Report on the Application of the Code of Corporate of Governance

for Public Enterprises

January – December 2020

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List of Acronyms

2020 Dev	2020 Development (Seychelles) Limited
AFS	Audited Financial Statements
AS	Air Seychelles Limited
BDRI	Bois de Rose Investment Limited
CEO	Chief Executive Officer
Code	Code of Corporate Governance
CPD	Continuous Professional Development
DPA	Department of Public Administration
FSA	Financial Services Authority
GoS	Government of Seychelles
HR	Human Resource
IAS	International Accounting Standards
IDC	Islands Development Company Limited
IFRS	International Financial Reporting Standards
l'UE	L'Union Estate Limited
MD	Managing Director
MoFEPT	Ministry of Finance, Economic Planning and Trade
NED	Non-Executive Directors
NISA	National Information Services Agency
OAG	Office of the Auditor General
OICL	Opportunity Investment Company Limited
ORM	Operational Risk Management
PDEEL	Paradis des Enfants Entertainment Limited
PE(s)	Public Enterprise (s)
PEMC	Public Enterprise Monitoring Commission
PMC	Property Management Corporation
PSL	Petro Seychelles Limited
PUC	Public Utilities Corporation
PWC	PricewaterhouseCoopers
RAMP	Reserve Advisory & Management Partnership
SCAA	Seychelles Civil Aviation Authority
SCI	Statement of Corporate Intent
SFA	Seychelles Fisheries Authority
SEYPEC	Seychelles Petroleum Company Limited
SPA	Seychelles Ports Authority
SPF	Seychelles Pension Fund
SPS	Seychelles Postal Services Limited
SPTC	Seychelles Public Transport Corporation
SSIL	Société Seychelloise d'Investissement Limited
STC	Seychelles Trading Company Limited

1. Executive Summary

Scope, Methodology and Context

The Code of Corporate Governance aims to set high standards of corporate governance in PEs using an "apply or explain" approach. The Code was implemented in April 2019. This is the first report on the application of the Code of Corporate Governance for PEs.

The scope of the report is for the financial reporting year ending 31 December 2020 which is in line with each PE's financial year-end, with the exception of IDC which year-end is 31 March 2021.

The methodology adopted include submission of a completed checklist adapted from the Code of Corporate Governance. The Commission also requested the submission of documents to support the disclosures made by the PEs. There are 14 principles in the Code of Corporate Governance.

Principle 1- "The Board is collectively responsible for leading and directing the Public Enterprise's activities and to work closely with management to deliver the long-term success of the company."

The Boards of PEs are generally aware of their duties and responsibilities in the organization. This is supported by their relevant decrees, acts, strategic plans and statements of corporate intent. The Code provides for a clear division between the Chairperson and the CEO. This was generally observed by most Pes. However, the division of powers is yet to be put in writing through formal documentation. The Commission noted that Seychelles Fishing Authority (SFA) had an Executive Chairman during the period to September 2020 and only appointed a CEO in the last quarter of 2020. This is in contrast with the requirement of the Code which states that there should be a clear division of responsibility between the Chairperson and the CEO.

Principle 2- "In conducting its business, the Board should reassure itself that it has sought assurance of the operations of the organization, focusing particularly on those activities which create, sustain and protect value."

11 out of the 14 PEs have clearly defined their strategic objectives as presented by management and approved by the Board. 12 out of 14 PEs have a performance appraisal framework in place assessing management's performance which in turn determines appropriate compensation. A risk management framework is only present in 8 out of 14 PEs; SFA, Financial Services Authority (FSA), Islands Development Company Limited (IDC) and Seychelles Trading Company (STC) does not have any risk management framework in place, meanwhile Seychelles Ports Authority (SPA) and Property

Management Corporation (PMC) have explained that risk is considered through their Audit and Risk Committee and Internal Audit function respectively. In terms of having the right mix of skills and competencies of Board Directors in PEs, it was noted that the PEs have little influence over appointment of Board directors.

Principle 3- "The Chairperson is responsible for the Board's overall effectiveness in directing, and controlling, the activities of the organization."

The Chairperson sets the tone from the top in all PEs and the Chairperson collectively works with the CEO and the Board secretary in order to effectively discharge their duties at the required level. The Commission noted that the Chairpersons of all PEs encourage a culture of open and constructive debate and information sharing. It was also noted that the time provided for meetings and discussions were adequate and sufficient and the Boards of the PEs hold management accountable for decision-making and running of the organisation.

Principle 4- "The Board should include an appropriate combination of executive and non-executive directors, such that no one individual or small group of individuals dominates the Board's decision-making."

All PEs, except one, have stated that their Boards are independent and represent the best interest of their organization. The Seychelles Postal Services Limited (SPS) noted that some of the Board directors tend to represent their Ministry rather than serving the interest of the organization. The PEs all noted that their Boards are familiar with their respective organization's regulations, policies and procedures, strategic plan, mission, and vision. The Boards directors also generally attend scheduled meetings except if directors have other commitments. The PEs have noted that their Boards effectively question and challenge any matters and make material contribution to debates involving strategic issues for the betterment of the organization.

Principle 5- "The Board should be supported by a suitably qualified and competent Board secretary who will, through the Chair, promote good governance."-

The Commission noted that all PEs had an appointed Board secretary for the year under review. All PEs, except two, stated that the Board secretary ensures that the Board is provided with all the relevant information in a timely manner in order to discharge their function effectively. SFA and PMC stated that provision of timely information was not always the case on their part. The roles of Board secretaries in PEs are limited to keeping records of attendance and minutes of meetings, only the Public Utilities Corporation's (PUC) Board secretary appeared to undertake responsibilities linked to the promotion of good governance. The Commission noted that there was a lack of trained and/or qualified Board secretaries on PE's Boards, which the PEs noted required additional resources.

Principle 6- "An effective Board possesses the right mix of skills, experience, knowledge, 'independence' and diversity, and displays the appropriate behaviours, to address the challenges facing the organization."-

The appointment of Board directors in the PEMC Act which provides for the President to appoint directors is contradictory to Provision 5[1] of Principle 6 which states that a nomination committee should be established to maintain the succession plan of the Board in the effective appointment of Board directors, the Chairperson and the CEO. The Commission noted that the Board of 12 PEs, with the exception of IDC and SPS, did not exceed the cumulative nine years[2]. Once again, the Commission noted that this was outside the powers of the respective PEs as appointment of Boards are carried out by the President. The majority of PEs conduct some form of induction training for their new Board directors while continuous professional development (CPD) is carried out in a number of PEs subject to availability of funds.

Principle 7- "The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual director."-

The Commission noted that all PEs, except two, stated that they do not undertake any formal and objective evaluation to assess the effectiveness of their Boards. Seychelles Pension Fund (SPF) and National Information Services Agency (NISA) conduct self-evaluation for their respective Boards on an annual basis; SPF's evaluation is facilitated by its Board secretary in line with their Board Charter. Meanwhile, PEs such as 2020 Development Seychelles Limited (2020 Dev), noted that evaluation was carried out in an informal basis but this was not evidenced by the Commission. Principle 7 nonetheless requires that the Board evaluation is conducted by an external evaluator every third year. In this respect, the PEs are yet to fully apply this provision.

Principle 8- "The Board should have a charter which is periodically reviewed and published on the organization's website."-

The Commission noted and sighted the Board charters of only four out of 14 PEs for the reporting period, these include SFA, SPF, NISA and PUC. These PEs provided copies of their charters which

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[1] **Principle 6, Provision No.5 of the Code of Corporate Governance:** '*A Nomination Committee should be established to help with the task of succession planning and the appointment of Board directors, including the future Chair (and CEO).'*

[2] **Principle 6, Provision No. 4 of the Code of Corporate Governance:** "*The board should have independent directors. Such directors will no longer be considered independent after a cumulative term limit of nine years."*

contained their governance structures, authority and terms of references for the Board, committees and management as required by Principle 8.

Principle 9- "The Board will establish a Code of Conduct and Ethics for the organization and monitor its implementation by management."-

The Commission noted that all 14 PEs recognised that their respective organisations have an obligation to behave ethically, which is to treat its stakeholders (strategic business partners) fairly. However, only eight out of 14 PEs made reference to a formal and published Code of Conduct and Ethics[3], released by the Public Officers Ethics Commission; or the Public Officer's Ethics Act 2008. Other PEs indicated that their statutory laws, Board charters, human resource policies, employee handbooks make provisions in regards to the ethical obligations of the Board directors and employees of the organization. On its part, IDC, stated that despite not having a Code of Conduct and Ethics, employees know what is acceptable or not. All 14 PEs were in agreement that the responsibility for setting the tone and culture of the organisation, and for driving ethical behaviour, lies with the Board working closely with the CEO.

