



REPUBLIC OF NAURU  
**RONPHOS Act 2005**

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**Act No. 3 of 2005**

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An Act relating to the phosphate industry on Nauru

WHEREAS a Corporation, known as the Nauru Phosphate Corporation, was established by clause 12 of an Agreement entered into on the Fourteenth day of November 1967, between the Nauru Local Government Council of the one part and the Government of the Commonwealth of Australia, the Government of New Zealand and the Government of the United Kingdom of Great Britain and Northern Ireland of the other part;

AND WHEREAS the *Nauru Phosphate Corporation Act 1969* was enacted by the Parliament of the Republic of Nauru, as later amended by the *Nauru Phosphate Corporation Amendment Act 1978* and the *Nauru Phosphate Corporation Amendment Act 1982*;

AND WHEREAS The Cabinet of the Republic of Nauru has resolved to recommend to the Parliament the repeal of the *Nauru Phosphate Corporation Act 1969* and the *Nauru Phosphate Corporation Amendment Act 1978* and the *Nauru Phosphate Corporation Amendment Act 1982*, and replace said Acts with a new Act:

*Certified on 30 June 2005*

Enacted by the Parliament of Nauru as follows:

**PART 1 – PRELIMINARY**

**1 Short title**

This Act may be cited as the *RONPHOS Act 2005*.

**2 Commencement**

This Act shall come into operation on the 1st day of July, 2005.

**3 Repeal**

The *Nauru Phosphate Corporation Act 1969*, the *Nauru Phosphate Corporation Amendment Act 1978* and the *Nauru Phosphate Corporation Amendment Act 1982* are hereby repealed and replaced by this Act upon its commencement.

**4 Parts**

This Act is divided into Parts, as follows:

Part I – Preliminary (sections 1 – 5)

Part II – RONPHOS

Division 1            Establishment of the Corporation and the Executive Committee (sections 6 – 8)

Division 2            Objects and Powers of the Corporation (sections 9 – 11)

Division 3            Staff (sections 12 – 13)

Division 4            Finance of the Corporation (sections 14 – 20)

Division 5            Budget, reports, and audit (sections 21 – 26)

Part III – Miscellaneous (sections 27 – 30)

Schedules

**5 Definitions**

In this Act, unless the contrary intention appears:

**‘annual accounts’** is the balance sheet and profit and loss account of the Corporation for a financial year;

**‘financial year’** means a period of twelve months ending on the Thirtieth day of June;

**‘member’** means a member of the Executive Committee, and includes an alternate of a member of the Executive Committee;

**'Director'** means a Nauruan member of the Executive Committee appointed under section 7 of this Act, and whose role and responsibilities are defined in the First Schedule;

**'Executive Director'** means a member of the Executive Committee appointed under section 7 of this Act, and whose role and responsibilities are defined in the First Schedule;

**'the Executive Committee'** means the Executive Committee established under section 7 of this Act and whose role and responsibilities are defined in the First Schedule;

**'the Chairman'** means the Chairman appointed under section 7 of this Act;

**'the Corporation'** means RONPHOS;

**'the Minister'** means the member of the Cabinet responsible for the phosphate industry on Nauru.

## **PART II – RONPHOS**

### **Division 1 – Establishment of the Corporation and the Executive Committee**

#### **6 Establishment of Corporation**

- (1) There is hereby established a Corporation by the name of RONPHOS, (hereinafter referred to as the Corporation).
- (2) The Corporation:
  - (a) is a body corporate;
  - (b) shall have a common seal and the seal of the Corporation shall be authenticated by the signature of the Chairman or a member of the executive committee authorized to act in that capacity. All documents, other than those required by law to be under seal, made by, and all decisions of the Corporation may be signified under the hand of the Chairman or any other member of the Executive Committee authorized to act in that capacity or an officer of the Corporation so authorized;
  - (c) is capable of acquiring, holding and disposing of both real and personal property;

(d) may sue or be sued in its corporate name.

- (3) All courts, judges, and persons acting judicially shall take judicial notice of the seal of the Corporation affixed to a document and shall presume that it was duly affixed.

