



---

# Guidelines for the Board of Directors

---

Copyright Music Organisation  
of Trinidad and Tobago (CO**TT**)

---

## ★ Introduction

These guidelines set out the key values and principles of the Board of Directors (the “Board”) of the Copyright Music Organisation of Trinidad and Tobago, (“the Company”). They are complementary to the provisions of COTT’s Bye-Laws, the Companies Act of Trinidad and Tobago (1995) (the “Act”), and any applicable law or regulatory provision.

These guidelines provide an overview of the role and responsibilities of the Board; powers of the Board and Board Committees; separation of roles between the Board and Management; and the practice of the Board in respect of corporate governance matters.

The term of the Board starts from the date of the meeting at which he/she was elected until the conclusion of the third Annual General Meeting following that at which he/she was elected. After serving three (3) consecutive terms a Director is required to skip one (1) term before being eligible for election.

## ★ Purpose of the Board

The principal purpose of the Board is the stewardship of the Company. The Board through the executive team is responsible for the creation of value for Members’ works including the protection of such works from unauthorised use. The Board creates an environment of trust, transparency and accountability necessary for fostering long-term strategic alliances with key players in the collective management industry.

- a) The Board is the ultimate decision-making body. The Board provides overall leadership for strategic planning and ensures its effectiveness as a business tool.
- b) The Board through the CEO shall ensure the Company’s compliance with all applicable laws, regulations, governance codes, guidelines and regulations .
- c) The Board must ensure that the necessary internal controls and management systems are in place to effectively monitor the Company’s operations and its assets.
- d) The Board is responsible for adoption of strategic plans and policies. The CEO with the approval of the Board will establish the long-term goals for the Company. The CEO

formulates the Company's strategy, policies, budget, proposed actions and presents them to the Board for approval.

- e) The Board is responsible for ensuring that the Company displays good corporate citizenship by actively cultivating a culture of ethical and social responsibility.
- f) The Board is responsible for ensuring that the strategies adopted enhance market share to increase royalty distributions to the members.
- g) The Board will provide a support function to the CEO as appropriate.

## ★ Matters reserved for the Board

An effective Board adheres to good corporate governance practices, by delegating day to day responsibility to the executive management. That said there are several matters which are required to be or in the interests of the Company, that should only be decided by the Board as a whole.

- a) The Board may exercise the power to make Bye-Laws, rules or regulations.
- b) The Board is responsible for the appointment of the President, Vice-President and Company Secretary.
- c) The Board may appoint committees from among its members to perform specific tasks in keeping with its scope of responsibilities.
- d) At least once per year, the Board shall discuss its own activities and those of its individual members, the effectiveness of such activities and the composition and competence of the Board.

## ★ Terms of Reference for Individual Directors

The Terms of Reference ("TOR") for an Individual Director outlines the personal and professional characteristics required of all Directors. The TORs are used as the basis for the evaluation of individual Director performance and acts as a model for establishing the general attributes and expectations of new Directors.

**Each Board member shall:**

- a) Exercise a reasonable degree of care, skill and diligence;
- b) Demonstrate high ethical standards and integrity in their personal and professional dealings and be willing to act on and remain accountable for their boardroom decisions.
- c) Act in good faith and in the best interests of the company and not for any other purpose;
- d) Act honestly always and must not place themselves in a situation where personal interests conflict with those of the company;
- e) Exercise independent judgement always;
- f) Devote sufficient time to carry out their responsibilities and enhance their skills;
- g) Promote and protect the image of the company;
- h) Owe the company a duty to hold in confidence all information made available to them by virtue of their position as a Board member.

## ★ Meetings of the Board

The objective is that Board meetings should be held at frequent intervals so that Directors can regularly monitor the functioning and progress of the Company.