Principle 10- "The Board should ensure that a balanced, true and fair view of the State body's financial performance and financial position is made when preparing the annual report and financial statements of the Public Enterprise."-

All 14 PEs applied Principle 10 with the exception of SFA who is in arrears with its audited financial statements and annual report; its last published report was for the year ending December 2016. While PEs duly prepared their Audited Financial Statements in accordance with Principle 10, the Commission noted a general delay in submission. This was mainly due to delays in having their respective accounts audited and in view of the restrictions imposed from the COVID-19 pandemic. The Commission noted that as at the reporting date, 11 out of 14 PEs submitted their Audited Financial Statements while only seven had submitted their Annual Report.

Principle 11- "The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements."-

The Commission noted that the PE Boards are equipped with financially literate directors, for example some Boards comprise of a representative of the Ministry of Finance, Economic Planning and Trade (MoFEPT). It was also noted that Boards exercise oversight of all financial dealings undertaken by

[3] Reference is made to the 'Code of Conduct and Ethics; Handbook for Public Officers', issued in 2009 by the Public Officers' Ethics Commission- Seychelles.

the organization and are able to detect financial anomalies or irregularities in the organisation's finances. The Commission noted that eight out of 14 PEs claimed to have established an audit committee. However, the Commission was able to confirm the composition and terms of reference of the committees of SPF, FSA, NISA, and Petro Seychelles Limited (PSL). Eight PEs noted that the Board directors are encouraged to undertake CPD however there were concerns raised over budgetary constraints.

Principle 12- "The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the opportunities it wishes the organization to explore, and the principal risks the organization is willing to take, in order to achieve its long-term strategic objectives."-

The Commission noted that only seven out of 14 PEs confirmed the existence of a Risk Committee. PUC's risk management framework was identified as a best practice with a risk management policy adapted from an internationally recognized framework tailored to its specific needs. A similar approach was identified with SPF who reports on its risks on a quarterly basis.

Principle 13- "Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success."-

The Commission was able to evidence the existence of a Remuneration policy in only seven out of 14 PEs. PEs, such as SPA and Seychelles Trading Company Limited (STC) highlighted that the remuneration of executive directors and senior management teams were under review. SPF and the Seychelles Civil Aviation Authority (SCAA) noted that their respective employee's salaries, including that of senior management, were discussed and approved by their respective Remuneration Committees in accordance with their human resource policies. Only seven out of 14 PEs have a Remuneration Committee; SPF, FSA, NISA, PUC, SCAA, SPS and PSL. 10 out of 14 PEs (except for SFA, STC, SPA, and PMC) have a formal and transparent procedure for developing policy on management remuneration. PUC noted that its Board takes into account various factors in setting the remuneration of CEO and senior management, however, it is constrained to put its recommendations into application.

Principle 14- "Boards will be expected to report on the progress they are making with implementation of the Code's provisions." –

The Commission noted that 10 out of 14 PEs reported that they effectively disclose to their stakeholders and wider governance community how they have exhibited governance leadership. However, as at the reporting date, only seven PEs had submitted their Annual Reports, these disclosures were not made in the manner prescribed by the Code. Moreover, the Commission noted significant delay in submission of the Annual Reports.

2. Introduction

2.1 The Code of Corporate Governance

The Code of Corporate Governance for Public Enterprises came into effect in April 2019 with the primary purpose of providing a framework for Public Enterprises to apply the principles of corporate governance. The Code is to be applied in conjunction with the legislative provisions which govern the Public Enterprises. On legislative matters which conflict with the Code, existing legislative provisions shall continue to apply and prevail.

Contrary to the "comply and explain" approach adopted by international Codes, this Code functions on an "apply or explain" approach; a method adopted by the King Code of South Africa. This is in consideration of smaller Public Enterprises that may not be able to apply all the principles of the Code. Public Enterprises are expected to adhere to the Code on an "apply or explain alternative approach" with a meaningful explanation of how it has applied each section of the Code; the reason for a departure from any section and what alternative approach it has adopted in the case of departure. Public Enterprises are also required to submit relevant documentation to support the disclosures made in the completed checklist.

2.2 Application of the Code

The Commission issued Circular No. 6 in July 2021, which redistributed the Code along with an internally devised template checklist for completion by the Public Enterprises. The Checklist was to be prepared by the Board Secretary and jointly endorsed by the Chairperson and Chief Executive Officer of the Public Enterprise. The reporting period was for January to December 2020,[4] however, any significant changes reported past this date were recorded as comments. The deadline for submission was set for 30th July 2021. However, only three Public Enterprises (SCAA, SPF, and PSL) had submitted their completed checklist by the specified deadline. Further extension was granted to other Public Enterprises and the Commission recorded 78% (14 out of 18 Public Enterprises) of complete submissions as at 17th September 2021- See Appendix 1. Two out of 18 Public Enterprises (Air Seychelles (AS) and Seychelles National Parks Authority (SNPA)) were granted exemption from the preparation of the checklist due to both their Boards having been changed and being unreachable for completion of the exercise.

[4] IDC's reporting period is 31st March 2021

Appendix 1 excludes financial institutions listed in Schedule 4 of the Public Enterprises Monitoring Commission Act, 2013 due to their reporting obligations having been removed under the purview of the Commission and moved to that of the Central Bank of Seychelles. The following Public Enterprises; Bois de Rose Investment Limited (BDRI), Paradis des Enfants Entertainment Limited (PDEEL) and Société Seychelloise d'Investissement Limited (SSIL) are also excluded from this exercise because they ceased to be Public Enterprises as at the date of issue of Circular No. 6. For the purpose of this exercise, only the Public Enterprises listed in Appendix 1 are included in this report.

The Commission required each of the 14 PEs to submit relevant documents to support the disclosures made in their completed checklist. The deadline for submission was set for Friday 8th October however only 10 out of 14 PEs made a submission. STC, SFA, PSL and 2020 Dev did not make any submission (See Appendix 1). However, certain disclosures could be corroborated due to internally-available information, for instance in the case of PSL and 2020 Dev.

This report includes an overall performance of the 14 PEs in their application of the Code of Corporate Governance. The report notes poor performance in corporate governance but also highlights best practices adopted by PEs.

3. Application of the Code by Public Enterprises

3.1 Board Leadership and Effectiveness

3.1.1 Principle 1

> *"The Board is collectively responsible for leading and directing the Public Enterprise's activities and to work closely with management to deliver the long-term success of the company."*- Principle

Principle 1 notes that Board directors carry legal duties, responsibilities and liabilities for leading the organisation successfully. The Commission noted that the Board of all 14 PEs apply this provision and are aware that Board directors operate on a collegial basis and are jointly and severally liable for their decisions and their actions. It was also noted that all 14 PEs meet regularly to discharge their duties effectively and have a formal schedule of matters as required by Provision 2 of Principle 1.

Principle 1 also outlines the roles of the Board of PEs notably ensuring that the organization's purpose, values, strategy and culture are well aligned, that the PE is compliant to relevant laws and regulations and that the Board is covered under appropriate insurance. The Commission noted that 11 out of the 14 PEs formally communicate their purpose, values and strategy either through their respective Decrees, Strategic Plans and/or Statements of Corporate Intent which are endorsed by their Board. SPA disclosed that it was applying this provision through a non-disclosure agreement signed by its Board directors but this could not be verified by the Commission, meanwhile STC and FSA have noted that they are in the process of reviewing their respective strategic plans. The Commission noted that the Boards of 12 out of the 14 PEs reported that they were compliant with relevant laws, including statutes pertaining to public procurement and financial management, with the exception of SFA and PSL. SFA noted that their Board was not adequately structured to ensure compliance to relevant laws and regulations, whilst PSL stated that they are a very small organisation and it is not practical to abide to all statutes. The Commission also noted that all PEs did not have any insurance cover in respect of legal action against its directors, with the exception of FSA. FSA noted that their directors were covered under their Act.

Principle 1 distinguishes between the role of the Board and that of management. The Board has an oversight role, whilst, management's role is to run operational activities and execute the organisation's strategy. All PEs described that a healthy relationship exists between the Board and the management team, except for SFA who explained that their CEO was only recruited in September 2020. Prior to the recruitment of the new CEO, the Chairman assumed the role of CEO and a caretaker committee comprising of senior managers was set up to work with the Chairman and Acting CEO. This further contradicts Provision 7 which requires that no one individual in the PE should have unfettered powers of decision. In the matter of having a clear escalation procedure for contentious issues, 12 out of 14 PEs noted that such issues were brought to the Board for consideration. On its part, SCAA noted that there were no policies on delegation of authority in place and that it will be developed when required.