**7 Executive Committee**

- (1) There shall be established for the purposes of this Act, an Executive Committee of the Corporation which shall be responsible for the control of the business of the Corporation, subject to the provisions of this Act.
- (2) The provisions of the First Schedule shall have effect as to the constitution of the Executive Committee and otherwise in relation thereto.

**8 Head office**

- (1) The Head Office of the Corporation shall be at Nauru.
- (2) The Corporation may establish other offices at such places as the Executive Committee shall, with the approval of the Minister, from time to time determine.

**Division 2 – Objects and powers of the Corporation**

**9 Objects of the Corporation**

The objects of the Corporation are:

- (1) to maintain and operate the phosphate industry on Nauru in a safe, efficient and profitable manner;
- (2) to establish, maintain and operate such activities as are, or may be ancillary to the maintenance and operation of the phosphate industry on Nauru; and
- (3) to establish, maintain and operate such other activities, including those recommended to the Executive Committee by the Minister, as the Executive Committee shall, with the approval of the Cabinet, from time to time determine.

**10 Powers of the Corporation**

- (1) Subject to this Act, and the limitations prescribed under section 11, the Corporation has the power to do all things necessary, convenient or appropriate to be done, whether at Nauru or elsewhere, for the fulfillment of its objects.
- (2) Without limiting the generality of the last preceding subsection, and subject to the provisions of this Act and any Regulations related thereto, the powers of the Corporation include the power:
  - (a) to enter into contracts in relation to any sale or disposal of phosphate or any other products of the Corporation;
  - (b) to enter into contracts in relation to any service to be performed by the Corporation whether in connection with the sale of phosphate or other products or otherwise;
  - (c) to purchase, lease, hire or otherwise acquire land, buildings, plant, machinery and any other capital assets;
  - (d) to sell or dispose of any capital assets of the Corporation;
  - (e) to appoint agents for the purpose of any business conducted by the Corporation and to terminate any such appointment;
  - (f) to act as agent for other persons;
  - (g) to surrender or return to the owners thereof land leased or acquired, but no longer required, for use in the phosphate industry;
  - (h) to rehabilitate and develop lands, including through the removal of materials, scrap and structures used for the mining of phosphate, in-line with environmental laws;
  - (i) to compound, release or settle claims by or against the Corporation; and
  - (j) to do anything incidental to any of its objects.

**11 Limitations**

- (1) Subject to subsection (4) of section 21 of this Act the Corporation shall not purchase, lease, hire or otherwise acquire any capital asset that has not been appropriated under a Budget approved by Cabinet without express permission from the Minister and under the procedures prescribed under section 21 (6) of this Act.
- (2) The Corporation shall not:
  - (a) sell or dispose of any capital asset having a cost value in excess of Five thousand dollars except with the approval of the Minister;
  - (b) sell or dispose of any capital asset having a cost value in excess of Fifty thousand dollars except with the approval of the Cabinet.
- (3) The Corporation shall not enter into any contract for the sale or disposal of phosphate or any phosphate product with any person, unless the Minister has, having consulted the Cabinet on the matter of the contract price, approved the terms and conditions of such Contract.
- (4) The Corporation shall not for any business purpose, appoint any agent or terminate any agency, except after consultation with the Minister.
- (5) The Corporation shall not commence to rehabilitate or develop lands except as directed by the Minister after consultation with the Cabinet.

**Division 3 – Staff**

**12 Delegation**

The Executive Committee may, unless otherwise directed by the Minister, delegate to any officer or employee of the Corporation any of the Executive Committee's powers or functions under this Act, provided that the delegation of any of the Executive Committee's powers or functions under this Act to any officer or employee of the Corporation shall not preclude the Executive Committee from itself exercising that power of function.



**13 Officers, staff and labour**

- (1) For the conduct of the Corporation's business, the Executive Committee shall establish and maintain an appropriate management structure.
- (2) The Corporation may:
  - (a) appoint, engage or employ; and
  - (b) apply such terms and conditions of service in respect of; and
  - (c) dismiss or suspend;

such officers, staff or labour, as the Executive Committee considers necessary or appropriate for the conduct of the Corporation's business.

**Division 4 – Finance of the Corporation**

**14 Capital of the Corporation**

The capital of the Corporation shall be such amount as the Cabinet from time to time prescribes.