- a) Meetings will be held at least once per month. If possible meetings should be scheduled annually in advance. From time to time it may be necessary to call a special meeting of the Board outside of the regularly scheduled Board meeting.
- b) Directors can participate in a meeting of the Board via conference call, video conference or any other communication facilities, provided that all members in attendance can communicate with each other simultaneously.
- c) As per section 13.2 of the Bye-Law the quorum for any meeting of the Board shall be five (5) Directors of whom at least three (3) must be Directors elected by the Membership.
- d) Board meetings are called by and presided over by the President or in his absence the Vice President. If both the President and Vice President are absent at a meeting, one of the other Board members designated by majority vote of the Board members present at the meeting shall preside.

- e) The Secretary shall prepare the minutes of the meeting. The minutes shall detail the decisions taken at the meeting and shall be adopted by the Board at the next meeting. Corrected minutes are to be signed by the President.
- f) The CEO shall attend meetings of the Board unless instructed by the Board not to attend. If requested by the Board, other executives shall also attend meetings of the Board in whole or in part.
- g) The CEO prepares the monthly report for circulation to the Board.
- h) The minutes, meeting agenda and any relevant papers will be circulated at least five (5) calendar days before a meeting of the Board; except in circumstances where a special meeting is called.
- i) The Board's atmosphere and culture will encourage open and constructive debate;
- j) The Board will promote collective responsibility and act in the best interests of COTT;
- k) Subject to the Bye-Laws, if a Board member is frequently absent from board meetings they shall be required to explain such absences to the President.

## ✦ Decision Making within the Board

The Board is at the helm of the Company making important decisions that guide and influence the Company's behaviour. Decisions taken by the Board have the power to commit and legally bind the Company.

- a) Board members shall try to unanimously adopt resolutions.
- b) Board members are however encouraged to voice their dissenting opinions and record these in the minutes where unanimity cannot be reached.
- c) Each Board member is entitled to one basic vote
- d) In the event of an equality of votes, the Chair of the meeting in addition to his or her basic vote shall have an additional vote.
- e) To enhance independence, the Board shall avail an environment that ensures the members are critical and independent of one another to promote independent and objective judgement.

## ★ Delegation of Authority

To meet targets, the Board must delegate authority for the day to day operations of the Company to the CEO to use and allocate the resources efficiently, to take decisions and to give orders to achieve the Company's objectives.

- a) Effective governance of the Company requires the CEO to be involved in all significant decisions, and to be accountable to the Board. All delegated authorities must emanate from the Board to the CEO.
- b) The CEO must raise with the Board any matter of significance affecting the Company which requires the Board's attention, including any matters which exceed the delegated authority of the executive management.
- c) The Board delegates its day to day powers and duties to the CEO; the CEO in turn delegates to the Management team which will make further delegations as is necessary.

## ★ Independent and Consultant Directors

Independent and Consultant Directors act as guides to the company. Their roles broadly include improving corporate credibility and governance standards. These Directors should play an active role in various committees set up by Company to ensure good governance.

**Prior to appointment, Independent and Consultant Directors shall be required to satisfy the following criteria:**

- a) Have no conflicts of interest;
- b) Possess appropriate professional skills, training and background;
- c) Bring influence and stature in the local market, including government, regulators and the business community;
- d) Add to Board diversity but also fit with the existing board

- e) Be able to devote sufficient time to the role and be willing to attend the scheduled board meetings in person. and only join by phone or video conference if absence would otherwise be unavoidable;
- f) Be independent as defined by Bye-Law 9.1.2

## ★ Role of the President

The President of the Board is primarily responsible for the activities of the Board and its Committees. He/she shall act as the spokesperson for the Board and is the principal contact for the CEO. The CEO and the President shall meet as often as necessary.

### **The Role of the President shall be to:**

- a) Provide leadership to the Board and ensure its effectiveness in all aspects of its role. The President shall set the Board agenda with the assistance of the CEO and Company Secretary;
- b) Facilitate the effective contribution of Directors and encourage constructive relations between all Directors.
- c) Monitor attendance at Board meetings;
- d) Develop the strategy of the Company, together with the CEO, and ensure the Board is fully appraised and has the opportunity to debate the strategic direction of the Company;
- e) Put in place and maintain an effective delegation of authority structure to provide effective management and control over the Company's business with the assistance of the CEO;
- f) The President in conjunction with the Vice President and one (1) other Director will carry out the appraisal of the CEO;
- g) Communicate effectively with the Company's stakeholders. The stakeholders include, where applicable, members, sister societies, governing bodies, governments, customers, staff and the communities within which the Company operates;
- h) Ensure that the views of the stakeholders are communicated to the Board as a whole;

- i) Chair the Annual General Meeting of the Company;
- j) Together with the CEO and Company Secretary ensure that Board meetings operate to the highest standards of corporate governance;
- k) Consults with external advisors appointed by the Board.