Principle 1 requires that the Board meets regularly, that discussions are properly recorded and that Board meetings are conducted in private and Board business considered confidential. The Commission noted that all 14 PEs fully applied these provisions. It was noted that important information was circulated to all Board directors as and when required on specific matters needing their attention to enable the Board to perform their duties to a high standard. The Boards of the 14 PEs met regularly and the frequency of meetings vary across the sector between every two months to every quarter. The Commission also noted that Board meetings were conducted privately in physical or virtual platforms, especially during periods where restrictions were imposed to limit community spread of COVID-19.

3.1.2 Principle 2

> *"In conducting its business, the Board should reassure itself that it has sought assurance of the operations of the organization, focusing particularly on those activities which create, sustain and protect value."- Principle 2*

Principle 2 provides for the Board's relationship with the CEO and management through strategy formulation to maximise value, understand where value lies is in the business model, asses the opportunities and risks associated with the PE's activities and proper oversight on the sufficiency of resources.

The Commission observed that the there is a good relationship between the Board and management team in regards to strategy formulation and value creation within the PE sector. As previously mentioned, 11 out of the 14 PEs have set out their strategic objectives in writing, effectively prioritising strategy formulation to maximise value creation. For these 11 PEs, the strategic vision, objectives and action plan are presented by management and approved by the Board with the exception of SPA, STC and FSA who did not have a strategic plan for the year under review.

In terms of risk management framework, it was noted that eight out of the 14 PEs have some type of risk management process in place to deal with and reduce risks to an acceptable level. SFA and STC do not have any risk management framework in place, whilst IDC and FSA is in the process of setting up theirs. The Commission noted that 10 out of the 14 PEs ensure that management has sufficient resources to develop its human capital through oversight of the budget and succession planning. SFA noted that it does not have a succession plan and it lacks oversight over its budget. STC noted that its succession plan is currently being developed. SPF, FSA and SCAA have adopted an annual performance appraisal framework whereby management's performance is reviewed against strategic objectives. Performance appraisal to compensate management, such as bonus scheme, is common in 12 out of 14 PEs with the exception of SFA and STC. It is to be noted, however, that not all rewards are linked to outcome as non-financial and financial KPIs tied to strategy are uncommon in the PE sector.

Principle 2 also outlines the Board's relationship with the wider environment. The Board of all 14 PEs understands their legal and regulatory context within which their Board operates in, together with the compliance obligations which needs to be met. The Commission noted that for 13 out of 14 PEs were accountable to their business partners, particularly those that provide the organisation's funding, except PMC. PMC stated that they are not partnered with any other business entity.

Principle 2 also outlines the Board's relationship with itself. As for diversity in expertise, experience and age-group of the Board, the Commission noted that there are directors from different background on all 14 PE Boards. This helps in bringing the right mix of skills in enhancing the decision making process. However, it is worth noting that it is the President who appoints directors of the Board and not the Board of the PE itself. Only SFA stated that their Board lacked the necessary skills, experience, and qualification required to guide the PE forward. In terms of Boards exhibiting ethical leadership, the Commission noted that the Boards of all 14 PEs displayed and promoted behaviours consistent with their organisation's purpose, direction, culture and values. For instance, SPTC's Decree sets out the independent and ethical requirements of its Directors. The Commission also noted that the boards of all 14 PEs create a decision-making process, which generates well-informed, high quality strategic decisions, consistent with the requirements of the Code. The decision process and authorities are not formally documented, they are, however, practiced by all PEs.

3.1.3 Principle 3

> *"The Chairperson is responsible for the Board's overall effectiveness in directing, and controlling, the activities of the organization."- Principle 3*

Principle 3 highlights the qualities and attributes of an effective Chairperson. The Commission noted that it is the Chairperson of all PEs who leads the Board and keep the Board's work focused on the organisation's mission, vision and strategic directions. The PEs acknowledge that a competent Board Chair is the single most significant driver of an effective Board. The roles of Chairperson and CEO are separated for all 14 PEs. All PEs also noted that as a matter of preserving independence, none of their CEOs went on to be the Chairperson of their respective PE, with the exception of SFA. As previously mentioned, SFA had an Executive Chairman up until September 2020 when the role was separated. As rightly stated by PUC, PEs have very little influence over the application of this principle as the appointment is carried out by the Office of the President. The Chairman sets the tone from the top, in all PEs that submitted their checklist. This was further reiterated by all 14 PEs stating that their respective Chairperson collectively works with the CEO and the Board secretary in order to effectively discharge their duties at the required level.

Principle 3 also outlines the roles of the Chairperson as the leadership figure of the Board. It was noted that the Chairperson of all 14 PEs has the responsibility of ensuring that the Board receives accurate and clear information in a timely manner, in order for them to be able to assess performance, make reasonable decisions and give appropriate advice on pertinent matters. All 14 PEs who participated in the exercise stated that their Chairperson encourage a culture of open debate whereby all directors share information and express their views in a constructive manner. All 14 PEs ensured that the time provided for meetings and discussion in regards to the organisation were adequate and sufficient. All 14 PEs reiterated that the Board, through their Chairperson holds management accountable for decision making and running of the business. The Commission also noted that the Chairperson of all 14 PE Boards internally, manage the interface between Board and management and externally, takes the appropriate steps to ensure that effective and representative communication takes place with stakeholders. FSA noted that their Chairperson went on to conduct meeting with management when necessary.

3.1.4 Principle 4

> *"The Board should include an appropriate combination of executive and non-executive directors, such that no one individual or small group of individuals dominates the Board's decision-making."- Principle 4*

Principle 4 of the Code specifies that the Board of PEs should make up of non-executive directors (NEDs) to ensure an appropriate level of independence and that the organisation's interest is protected. The Commission noted that all 14 PE Boards are made up of a majority of NEDs. The Commission noted that for all 14 PEs, a majority of the NEDs are from the private sector and appointed by the President to bring their experience, skills and knowledge to enhance the PEs performance. The PEs' boards have maintained an appropriate level of independence by having directors that are external of the organisations. Further on the matter of independence, SPS stated that there are directors that may represent their own organisations rather than the best interest of the PE itself. However, for all 14 PEs the Commission observed that their Board provides strategic guidance to management and that there is regular communication between the Boards and management. It is also customary for the Board to hold meetings without the executives present for nine out of 14 PEs. SFA noted that all meetings held in 2020 was in the presence of its executives. PMC also holds Board meetings in the presence of its CEO and Finance Manager for the purpose of providing their technical input; and IDC and PSL noted that this provision has not yet been required of them.

Principle 4 also outlines the duties and responsibilities of Board directors as well as the various expectations to ensure that they effectively deliver on their mandates. The Commission noted that the Directors of all 14 PE Boards attend Board and Committee meetings. The Code requires that the Directors have sufficient time to meet their Board responsibilities, to the point of limiting the number of other Boards on which they sit. This has generally been applied by all Pes. SPF noted that this is a commitment that should be made by the Directors themselves. Three PEs; SPF, IDC and PSL noted that there are times where some of the directors may have other commitments and be unable to attend meetings.

A record of attendance is kept by the Board Secretary and disclosed in the minutes of meeting. Boards are kept informed about the organization's financial activity, legal obligations and any other important matters involving the PE. All 14 PEs noted that their Boards are effectively able to question and challenge any matters and to make material contribution to debates involving strategic issues that can better help the organization to be more effective and performing. Upon appointment of a Board member, the member should receive a letter of appointment which clearly sets out the expectations of their roles. Upon resignation, Board directors should provide a written statement to the Chairperson, for circulation to the Board, if they have any such concerns. All directors are provided with their letter of appointment although not defining their roles and duties. The only exception was STC that did not indicate whether they had received appointment letters.

A majority of PEs support the provision of training and CPD for Board directors, however, four out of 14 PEs expressed that there’s a lack of opportunities for training and development in the field of Governance. Principle 1 requires that new Board directors be encouraged to have a good notion on matters relating to finance, legal, organization performance, risk management, remuneration and succession planning of their respective PEs. In addition, new Board directors are expected to undertake training in Corporate Governance, however, in a majority of the PEs, such trainings are not yet available.

3.1.5 Principle 5

> *"The Board should be supported by a suitably qualified and competent Board secretary who will, through the Chair, promote good governance."- Principle 5*

Principle 5 of the Code outlines the roles and duties of an effective Board Secretary, and discusses the need for appropriate CPD.

The Commission noted that there is an appointed Board secretary for all PEs. The Board secretaries of all 14 PEs are delegated with the tasks of recording minutes of meeting for every Board meeting that takes place. 12 out of 14 PEs stated that the Board Secretary ensures that the Board is provided with all the relevant information in a timely manner in order to discharge their functions effectively. Both SFA and PMC stated that provision of timely information was not always the case on their part. However, it is worth noting that the information gathered on the role of Board secretaries in the PE sector is quite limited. Board secretaries mainly provide administrative and secretarial assistance to the Board, for example, recording Board attendance and keeping of minutes of meetings.