**15 Subscription of the capital**

The capital of the Corporation shall be subscribed by the Republic, and shall bear interest (if any) at the rate or rates from time to time prescribed by the Cabinet.

**16 Borrowing by the Corporation**

- (1) Subject to this section, the Corporation may, with the permission of the Minister, borrow money on such terms and conditions, and in such amounts, as the Executive Committee determines.
- (2) The Corporation shall not charge, pledge or grant a lien over any of its assets, or acquire any assets subject to a charge, pledge or lien, except with the approval of the Cabinet.

**17 Investment and guarantee**

The Corporation shall not:

- (a) lend moneys;

- (b) invest moneys other than as provided for in this Act unless such investment is approved by the Minister; or
- (c) act as guarantor for other persons, except in accordance with the approval of the Cabinet.

**18 Bank accounts**

- (1) The Corporation shall open and maintain an account or accounts with a bank or banks approved by the Minister.
- (2) The Corporation shall deposit all moneys received by it into a bank account referred to in this section.
- (3) All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for money paid to the Corporation shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Executive Committee determines by resolution from time to time.

**19 Application of funds**

The Funds of the Corporation shall be applied:

- (a) in payment or discharge of the expenses, charges and obligations incurred or undertaken by the Corporation (including wages and salaries and other day to day operating expenses);
- (b) in payment of the allowances of the non-executive members of the Executive Committee;
- (c) in making payments in accordance with any laws in relation to land and/or phosphate payments;
- (d) in payment of interest on the capital of the Corporation;
- (e) in repayment of the capital of the Corporation;
- (f) in the creation of such reserves as may be directed or approved by the Cabinet;
- (g) in payment to the Republic of the net profits of the Corporation or a proportion thereof as directed by Cabinet.

**20 Books of account**

The Corporation shall keep proper books of account and records in accordance with accounting principles generally accepted and applied in commercial practice and in such manner as may be prescribed.

**Division 5 – Budget, reports and audit**

**21 Budget**

- (1) The Corporation shall, not less than one month before the commencement of each financial year, submit to the Minister:
  - (a) a report on its planned operations for the ensuing financial year; and
  - (b) estimates of revenue and expenditure for the ensuing financial year; and within the seven days immediately following the receipt of the same by the Minister, he shall lay it before the Cabinet for consideration.
- (2) The Cabinet may approve or reject the Corporation's planned operations and estimates for the financial year and may do so either without variation or subject to such variation as the Cabinet may direct in writing.
- (3) Where the Cabinet has sought a variation, the Executive Committee will meet and resubmit its report and estimates of revenue and expenditure to the Minister taking into account the variations sought by the Cabinet.
- (4) Where the Cabinet approves the Corporation's estimates for a financial year, the Minister and the Cabinet shall, in addition, be deemed to have approved, for the purposes of section 11 of this Act, the purchase, lease, hire and acquisition of any capital asset in the manner specified in that budget.
- (5) Where the Cabinet rejects or does not approve the estimates before the commencement of the next financial year, the Corporation may continue its recurrent operations at the same level as the previous year, so however, that it must not increase levels of recurrent expenditure, or undertake any new investments or borrowings until such time as the estimates are approved.
- (6) Where during any financial year the Board considers that the planned operations of the Corporation for that financial year

approved by the Cabinet, or any part of them, cannot or should not be undertaken therein or should be changed or that the expenditure of the Corporation included in the estimates for that financial year approved by the Cabinet is likely to be exceeded either in gross or in respect of any goods or services shown in those estimates, the Corporation shall forthwith submit to the Minister a revised plan of operations or revised estimates or both as may be appropriate, for the financial year, and that revised plan of operations and/or the revised estimates, as the case may be, shall be subject to approval by the Cabinet, which if it approves it or them, may do so either without variation or subject to such variations as the Cabinet may direct in writing.

- (7) The Corporation shall endeavour to give effect to the plan of operations approved for the time being by the Cabinet.
- (8) The Corporation shall not incur in any financial year expenditure in excess of that stated in the budget or the revised budget, as the case may be, approved by the Cabinet either in gross or in respect of any particular goods or services: nor shall it incur expenditure on any goods or services other than those for which expenditure is included in that budget or revised budget.