## ★ The Company Secretary

The Board is responsible for the appointment of a Company Secretary. The Company Secretary is the secretary of the Board and acts as an advisor on matters of Board procedure and protocol.

### **The Secretary is charged with the following responsibilities**

- a) To provide guidance to the Board on its duties and responsibilities and on other matters of governance;
- b) To ensure that the Board complies with its obligations under the law and the Company Bye-Laws;
- c) To assist the President of the Board in organizing the Boards activities including providing information, preparing an agenda, and minutes of Board meetings.
- d) To carry out any other duties as may be assigned by the Board from time to time.
- e) To record the meeting and prepare the minutes for circulation to Directors.
- f) To extend the invitation to the Board meeting.



## ★ Board Committees

Committees appointed by the Board focus on specific areas and take informed decisions within the framework of delegated authority. All decisions and recommendations of the committees are placed before the Board for information or for approval. These committees prepare the groundwork for decision making and report at the subsequent board meeting.

- a) The Board may appoint committees from among its members to perform specific tasks in keeping with its scope of responsibilities.
- b) The Board shall determine the size and composition of its committees and shall appoint members to any committee.
- c) The Board shall establish an Audit committee subject to section 16 A.1 of the Bye-Laws and any other committee the Board deems necessary to assist with maintaining its scope of responsibilities.
- d) In keeping with best practices for monitoring and evaluation the President should not be a member of the Audit committee.
- e) The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the committees.
- f) The Committees shall report to the Board on matters referred to it by the Board and on the proceedings following each meeting of the committee. The report shall include findings, matters identified for specific recommendation to the Board, action points and any other issues as deemed appropriate.
- g) The Board remains collectively responsible for the decisions of any committee and shall review the effectiveness and performance of committees annually.
- h) The Board may be required to establish other committees from time to time.

## ★ Relations with Members

Directors should ensure that a solid plan for communicating with Members is developed. The Board should be clear about the objectives on their agenda and a single message should be communicated to Members that ensures that all parties are on the same page.

- a) The Board shall recognise, respect and protect the rights of Members and shall ensure equitable treatment of all Members in all classes of membership.
- b) The Board shall provide Members with information as is required under the applicable Bye-Law and shall establish mechanisms to ensure effective communication with Members.
- c) The Board reports to its Members through statutory meeting and any other special meeting called by the Board.

## ★ Remuneration

Director's remuneration is the process by which Directors are compensated for their time and efforts.

- a) Directors receive a fixed amount as per section 9.12 of the Bye-Laws.
- b) Directors may be paid or reimbursed for reasonable expenses incurred in the performance of duties on behalf of the Company.
- c) Fees are paid one month in arrears.
- d) The President, Vice President and Company Secretary will receive an additional fixed amount for their extended board duties.
- a) In addition to the basic remuneration, committee remuneration is paid to Directors who are also members of one of the board committees.

## ★ Confidentiality

During their tenure, Directors sometimes have access to personal or sensitive information about the Membership and fellow Board members. In keeping with their fiduciary duties, Board members should not disclose information that they have received as part of their position on the board.

- a) Unless required to do so by law, no board members shall, during his/her directorship or afterwards, disclose any information of a confidential nature regarding the business of COTT that came to his/her knowledge in his/her capacity as a Director.
- b) A Director shall not use such confidential information for his/her personal benefit
- c) At the end of each Board member's term of office he/she shall return all confidential documents in his/her possession to the Company or guarantee their disposal in a manner that ensure confidentiality is preserved.