The most common reasons for Board secretaries of PEs not discharging additional duties such as taking on the role of governance advisor to the Board, are lack of training or not having qualified Board secretaries. Provision 8 of Principle 5 of the Code of Governance states that the Board secretary will also be expected to consider studying for the internationally-recognised qualification provided by the Institute of Chartered Secretaries and Administrators: The Governance Institute. All 14 PEs have emphasized that this requires additional resources, however, a few PEs are considering such avenues. It is worth noting that a few PEs have their Board secretary undertaking certain governance training as part of their professional development.

12 out of 14 PEs stated that all directors of the Board have access to the services and advice of the Board secretary. The two Pes, namely SPS and PMC commented that this provision does not apply to them as the Board secretary is not qualified for such tasks and they are yet to adherence to the Code of Governance respectively. In five out of 14 PEs, the Board secretary advises the board on their roles and responsibilities and facilitate the orientation of new directors as well as assist in director training and development. Just to note, in conducting this particular exercise, the Commission generally liaised with the Board secretary of all PEs as the focal person for information gathering purposes.

3.1.6 Principle 6

> *"An effective Board possesses the right mix of skills, experience, knowledge, 'independence' and diversity, and displays the appropriate behaviours, to address the challenges facing the organization."- Principle 6*

Principle 6 of the Code of Corporate Governance requires that appointments to a PE Board should be subject to a formal, rigorous and transparent procedure and be merit-based. A Nomination Committee should be established to assist with succession planning and the appointment of Board directors including the Chairperson, and the CEO. Additionally, the Principle requires that a Board skills matrix be used to identify the skills that current Board directors possess and identify future skills needs of the PE. Independent Board directors should not serve more than a cumulative term of nine years. Principle 6 of the Code of Corporate Governance also requires that a comprehensive induction programme and CPD are offered to new and existing Board directors.

The Commission observed that presently, as specified by all 14 PEs, Board directors are appointed by the President's Office, following recommendations from their responsible Ministry. The current practice is contradictory to Principle 6, and as such results in PEs not fully applying this principle as required by the Code of Corporate Governance. For instance, FSA's Board appointment is done in line with its Act which limits the involvement of the PE in designing its appointment framework. Meanwhile, SCAA's Board is appointed following suitable recommendations made by its parent Ministry to the President's Office.

Long tenure on the Board may impair the level of independence of the Board directors. Nine out of 14 PEs reported that the tenure of the Board directors did not exceed the cumulative period of nine years. The Commission noted that effectively 12 PEs had not exceeded the cumulative period of nine years by December 2020, with the exception for IDC and SPS. However, as rightly pointed out by PUC, PEs have very little influence on the re-appointment of Board directors in excess of the stipulated cumulative nine years as appointment is carried out by the President's Office.

A majority of PEs reported that they have an induction program for new Board directors. Induction programs may include introductory pack, formal introductions to other directors and management team, on-site visit of the organisation, orientation meetings, and presentations about the organisation. The Commission noted that there were new appointments in only five PEs in 2020; IDC, PMC, PUC, SCAA and SPTC. Although these PEs disclosed that the new directors received induction, the Commission was not able to evidence this.

The professional development of Board directors plays an important role in the effective and increased performance of the Board. It was noted that PEs, such as SPF, NISA, SCAA, 2020 Dev, SPTC, SPS and PSL, provide directors with the opportunity to participate in training organized by the organization depending on the availability of funds. FSA and STC expressed that Board directors already possess the necessary skills, experience, knowledge and diversity from their relevant sectors which would help them deliver their function. SFA and PMC reported that their training plan does not cater for the training of directors. IDC is of the opinion that there are not many opportunities for ongoing professional development of Board directors.

3.1.7 Principle 7

> *"The Board should undertake a formal and objective annual evaluation to determine the effectiveness of the Board, its committees and each individual director."- Principle 7*

Principle 7 of the Code specifies that PE Boards should consider the composition of the Board and how Board directors work together collectively to achieve the objectives of the Board. The Commission noted that 12 out 14 PEs did not undertake formal and objective evaluation to assess the effectiveness of their Boards. SPF stated that it conducts self-evaluation of its Board on an annual basis, as facilitated by the Board Secretary as per section 3.9 (e) of their Board Charter, whereas NISA conducted their Board evaluation collectively, taking into consideration output from various sub-committees at the end of the year.

Additionally, the Commission observed that 13 out of 14 PEs are not conducting individual evaluation of its Board directors to demonstrate whether each director continues to contribute effectively, as required by Provision 2 of Principle 7. Only SPF conducted evaluations of individual Board directors during the reporting period, stating that their Nomination Committee would only use the result of the evaluation when the need arises.

In view that the majority of the PEs did not conduct both board and individual evaluation, they have not been able to apply the remaining provisions of the Code. Non application of the provisions has an impact on the way board composition and its effectiveness are determined.

Moreover, Principle 7 states that every third year, the evaluation should be conducted by an independent, external professional evaluator. For all PEs, both Board and individual evaluations have not been conducted in line with this provision of the Code.

3.1.8 Principle 8

> *"The Board should have a charter which is periodically reviewed and published on the organization's website."- Principle 8*

PE Boards should have a formal charter that clearly sets out the respective roles, responsibilities and authorities of the Board/ Board directors (both individually and collectively) and management; in setting the direction, the management and the control of the organisation.

The Commission noted and sighted the Board charters of only four out of 14 PEs for the reporting period, these include SFA, SPF, NISA, and PUC. SPTC noted that the contents of a Board charter replicate their existing provisions made under the SPTC Decree as well as a Governance Charter, however the Commission could not evidence the latter. 2020 Dev noted that the functions of the Board was guided by their Memorandum of Association. SPS stated that a charter has been developed for its Board, but no evidence was provided to support the disclosure. The remaining seven PEs have all noted that they are yet to apply this provision.

For the five aforementioned PEs, their Board charters clearly identify the governance structure, authority and terms of reference of the Board, its committees and management .The charters also guide the directors towards what is expected of them in terms of their commitment as Board directors.

The Commission noted that SFA's Board charter contains the requirements specified by the Code, however, it does not include any issues and decisions reserved for the Board. It also does not outline SFA's vision, mission, and values expected behaviours and desired culture of the organisation.

3.1.9 Principle 9

> *"The Board will establish a Code of Conduct and Ethics for the organization and monitor its implementation by management."- Principle 9*

The Code of Conduct and Ethics plays a vital role in setting out expectations in relation to the ethical behaviours of directors, management and employees. Having a Code of Conduct and Ethics in a PE does not suffice; the success of it also depends on the PE Board and the management team setting the tone and culture of the organisation and leading by example.

The Commission noted that all 14 PEs recognised that the organisation has an obligation to behave ethically, which is to treat its stakeholders (strategic business partners) fairly. However, only eight out of 14 PEs, namely SFA, SPA, NISA, SCAA, SPTC, SPS and PSL made reference to the formal and published Code of Conduct and Ethics[5], released by the Public Officers Ethics Commission; or the Public Officer's Ethics Act 2008. Other PEs indicated that their statutory laws, Board charters, human resources policies, employee handbooks make provisions in regards to the ethical obligations of the Board directors and employees of the organization. IDC stated that despite not having a Code of Conduct and Ethics, employees know what is acceptable or not.

Similarly, all 14 PEs, agreed that the responsibility for setting the tone and culture of the organisation, and for driving ethical behaviour, lies with the Board working closely with the CEO.

The Commission observed that most PEs, are not publishing the policies of the Code of Conduct and Ethics on their organisation's website. Some reasons provided by PEs in regards to the publication of the document on their website include;

- The Code of Conduct and Ethics is incorporated in the Board Charter which is published on the website
- PEs still awaiting finalisation of documents which will subsequently be published
- The Code of Conduct and Ethics is distributed to all stakeholders through email and printed copies
- PEs not having an active website
- There is a lack of manpower to prepare the Code of Conduct and Ethics

Most PEs, eight out of 14, Codes of Conduct and Ethics describe measures put in place to handle actual or potential conflicts of interest, and prevent corrupt practices. SPF stated that it has a conflict of interest policy for Board directors and employees respectively. Alternatively, PEs are following the Public Officers' Ethics Act, which notably does not have any clause for whistle-blowing.

[5] Reference is made to the *'Code of Conduct and Ethics; Handbook for Public Officers'*, issued in 2009 by the Public Officers' Ethics Commission- Seychelles.

However, legislations such as, Section 69 (1)[6] of the Anti-corruption Act, 2016, provides for protection of whistle-blowers, victims, and experts. Corporate fraud and malpractice is covered under separate legislations[7]. FSA and NISA have a grievance policy and grievance procedures respectively, which guide staff to be able to raise concerns in confidence, and without the risk of reprisal.