## **22 Monthly reports**

The Corporation shall, on or before the twenty-fifth day of each month, submit to the Minister:

- (a) a balance sheet;
- (b) a profit and loss account; and
- (c) a source and application of funds statement
- (d) a production report;

for the last accounting month, together with a report comparing the results achieved by the Corporation to the end of that accounting month with the corresponding information in the budget and projected accounts for that financial year submitted pursuant to the last preceding section.

## **23 Further information**

The Corporation shall submit to the Minister such additional information relating to its operations or its planned operations, as he may from time to time require or such additional information as the Executive Committee sees fit.

**24            Audit**

The Corporation shall, in respect of each financial year, appoint auditors on the island first, having internationally recognized qualifications and having been approved by the Cabinet, to inspect, audit and report upon the annual financial statement, accounts and records of the Corporation.

**25            Annual report**

- (1) The Corporation shall as soon as practicable in the period of sixty days following the close of each financial year, or within such further period as the Minister may allow, submit to the auditors:
  - (a) its annual accounts for that financial year, duly annotated in accordance with the Second Schedule to this Act; and
  - (b) a report by the Executive Committee signed by the Chairman and one Executive Director, reviewing the activities of the Corporation for that year.
- (2) The annual accounts shall bear a declaration by the Chief Accountant of the Corporation verifying that they are, to the best of his knowledge and belief, correct.
- (3) The auditors shall, as soon as practicable within the period of ninety days after the close of each financial year or within such further period as the Minister may allow:
  - (a) make a similar report on their examination of the Corporation's annual accounts and annotations thereon, including the matters specified in the Third Schedule to this Act; and
  - (b) submit the annual accounts and annotations thereon and those reports to the Minister and the Chairman of the Public Accounts Committee of the Parliament of Nauru.

**26            Reports to Parliament**

- (1) The Minister shall lay the annual accounts and annotations thereon and reports referred to in the last preceding section before Parliament, not later than one month after he receives them or at the next Parliament sitting thereafter, whichever occurs first.

- (2) The Corporation shall provide the Minister a copy of all commercial agreements and contracts entered into by the Corporation.
- (3) Subject to subsection (4) of this section the Minister shall lay the agreements and contracts before Parliament at the next Parliament sitting thereafter.
- (4) Cabinet may determine that an agreement or contract or certain contents thereof are of a commercially sensitive nature or affect the national interest, and so may direct that the agreements or contracts or contents thereof shall not be laid in Parliament.

### **PART III – MISCELLANEOUS**

#### **27 Transitional**

- (1) The Corporation is vested with ownership of all the assets owned and managed by the former Nauru Phosphate Corporation, including leases, concessions, contracts, real and personal property, equipment and intellectual property rights to the full extent of the previous ownership by Nauru Phosphate Corporation.
- (2) The Corporation shall be responsible for liabilities and debts incurred by the former Nauru Phosphate Corporation, except those debts that have been written off by the Cabinet and notified to the creditor or creditors concerned.
- (3) All persons previously employed by the former Nauru Phosphate Corporation shall initially be considered to be appointed as temporary employees of the Corporation, but otherwise on the terms of their former employment with the former Nauru Phosphate Corporation and with any accrued rights and entitlements due from their employment under the former Nauru Phosphate Corporation.
- (4) The Corporation may offer appointment in a full-time, part-time or an on-call basis, to such temporary employees referred to in the previous subsection as it deems necessary.
- (5) Those persons not offered appointment to the Corporation shall be relieved of their temporary employment, whilst retaining any outstanding rights and entitlements, as and at such times as the Corporation deems necessary to effect an efficient and restructured management and staff organizational structure.

**28 Disclaimer of property**

Upon the commencement of this Act the Executive Committee may within the 6 months following, disclaim any leasehold properties previously held by the Nauru Phosphate Corporation. Any leasehold property not so disclaimed shall remain an asset of the corporation and the corporation shall be liable for all of the obligations applicable thereto. If any leasehold property is disclaimed the Corporation may remove all fixtures and fittings erected or upon the land by the Nauru Phosphate Corporation or its predecessor in title the British Phosphate Commissioners, and upon completion of such removal the property shall revert to the owner thereof.

