

NATIONAL HOUSING DEVELOPMENT COMPANY LTD (NHDC)

FINANCE COMMITTEE CHARTER

1. Purpose

The Finance Committee (hereinafter referred to as 'The Committee') has been set up to assist the Board of Directors in fulfilling its fiduciary responsibilities related to corporate accounting, financial reporting practices, quality, integrity of financial reports and other financial strategic decisions.

2. Membership

- 2.1 The committee shall comprise of at least three (3) non-executive directors, appointed by the board.
- 2.2 The board shall appoint a chairman from the independent non-executive members of the committee.
- 2.3 The Chairperson of the Board, the Chief Executive Officer (CEO)/Managing Director, the Finance Manager and Executive Director (if any), shall not be eligible to be appointed as Chairperson.
- 2.4 The Board shall satisfy itself that the Chairperson and at least one member of the Committee have recent and relevant financial experiences, with a professional qualification from one of the professional accountancy bodies.
- 2.5 Only members of the Committee have the right to assist committee meetings. However, the Committee may invite other relevant persons to attend all or part of any meetings, as deemed necessary and appropriate.

3. Secretary

- 3.1 The Company Secretary or any other officer of NHDC (approved by the committee) shall act as the secretary of the Committee.

4. Quorum

- 4.1 The quorum for decisions of the committee shall be **TWO (2)** members (one must be an independent director).

5. Frequency of meetings

- 5.1 Meetings of the Committee shall be held as the Committee deems appropriate. However, the committee shall meet at least once on a quarterly basis.

6. Attendance of meetings

- 6.1 The Chief Executive Officer, The Finance Manager, and any other senior officers of NHDC shall attend meetings of this committee whenever their services will be required. Representatives of the External Auditors shall also be invited and to attend when required.
- 6.2 In the absence of the Chairperson of the Committee, the members of the Committee may designate another member as Chairperson.

7. Notice of meetings

- 7.1 Meetings of the Committee shall be called by the secretary of the Committee at the request of the Committee Chairperson.
- 7.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed and supporting papers shall be sent to committee members.

8. Minutes of Meetings

- 8.1 The secretary shall minute the proceedings of all Committee meetings, including the names of those present and in attendance.
- 8.2 The Committee's minutes shall be circulated to the members of the Committee and to the Chairperson of the Board.

9. Written Resolutions

- 9.1 Decisions may also be taken by the way of written resolutions signed by all members of the committee and may give approval by electronic means (such as facsimile, electronic mail or other similar means of communication).

10. Terms of Reference

The Committee shall fulfill its duties and responsibilities as follows:

Resources

- (a) Ensure the Finance department is equipped with the necessary human and infrastructural resources together with the necessary tools and equipment's;
- (b) Review the efficiency and reliability of the resources as and when required.

Finance

- (c) Examine and recommend the approval of NHDC annual budget to the board;
- (d) Review the treasury management of the NHDC such as monthly cash flows, variance analysis and arrears report on a quarterly basis;

- (e) Monitor management of revenue in arrears on a monthly basis;
- (f) To recommend selling price of housing units to the board; and
- (g) Approve mode of financing of NHDC housing projects.

Financial Statements

- (h) The Committee shall examine and review the quality and integrity of the financial statements of the company and any other financial issues relating to NHDC's performance;
- (i) The Committee shall review and report to the board on significant financial reporting issues and judgements which these financial statements contain, having regard to matters communicated to the Committee by the external auditor;
- (j) The Committee shall review where necessary:
 - The consistency of, and any changes to, significant accounting policies;
 - Compliance with International Reporting Standards and legal requirements'
 - The methods used to account for significant or unusual transactions where different approaches are possible;
 - Whether the Company has followed appropriate accounting standards and made appropriate estimates and judgements taking into account the views of the External Auditor;
 - The clarity and completeness of disclosure in the company's financial reports and the context in which statements are made;
 - All material information's presented with the financial statements; and
 - Where the Committee is not satisfied with any aspect of the proposed financial reporting by the company, it shall report its views to the board.

11. Reporting Responsibilities

- 11.1 The Committee Chairperson shall report to the Board on its proceedings.
- 11.2 The Committee shall make recommendations to the board it deems appropriate on any area within its remit where action or any improvement is needed.

12. Remuneration

- 12.1 Members of the Committee shall be paid such special remuneration in respect of their appointment as shall be recommended by the Board and ratified or approved by Shareholders. Such special remuneration shall be in addition to the monthly remuneration payable to directors.
- 12.2 The level and structure of remuneration for Directors shall be determined at the shareholder's meeting.

13. Other Matters

The Committee shall:

- 13.1 Have access to sufficient resources in order to carry out its duties, including access to the company secretary and Management for assistance as required.
- 13.2 Work and liaise as necessary with all other Board Committees.
- 13.3 Arrange for periodic reviews of its own performance and, as when required, review its charter to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the board for approval.

14. Authority

14.1 The Committee is authorized by the Board:

- (a) To obtain, at the company's expense, outside legal or professional advice on any matter within its terms of reference;
- (b) To seek any information it requires from any responsible officer of NHDC for the proper performance of its duties and at the discretion of the company, may also request other responsible officers to attend meetings or parts of meetings;
- (c) To conduct any investigations appropriate to fulfilling its duties; and
- (d) To meet with Internal Auditors and External Auditors, without any Executive Director in attendance.

APPROVED BY THE BOARD OF DIRECTORS OF NHDC ON 21 MAY 2021.