[6] Section 69 (1) of Anti-Corruption Act, 2016: 'The *Commission shall ensure that a person or a public servant who has made a disclosure under this Act is not victimised on the ground that such person or a public servant has made a disclosure or rendered assistance in inquiry under this Act.'*

[7]International Business Companies Act 2016, Financial Services Authority Act 2013, Companies Ordinance Act 1972, Securities Act 2007, Anti-Corruption Act 2016, Penal Code, and Prevention of Terrorism Act 2004.

3.2 Business and Financial Reporting

3.2.1 Principle 10

> *"The Board should ensure that a balanced, true and fair view of the State body's financial performance and financial position is made when preparing the annual report and financial statements of the Public Enterprise."- Principle 10*

Principle 10 dictates that the Board should prepare and present the financial statements that give a true and fair view of the financial performance of PEs and are required to arrange for the financial statements to be audited by an independent auditor. As prescribed under Section 36 (1) of the PEMC Act, PEs should within three months after the end of its financial year, prepare an annual report on its operations, which together with a copy of its audited accounts as well as any report by the auditors on its management and accounting practices, be submitted to the Minister of Finance, the Responsible Minister and the Commission.

All 14 PEs stated that they have applied all the provisions under Principle 10 with the exception of SFA who is currently in arrears with its audited financial statements and annual reports, with its last report published for the year 2016. The accounting function at 2020 Dev is outsourced.

The Commission observed a general delay in the submission of published accounts, primarily due to the restrictions imposed by the Health Authorities to limit the spread of COVID19 in the community. As at the reporting date, 11 out of 14 PEs had submitted their audited accounts except for SFA, SPS and PMC. The Commission further noted that all 11 PEs obtained an unqualified audit opinion, effectively certifying that the accounts gave a true and fair view. In respect of having independent auditors, the Commission noted that 11 out of 14 PEs have independent auditors in line with Provision 3 of Principle 10 and section 31[8] of the PEMC Act. IDC, 2020 Dev, SEYPEC and SPTC have each reappointed their auditors (Pool & Patel, BDO, BDO and BDO respectively) for a sixth term in 2020, which may impair the auditor's independence with the PE. It is to be noted that PEs, such as IDC and SEYPEC, have had the same auditors prior to 2015.

Principle 10 further requires that PEs produce an annual report comprising of its financial statements and commentary, as well as a comprehensive report of the PE's activities in the year. While the 14 PEs revealed that this is done on an annual basis, the Commission effectively received only seven out of 14 annual reports as at the reporting date from PSL, SPF, FSA, NISA, SCAA, 2020 Dev and SPTC.

[8] Section 31 of PEMC Act- The Board of each PE shall nominate the auditors of the PE who shall be appointed, or may be dismissed, by the Board. The auditor shall be appointed for a period not exceeding five years.

3.3 Audit, Risk and Internal Control

3.3.1 Principle 11

> *"The Board should establish formal and transparent policies and procedures to ensure the independence and effectiveness of internal and external audit functions and satisfy itself on the integrity of financial and narrative statements."- Principle 11*

Consisting of seven provisions, Principle 11 focuses primarily on the financial literacy of Board directors, their continuous professional development (CPD), their understanding of the organization's business and their ability to demonstrate an appropriate level of attentiveness in regards to financial irregularities in the organization's finances. It also emphasizes the formulation of policies and the creation of an Audit Committee.

In general, the PE sector maintained an acceptable level of financial literacy that is adequate for their respective Boards. The PEs have noted that their Board directors exercise great oversight of all financial dealings and are thus able to detect any financial anomalies or irregularities in the organization's finances. For instance, the Boards of SPF, FSA, PMC and SCAA consist of a representative from the Ministry of Finance, Economic Planning and Trade (MoFEPT).

Principle 11 also requires that the Board of directors undertake CPD to develop their knowledge of financial matters. Eight out of 14 PEs affirmed that they applied this provision however the Commission was unable to evidence their CPD records. On one hand, PEs noted that training was encouraged although not carried out due to budgetary constraints. On the other hand, PEs noted that possessing the necessary mix of skills, experience, knowledge and diversity was pre-determined in their respective legislations which provide for the appointment of the directors.

As highlighted under Provision 6, the Board should have policies and procedures to assess the suitability, objectivity and independence of any external audit advice received. Eight PEs applied this provision, while the remaining six PEs noted that they do not have any policies and procedures. In accordance with SPF practice, external auditors submit a draft audited report to the Finance and Investment Committee of the Board for review before approval. PUC also explained that the Terms of Reference of the Audit Committee provides guidance on such matters. Meanwhile SCAA and STC stipulated that, this is set up in accordance with the principles of their respective Board charters in line with IAS and IFRS. However, FSA and NISA claimed that their respective Boards are not required to assess the suitability of the external audit advice given that their accounts are audited by OAG in accordance with their respective Acts.

Finally, eight out of 14 PEs claimed to have established an Audit committee, however the Commission was able to confirm the composition and terms of reference of the committees of SPF, FSA, NISA, and PSL.

3.3.2 Principle 12

> *"The Board should establish procedures to manage risk, oversee the internal control framework, and determine the nature and extent of the opportunities it wishes the organization to explore, and the principal risks the organization is willing to take, in order to achieve its long-term strategic objectives."- Principle 12*

As specified under Principle 12, well-governed organisations should integrate performance-focused risk management and internal control at every level of the organisation and across all operations. Therefore, the Board, with the assistance of management, must carry out a robust assessment of the company's emerging and principal risks and provide an explanation of how these are managed or mitigated. The Board should ensure that any internal audit function is effective and able to function independently through frequent monitoring of the company's risk management and internal control systems covering all material controls, including financial, operational and compliance controls. If deemed necessary, the Board should set up a Risk Committee to assist it in its work.

The Commission noted that seven out of 14 PEs integrate performance-focused risk management and internal control at every level of the organization except for SFA, SPA, FSA, IDC and PSL. The remaining PEs, PMC and PSL, respectively noted that the internal audit function assesses the internal controls and standard operating procedures were used for all operations. The Commission was able to evidence the risk registers of eight out of the 14 PEs except for 2020 Dev, SPS, IDC, PSL, FSA and SPTC.

Principle 12 requires that PEs adopt a risk management framework based on an internationally-recognized framework. This was the case for only four PEs, namely SPF, PUC, SPTC and SPS, however the Commission was only able to evidence the frameworks of SPF and PUC. Both PUC and SPF were identified as best-practice among the 14 PEs. PUC's Board sets out the risk and internal control policies; management establishes those internal controls and their effectiveness is reported back to the Board through internal audit reports. The Corporation also established procedure manuals for all its sections, and internal controls and risk management are embedded in all processes. Their risk management policy was formed based on an internationally recognized framework tailored to meet PUC's specific requirements whereby the identification and assessment of risks have been undertaken and formalized in a Risk Matrix. On its part, SPF's risk management policy is managed by a risk management section. Risk Assessment is done quarterly through an update of their risk register, and may be conducted whenever the need arises. The framework was developed by PricewaterhouseCoopers (PWC), however, SPF intends to introduce a new operational risk management tool (ORM) that will be facilitated by the World Bank through the Reserve Advisory and Management Partnership program (RAMP).

3.4 Remuneration

3.4.1 Principle 13

> *"Remuneration policies and practices should be designed to support strategy and promote long-term sustainable success."- Principle 13*

Principle 13 focuses on the remuneration of executive directors and senior management in PEs. Remuneration should be transparent, accountable, responsible and fair; it should be aligned to the organisation's purpose, values and long-term strategy; and should be clearly documented. Principle 13 also emphasizes on the creation of a Remuneration Committee to assist the Board it in its work of authorising remuneration outcomes.

The Commission noted that with the exception for SPA, 13 out of 14 PEs remunerate their executive directors and senior management team in the manner prescribed by the Code. However, the Commission was not able to confirm process undertaken by the PEs for remuneration. 10 out of 14 PEs (except for SFA, STC, SPA and PMC) has confirmed that the remuneration of their CEO and senior management team is aligned to the organisation's purpose, values and long-term strategy. 10 out of 14 PEs (except for SFA, STC, SPA, and PMC) have a formal and transparent procedure for developing policy on management remuneration.

The Commission observed that only seven out of 14 PEs have a Remuneration Committee. SFA explained that the structure of their Board was not adequate to set up a Remuneration Committee and they do not have any policy on remuneration management in place. Nevertheless, SFA noted that they have a remuneration scheme for executive directors and senior management, which is approved by the Board, however the Commission was not able to verify this disclosure.

SPF, FSA and SCAA clarified that their CEO's remuneration is in accordance with the Government policy as determined by their responsible ministry. As for senior management, FSA stated it has developed its own scheme of service, detailing the remuneration for senior management aligned with the organizational purpose and values which is clearly linked to the successful delivery of the organization's long-term strategy. SPF and SCAA employee's salary is discussed and approved by the Remuneration Committee of the Board and in accordance with the HR policy.

