.

**3. MEMBERS' APPOINTMENT PROCESS**

3.1 The Committee members shall be appointed by the Board of Directors.

3.2 The Board from time to time will review the composition of the Finance Committee to ensure that members have the required skills and capabilities to effectively discharge their responsibilities.

**4. MEMBERSHIP & COMPOSITION**

4.1 The Committee shall be comprised not less than three (3) members.

4.2 Officers of Petrojam Limited may be called upon to participate in meetings as resource personnel as required. In addition, the General Manager and the Chief Financial Officer shall be invited to attend each meeting.

## **5. PRINCIPAL OFFICERS**

### **5.1 Chair**

The chairman of the Finance Committee shall be appointed by the Board of Directors.

### **5.2 Secretary**

The Secretary of the Committee shall be the Corporate Secretary.

## **6. TENURE**

The Finance Committee tenure is two (2) years.

## **7. MEETINGS**

### **7.1 Notice**

At least seven (7) days written notice shall be given to each member of the Committee. The notice shall contain, inter alia, an agenda identifying in reasonable detail the matters to be discussed at the meeting and copies of any relevant papers to be discussed at the meeting.

### **7.2 Venue**

The venue shall be at the Corporate Offices of Petrojam Limited, unless otherwise agreed.

### **7.3 Frequency**

The Committee shall meet every other month either in person or by electronic means. Additional meetings will be scheduled as necessary to consider matters for approval.

### **7.4 Quorum**

A quorum is a majority of members established as sixty percent (60%) rounded up to the nearest whole number.

### **7.5 Voting**

- i. Only the Committee Members shall have the right to vote at the meetings.
- ii. Matters arising at any Finance Committee meeting shall be determined by a majority of votes.
- iii. In case of an equality of votes, the Chairman shall have a second or casting vote.

### **7.6 Minutes**

The Secretary shall be responsible for drafting the minutes of each meeting and circulating them for the approval by attending Members. The minutes shall be signed by the Chairman and the Secretary after same have been approved by all attending members of the Committee.

## **8. ACCOUNTABILITIES**

- 8.1 The Committee shall make recommendations or submit reports on a regular basis (but no less frequently than quarterly) on the principal activities that have been considered and executed by the Committee to the Board.

- 8.2 The Committee shall **not** have power to bind the Board unless power to do so in respect of a specific matter is delegated by a resolution of the Board.
- 8.3 The Finance Committee is accountable to the Board of Directors.
- 8.4 The Finance Committee shall keep detailed records of its meetings and such records shall be made available to the external Auditor and or any other examiner during any external audit or examination.
- 8.5 Except in the abovementioned circumstances, minutes and documents of the Finance Committee are held confidential and not for redistribution by Committee Members.
- 8.6 Members of the Committee shall comply with the approved conflict of interest and ethics guidelines.