The Boards of 10 out of 14 PEs (except for SFA, STC, SPA, and IDC) noted that non-executive directors exercise independent judgement and discretion when authorising remuneration outcomes. IDC explained that their Board decides on the CEO's remuneration only, and not that of senior management. As for PUC, the Board rewards management through their Remuneration Committee guided by their scheme of service; however the Commission has not evidenced the latter. The salary of 2020 Dev's Managing Director is guided by the Department of Public Administration salary grid and the settlement of other benefits were discussed at Board level. Similar to PUC, the Commission was unable to corroborate 2020 Dev’s disclosure. SPA did not apply any of the provisions under this principle since the framework for remuneration of executive directors and senior management team were not in place in the year under review. STC noted that its current remuneration is in accordance with its existing structure and policy however the Commission was not able to evidence this.

3.5 Monitoring Code Performance

3.5.1 Principle 14

"Boards will be expected to report on the progress they are making with implementation of the Code's provisions." – Principle 14

Principle 14 of the Code requires that the Boards, management teams and staff of PEs understand and work to deliver the benefits of strong governance. It is the organization's responsibility to disclose to its stakeholders and wider governance community how it has exhibited governance leadership.

10 out of 14 PEs reported that they effectively disclose to their stakeholders and wider governance community how they have exhibited governance leadership, however, the Commission received only seven PE annual reports at the reporting date. Furthermore, the Commission noted that none of the seven PE annual reports disclosed the PEs' governance leadership in the manner required by the Code. The remaining four PEs, namely SFA, STC, PMC and IDC are yet to apply this provision. SFA has noted that it discloses its responsibilities through the Annual Report, however, as previously mentioned, they are yet to publish their Annual Report for 2017 to 2020. On its part, PMC has noted that since the Code's adoption, they are yet to abide to the entirety of the Code, notably reporting on their governance practices. In the same light, IDC has stated that it will adopt this provision in future publications of its Annual Reports and STC has noted that it will bring up the matter to its Board for discussion.

Principle 14 also requires that PE Boards to report on the implementation of the Code as part of their Annual Report with the Checklist attached to its Appendix. All 14 PEs are yet to report on the implementation of the Code as part of their Annual Report. SPF explained that its 2020 Annual Report has already been published however, application of the provision will be considered in future publications. SPF also commented that the Checklist is lengthy for inclusion into the Annual Report and has proposed for the Commission to consider a shortened version.

Principle 14 requires that PEs submit their Annual Report to the Commission whose responsibility will be to engage with individual companies where progress is slow. This is also in accordance with Section 36 (1) of the Public Enterprise Monitoring Commission Act 2014 which states that "*each Public Enterprise shall within, three months after the end of its financial year prepare an annual report on its operations*". The Commission noted a general delay in the submission of the 2020 Annual Report as at the reporting date, that is to say five months[9] after the deadline of submission of

[9] The Commission issued Circular No. 2 of 2021 extending the submission deadline to 31^{st} May 2021

the report[10]. As at the reporting date, only seven out of 14 PEs had submitted their Annual Report albeit late which are SPF, NISA, SCAA, 2020 Dev, FSA, PSL and SPTC.

[10] Except IDC which financial year end is 31st March 2021. Deadline for submission of annual report is 30th June 2021 and extension granted until 30 September 2021.

4. Conclusion

The Commission has recorded 14 out of 18 submissions for the checklist with two outright non-submissions and two exemptions. The report highlights several weaknesses in the application of the Code of Corporate Governance in the PE sector such as implementation of a risk management framework, CPD for Board directors, the competency of Board secretaries, and the carrying out of an independent Board evaluation. A majority of PEs do not yet have a Board charter to effectively guide their Board directors and overall direction of the organization. There is also a need to have the remuneration of executive directors and senior management better aligned to the organisation's purpose and values, and linked to the organisation's performance. The absence of an Audit committee or an Internal Audit function reduces the level of integrity of financial and narrative statements of PEs. The absence of a whistle-blower protection policy or framework may reduce reporting of fraudulent practices within the PE.

The Commission also noted that while PEs are committed to the preparation of their Audited Financial Statements, there were significant delays in the timely submission of the Audited Financial Statements itself as well as the Annual Reports. Most PEs' Annual Reports contain a summary of how the PEs have exhibited corporate governance leadership however the disclosures were not in accordance with the provisions of the Code. The most pertinent issues revolved around the appointment of Board directors and ensuring that they possess the right mix of skills, experience and knowledge. It was noted that the PEs have little influence over the appointment of Board directors as this was carried out by the Office of the President, occasionally at the recommendation of respective parent Ministries. The appointment of Board of directors should effectively be subject to a formal, rigorous and transparent procedure. Furthermore, the Boards of PEs must ensure that the audit of their financial statements are carried out by an independent auditor by ensuring that no one auditor is appointed in excess of five years.

On the other hand, the report highlights some best practices such as the PUC's and SPF's risk management framework adapted from an internationally recognized framework tailored to their specific needs. SPF is also the only PE carrying out a Board and individual Board directors' evaluation on an annual basis, facilitated by their Board secretary and in accordance with their Board charter. The Commission also noted a general application of the Code by all PEs in understanding the responsibilities of the Board's overall effectiveness in directing and controlling the activities of their respective organisations. Finally, a majority of PEs understand the provisions made under each principle of the Code of Corporate Governance and have committed to introducing appropriate measures to effectively apply the Code in 2022.

For the reporting period ending 2021, PEs will be required to complete the Checklist for their respective financial year; a summary of which shall be included in the main body of the annual report while the completed Checklist itself shall be attached to the Appendices of the report. The Checklist shall thus observe the same deadline of submission as the annual report in line with Section 36 of the PEMC Act.

The Commission recognises that this report used the method of a desk research approach by using responses and documents from Public Enterprises. Nevertheless, the document is an important milestone in the Commission's mandate to ensuring that Public Enterprises are properly controlled and managed for the better performance, transparency and accountability. The information gathered would be useful for the Commission planning and governance audit.

5. Appendices

5.1 Appendix 1: Record of Submission by Public Enterprises

Key	
×	Not submitted
✓	Submitted
Exempted	Exempted

PUBLIC ENTERPRISES	Submissions by PEs (× or ✓)	Date of Submission	Submission of Supporting documents within the deadline
1. Seychelles Petroleum Company Ltd	×	Not Submitted	Not Submitted
2. Islands Development Company Ltd	✓	31-Aug-21	✓
3. L'Union Estate Ltd	×	Not Submitted	Not Submitted
4. Petro Seychelles Ltd	✓	30-Jul-21	×
5. Seychelles Trading Company Ltd	✓	10-Sep-21	×
6. Seychelles Fishing Authority	✓	9-Aug-21	×
7. Seychelles Ports Authority	✓	6-Sep-21	✓
8. Seychelles Pension Fund	✓	30-Jul-21	✓
9. Air Seychelles Ltd	**Exempted**	**Exempted**	**Exempted**
10. Financial Services Authority	✓	1-Sep-21	✓
11. National Information Services Agency	✓	10-Aug-21	✓
12. Seychelles National Park Authority	**Exempted**	**Exempted**	**Exempted**
13. Property Management Corporation	✓	12-Aug-21	✓
14. Public Utilities Corporation	✓	17-Aug-21	✓
15. Seychelles Civil Aviation Authority	✓	30-Jul-21	✓
16. 2020 Development (Seychelles) Ltd	✓	17-Sep-21	×
17. Seychelles Public Transport Corporation	✓	31-Aug	✓
18. Seychelles Postal Services Ltd	✓	4-Aug	✓

5.2 Appendix 2: Application of the Code as reported by the PEs

Key	Explanation
✓	The PE <u>fully</u> applies this provision in the way that it is stipulated and the explanation provided supports its disclosure.
×✓	The PE <u>partially</u> applies the provision or explains how it has applied the provision in an alternate manner. The PE cannot apply this provision due to circumstances outside its powers e.g. appointment done by President.
×	The PE <u>does not apply</u> the provision, has raised a question as to its application, has made a claim that it will/intends to apply the provision or the provision has been applied beyond the scope of reporting i.e. after its reporting date.

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P1.1 Board directors carry the legal duties, responsibilities, and liability for leading the organisation successfully	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.2 The board should meet regularly to discharge its duties effectively.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.3 The board should establish the organisation's purpose, values and strategy, and satisfy itself that these and its culture are aligned	✓	✓	×	×	×	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.4 Board should ensure that the Public Enterprise is compliant with relevant laws and regulations, including statutes pertaining to procurement and public finance	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓
P1.5 The board should work closely with the CEO and the management team	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.6 The board is to exercise effective oversight over the	×	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
management team and its activities.														
P1.7 Clear division of responsibilities at the head of the organisation between the running of the board and the executive responsibility for the running of the organisation's business.	×✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.8 The division of responsibilities between the Chair and the CEO should be clearly established, set out in writing and agreed by the board.	✓	✓	✓	×	×	✓	×✓	✓	✓	✓	✓	×✓	×	×✓
P1.9 The management of a Public Enterprise has a duty to provide its Board with all necessary information to enable the Board to perform their duties to a high standard.	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.10 There should be clear escalation procedures so that contentious issues are brought to the board for its consideration	✓	✓	✓	×	✓	✓	✓	✓	×	✓	✓	✓	✓	✓
P1.11 Board discussions should be properly recorded in minutes to provide a thorough record of board discussion and the rationale behind decisions taken.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.12 Board meetings should be conducted in private, and all board business should be considered confidential, and not for discussion outside the boardroom.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P1.13 The organisation should, if appropriate, arrange appropriate	×	×	×	×	✓	×	×	×	×	×	×	×	×	×

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
insurance cover in respect of legal action against its directors.														
P2.1.1 The board should prioritise strategy formulation to maximise value creation	✓	✓	×	✓	×	✓	×✓	✓	✓	✓	✓	✓	✓	✓
P2.1.2 The board should understand where value lies in the business model, and the Public Enterprise's strengths and points of differentiation.	×	✓	×	✓	×✓	✓	×	✓	✓	✓	✓	✓	×	×
P2.1.3 The board should have a clear view of the opportunities and risks associated with the Public Enterprise's activities, and how much risk it is prepared to take.	×	✓	×	×✓	×	✓	×✓	✓	✓	✓	✓	✓	×	✓
P2.1.4 The board should ensure, through oversight of the budget, that management has sufficient resources in place to 'do the job;	×	✓	×	✓	✓	✓	×✓	✓	✓	✓	×✓	✓	✓	✓
P2.2.1 The board should understand the legal and regulatory context within which the board operates, and the compliance obligations which need to be met; create a culture which supports the Public Enterprise's obligations; and view a positive attitude to compliance	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P2.2.2 The board should ensure the controls framework is healthy and fit for purpose;	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P2.2.3 The board should be accountable to its business partners, particularly those that provide the organisation's funding	✓	✓	✓	✓	✓	✓	×✓	✓	✓	✓	✓	✓	✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P2.2.4 The board has a leadership role	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P2.3.1 The board ensure that it possesses the right mix of skills, experience, knowledge, 'independence', diversity and displays the appropriate behaviours	×	×✓	✓	×	✓	✓	✓	✓	×✓	✓	✓	✓	✓	✓
P2.3.2 The board demonstrates ethical leadership, displaying and promoting behaviours consistent with the organisation's purpose, direction, culture, vision, and values	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P2.3.3 The board create a decision-making process which generates well-informed, high-quality, strategic decisions,	✓	✓	×✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓
P2.3.4 The board think carefully about its governance arrangements, and embrace evaluation of their effectiveness periodically, while reviewing its own performance regularly; conduct an annual board evaluation of its own effectiveness	×	✓	×	×	×	×✓	×	×✓	×	✓	✓	✓	×	×✓
P3.1 The Chairperson should display high standards of integrity and probity and set expectations regarding culture, values, and behaviours for the Public Enterprise and for the tone of discussions at Board level.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓
P3.2 A competent and performing board Chair is the single most	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
significant driver of an effective board.														
P3.3 The Chair leads the board, while the CEO leads the organisation	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.4 The Chairperson should demonstrate objective judgement throughout their tenure and promote a culture of openness and debate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.5 The Chair facilitates constructive board relations and the effective contribution of all directors.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.6 Chairperson sets the board agenda, ensuring that adequate time is available for discussion of all agenda items	✓	✓	✓	✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.7 Chair manages the interface between board and management and externally	✓	✓	✓	✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.8 The positions of Chair and CEO should be held by different individuals.	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P3.9 A CEO should not go on to be Chair of the same organisation.	×✓	✓	✓	✓	✓	✓	✓	×✓	✓	✓	✓	✓	✓	✓
P4.1 A majority of the board should comprise non-executive directors.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P4.2 At least three of the non-executive directors should be independent in nature	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓	✓
P4.3 Non-executive directors should have sufficient time to meet their board responsibilities	✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P4.4 Non-executive directors should provide constructive challenge, strategic guidance, offer specialist advice and, collectively, hold management to account.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P4.5 All directors should always objectively discharge their duties and responsibilities as fiduciaries in the interests of the organisation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓	×✓
P4.6 Directors are expected to attend each board meeting and each meeting of any committee on which they sit	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓
P4.7 A record should be kept of individual director's attendance and (where relevant) voting record	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P4.8 Established good practice for the Chair to hold meetings with the non-executive directors without the executives present	×	✓	✓	✓	✓	✓	×✓	✓	✓	✓	✓	×✓	×✓	×✓
P4.9 Where directors have concerns which cannot be resolved about the running of the organisation, or a proposed action, they should ensure that their concerns are recorded in the board minutes.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P4.10 On resignation, a non-executive director should provide a written statement to the Chair, for circulation to the board, if they have any such concerns.	✓	✓	×✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P4.11 Existing directors will be expected to enhance their	×	✓	✓	×	✓	✓	✓	✓	×	✓	✓	✓	×✓	×✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
continuous professional development by attending training in the field of Corporate Governance and finance														
P4.12 New directors will be expected to take the training in Corporate Governance, to develop their board-craft skills, either in advance, or within the first year, of serving on a board – unless they can provide evidence of previous knowledge of, or experience gained in, this discipline	×	✓	×	×	✓	✓	×	✓	×✓	✓	×✓	✓	×✓	×✓
P4.13 All directors will be expected to devote some time to their continuing professional development, and to gaining a greater understanding of the organisation's business	×✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓	✓	✓
P4.14 Each director should receive a letter of appointment which clearly sets out the expectations of the role including time commitment and, if appropriate, level of remuneration	✓	×✓	×	✓	✓	✓	✓	×✓	×✓	×✓	✓	×✓	×✓	×✓
P5.1 The board secretary should be recognised as an important member of the board community and the organisation's head of governance.	×✓	✓	✓	×✓	✓	✓	×✓	✓	✓	✓	✓	✓	×✓	✓
P5.2 The board secretary will ensure that the board has the policies, processes, information, time and resources it needs in	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
order to function effectively and efficiently.														
P5.3 The board secretary will help the board and its committees function effectively, manage all board and committee meeting logistics, attend and record minutes of all board and committee meetings, and facilitate board communications.	✓✗	✓	✓	✓	✓	✓	✓	✓	✓	✗✓	✓	✓	✗✓	✓
P5.4 The board secretary will ensure the timely distribution of meeting papers; advise the board on its roles and responsibilities facilitate the orientation of new directors and assist in director training and development; monitor governance developments; and assist the board in applying governance practices to meet the board's needs and stakeholders' expectations.	✗	✓	✓	✓	✓	✓	✗	✓	✓	✗✓	✓	✗✓	✗✓	✓
P5.5 The board secretary will not simply carry out his or her technical duties but will also act as governance adviser to the board	✗	✓	✓	✗	✓	✓	✗	✓	✗	✓	✓	✗	✗	✓
P5.6 All members of the board should have access to the services and advice of the board secretary	✓	✓	✓	✓	✓	✓	✗	✓	✓	✓	✓	✗	✓	✓
P5.7 The board secretary will be expected to take the Advanced training in Corporate Governance either in advance, or within the first year, of taking up the role.	✓	✓	✓	✓	✗✓	✓	✗	✓	✗	✗	✓	✗✓	✗	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P5.8 The board secretary will also be expected to consider studying for the internationally-recognised qualification	×	✓	×	×	×✓	×	×	×✓	×✓	×	×✓	×✓	×	×
P6.1 Appointments to the board should be subject to a formal, rigorous and transparent procedure.	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓	×✓
P6.2 An effective succession plan should be maintained for board (as well as senior management).	×	×✓	×	×	×✓	×✓	×	✓×	×✓	×✓	✓	✓	×	×
P6.3 Both appointments and succession plans should be based on merit and objective criteria and, within this context, should promote diversity of gender, social background, and cognitive and personal strengths	×✓	×✓	×	×✓	×✓	✓	×	✓	×✓	×✓	✓	✓	×	✓
P6.4 The board should have independent directors.	✓	✓	×	×	✓	✓	✓	×✓	✓	✓	×✓	✓	✓	×✓
P6.5 Nomination Committee should be established to help with the task of succession planning and the appointment of board members, including the future Chair (and CEO).	×✓	✓	×	×	×✓	×✓	×✓	×✓	×✓	✓	×✓	×✓	×	×
P6.6 A board skills matrix should be used to identify gaps on the board as the basis for appointing appropriate board members, based on their fit.	×✓	×✓	×	×✓	×✓	×✓	×✓	×✓	×✓	✓	×✓	×✓	×✓	×✓
P6.7 In identifying candidates for appointment as directors, the board should not rely solely on recommendations from existing	×✓	×✓	×	×✓	×✓	×✓	×✓	×✓	×✓	×	✓	×✓	×✓	×✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
board members, or management, but should use an independent mechanism														
P6.8 The organisation should disclose how candidates for (independent) non-executive director positions were sourced.	×✓	×✓	×	×	✓	✓	×✓	×✓	×✓	✓	✓	×✓	×	×
P6.9 A director should, when joining a board for the first time, receive a comprehensive induction about the organisation	×	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	×✓	×
P6.10 All directors should have access to a programme of ongoing professional development	×	✓	×✓	×	×✓	×✓	×	✓×	✓×	✓	✓	×✓	×	×✓
P7.1 Board evaluation should consider the board's composition, diversity achieved and how effectively members work together	×	✓	×	×	×✓	✓	×	×	×	×✓	×✓	×	×	×
P7.2 Individual evaluation should demonstrate whether each director continues to contribute effectively.	×	✓	×	×	×✓	×	×	×	×	×	×✓	×	×	×
P7.3 The results should feed through to work of the board (or Nomination Committee) in terms of board composition and succession planning.	×	✓	×	×	×✓	×	×	×	×	×	×✓	×	×	×
P7.4 The board should disclose how the assessment was carried out and, in general terms, its outcome.	×	✓	×	×	×✓	×	×	×	×	×	×✓	×	×	×
P7.5 Every third year, the evaluation should be conducted by an independent, external professional evaluator.	×✓	×	×	×	×✓	×	×	×	×	×	×✓	×	×	×

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P8.1 Board charter should clearly identify the governance structure, authority and terms of reference of the board, its committees and management.	✓	✓	×	×	×	✓	×	✓	×	×	×✓	×✓	×	×
P8.2 Board charter should include respective roles and responsibilities, and issues and decisions reserved for the board.	×✓	✓	×	×	×	✓	×	✓	×	×	×✓	×✓	×	×
P8.3 Board charter should identify, for directors, what is expected from them in terms of their commitment as board members.	✓	✓	×	×	×	✓	×	✓	×	×	×✓	×✓	×	×
P8.4 Board charter should also outline the vision, mission, values, expected behaviours and desired culture of the organisation	×	✓	×	×	×	✓	×	✓	×	×✓	×✓	×✓	×	×
P9.1 The organisation has an obligation to behave ethically that is to treat its stakeholders (strategic business partners) fairly.	✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓
P9.2 The responsibility for setting the tone and culture of the organisation, and for driving ethical behaviour, lies with the board working closely with the CEO	✓	×✓	×	×✓	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓
P9.3 In articulating acceptable practices, the Code of Conduct and Ethics should guide the behaviour of directors, management, and employees.	✓	×✓	×	✓	×	✓	×	✓	×✓	✓	✓	✓	×✓	✓
P9.4 The policies of the Code of Conduct and Ethics should be integrated into organisation-wide	✓	×✓	×	×	✓	✓	×	✓	×✓	✓	✓	✓	×✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
management practices and be periodically reviewed.														
P9.5 The policies of the Code of Conduct and Ethics should be published on the organisation's website.	×	×✓	×	×	×	×✓	×	×✓	×	×	×✓	×	×✓	×
P9.6 The Code of Conduct and Ethics should describe measures put in place to handle actual or potential conflicts of interest, prevent corrupt practices	✓	×✓	×	✓	×	✓	×	✓	×	✓	✓	✓	×✓	✓
P9.7 The policies of the Code of Conduct and Ethics should ensure that whistleblowing policies provide for legitimate concerns to be objectively investigated and addressed	×✓	×✓	×	×✓	×✓	✓	×	✓	×	×✓	×✓	✓	×✓	✓
P9.8 The existence of a Code of Conduct and Ethics does not, in itself, deliver an organisation which is ethical in its behaviour.	✓	×✓	×	✓	✓	✓	×	✓	×	✓	✓	✓	✓	✓
P10.1 The Board is required to arrange for the preparation of the financial statements in respect of each financial year.	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P10.2 The Board must present financial statements of a Public Enterprise that give a true and fair view	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P10.3 The Board is required to arrange for the financial statements to be audited by an independent auditor/AG.	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P10.4 The annual report, comprising the financial statements and commentary	×	✓	×	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
thereon, is a comprehensive report of the Public Enterprise's activities throughout the preceding year.														
P11.1 The board should ensure that it has members who are financially literate.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P11.2 Directors should be willing to undertake continuous professional development to develop their knowledge of financial matters.	✓	✓	✓	×	✓	×	×	✓	×✓	✓	✓	✓	×	×✓
P11.3 They should have sufficient understanding of the organisation's business to be able to offer constructive challenge to management on issues relating to financial matters.	✓	✓	✓	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P11.4 Board should demonstrate an appropriate level of vigilance concerning the detection of any financial anomalies or irregularities in the organisation's finances	×✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P11.5 The board should consider whether the financial statements, taken as a whole, provide a true and fair view of the organisation's financial position and performance	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P11.6 The board should have policies and procedures to assess the suitability, objectivity and independence of any external audit advice received	×	✓	✓	✓	×✓	×✓	×✓	✓	✓	✓	✓	✓	×	×

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P11.7 The board should set up an Audit Committee to assist it in its work.	×	✓	×	×	✓	✓	✓	✓	✓	×	×	✓	×	✓
P12.1 Well-governed organisations integrate performance-focused risk management and internal control at every level of the organisation and across all operations.	×	✓	×	×	×	✓	×✓	✓	✓	✓	✓	✓	×	×✓
P12.2 The board should, with the assistance of management, carry out a robust assessment of the company's emerging and principal risks.	×	✓	×	×	×	✓	✓	✓	✓	×	✓	✓	×	×✓
P12.3 The board should confirm that it has completed this assessment, and include a description of its principal risks	×	✓	×	×	×	✓	×	✓	✓	×	×✓	✓	×	×✓
P12.4 It should state if the risk management framework adopted by the organisation is based on an internationally-recognised risk management framework.	×	✓	×	×	×	×✓	×	✓	×✓	×	✓	✓	×	×✓
P12.5 The board should set appropriate policies on internal control and seek assurance from management that the systems are functioning effectively.	✓	✓	×	×	✓	✓	✓	✓	✓	×	✓	✓	×	×✓
P12.6 The board should ensure that any internal audit function is effective and able to function independently.	×	✓	×	×	✓	✓	✓	✓	✓	×✓	✓	✓	×	×✓
P12.7 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a	×	✓	×	✓	×	✓	×	✓	✓	×	✓	✓	×	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
review of their effectiveness and report on that review.														
P12.8 The monitoring and review should cover all material controls, including financial, operational and compliance controls.	×	✓	×	✓	×	✓	✓	✓	✓	×	✓	✓	×	✓
P12.9 The board should set up a Risk Committee (if deemed necessary) to assist it in its work.	×	✓	×	×	✓	✓	✓	✓	✓	×	×	✓	×	×
P13.1 Remuneration of executive directors, and and senior management team, is perceived to be subject to the same approach as the other issues set out in this Code,	✓	✓	✓	×	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
P13.2 CEO and senior management remuneration should be aligned to organisational purpose and values and be clearly linked to the successful delivery of the organisation's long-term strategy.	×	✓	×✓	×	✓	✓	×	✓	✓	✓	✓	✓	✓	✓
P13.3 Formal and transparent procedure for developing policy on management remuneration and determining director and senior management remuneration should be established.	×	✓	×	×	✓	✓	×	✓	✓	✓	✓	✓	✓	✓
P13.4 Non-Executive directors should exercise independent judgement and discretion when authorising remuneration outcomes	×	✓	×	×	✓	✓	✓	✓	✓	✓	✓	✓	×✓	✓

Principles extract	SFA	SPF	STC	SPA	FSA	NISA	PMC	PUC	SCAA	2020	SPTC	SPS	IDC	PSL
P13.5 The board will set up a Remuneration Committee to assist it in its work.	×	✓	×	×	✓	✓	×	✓	✓	✓×	×	✓	×	✓
P14.1 It is the organisation's responsibility to disclose – to its stakeholders, as well as the wider governance community – how it has exhibited governance leadership	×	✓	×	✓	✓	✓	×	✓	✓	✓	✓	✓	×	✓
P14.2 The board's report on its implementation of the Code will be contained within the Annual Report.	×	×	×	×	×	×	×	×	×	×	×	×	×	×
P14.3 The report will also be submitted to the Public Enterprise Monitoring Commission, whose responsibility will be to engage with individual companies where progress is slow.	×	✓	×	✓	×	×	×	✓	×✓	✓	✓	✓	✓	✓