**29 Damage or destruction of property**

- (1) A person who removes damages or otherwise interferes with any property of the Nauru Phosphate Corporation before the commencement of this Act or who does so after it becomes an asset of the Corporation or who attempts to prevent the removal of any fixtures or fittings in accordance with the preceding section, commits an offence punishable by a fine of \$1,000 or 3 months' imprisonment, or both.
- (2) If a person is convicted of an offence against the preceding subsection the judge or magistrate may, in addition to the imposition of a penalty, order the confiscation and sale of any property of the person convicted, including any interest in phosphate royalties payable now or in the future to the value of the property so removed damaged or interfered with.

**30 Regulations**

The Cabinet may make regulations not inconsistent with this Act prescribing all matters necessary or convenient to be prescribed for carrying out or giving effect to this Act, and, in particular, prescribing penalties not exceeding One Thousand Dollars or imprisonment for a period not exceeding three months', or both, for offences against the regulations.

## FIRST SCHEDULE

section 7

### Members of the Executive Committee

1. The Executive Committee shall comprise five members appointed by Cabinet, three being Nauruan Directors who will be non-executive Directors, and two being Executive Directors, either Nauruan or foreigners, who will be full-time employees of the Corporation.
2. The Executive Committee may act notwithstanding a vacancy in its membership and the presence or participation of a person not entitled to be present at, or to participate at, or to participate in, the proceedings of the Executive Committee does not invalidate those proceedings.

### Responsibilities and role of the Executive Committee

3. The Executive Committee shall:
  - (a) apply control over the strategy of the Corporation, in a transparent and accountable manner, with well-defined procedures, that achieve good management of the Corporation and profit creation for the Republic, whilst preventing fraud, conflicts of interest and improper conduct;
  - (b) set the goals for the Corporation, provide the strategic objectives, direction and planning, and the policies of the Corporation, subject to Cabinet direction;
  - (c) have primary responsibility for the supervision of the management of the Corporation by guiding, coaching and monitoring the management, without discouraging enterprise and initiative, and without being involved, as a collective group, with direct day-to-day management;
  - (d) monitor the Corporation's performance;
  - (e) monitor the performance of the management;
  - (f) be responsible for ensuring that there is in place a proper system of financial records and ensure that the Corporation prepares accounts and submits reports;
  - (g) be responsible for ensuring that the Corporation maintains adequate records;



- (h) be responsible for ensuring that there is in place other internal controls to ensure accountability and transparency and that assist the Executive Committee in its monitoring role;
- (i) ensure that the Corporation is aware of and maintains its legal responsibilities to customers, creditors, employees and the environment;
- (j) ensure it is satisfied that any advisor or consultant chosen to carry out a specific task has the necessary skills, knowledge and appreciation of his responsibilities and must monitor the delegation of the advisor or consultant;
- (k) receive direct reports from the auditor, independent of management and may meet with and obtain additional information and reports from the auditor as it deems necessary;
- (l) obtain independent legal advice about transactions or matters of concern at the Corporation's expense as it deems necessary.

#### **Responsibilities and role of the Directors**

4. The members of the Executive Committee shall:
- (a) have a duty to act in the best interest of the Corporation as a whole. This includes a duty to act in good faith and a duty to act with reasonable care and diligence;
  - (b) declare and give notice of material personal interests in matters that relate to the affairs of the Corporation and must not participate in deliberations on or vote at a meeting while it is considering a matter in which he or she has a material personal interest;
  - (c) be required to attend Executive Committee meetings when reasonably able to do so;
  - (d) diligently review matters brought before the Executive Committee and shall contribute in a meaningful way to the Executive Committee;
  - (e) question and monitor the performance of the management of the Corporation;
  - (f) ensure that they are adequately conversant with all the relevant laws applicable to the activities of the Corporation

so they are fully aware of their own roles, functions and responsibilities.

5. An Executive Director shall:
  - (a) be an employee of the Corporation;
  - (b) act as the conduit between management and the Executive Committee;
  - (c) be a formal delegate of the Executive Committee, responsible for day-to-day management and supervision of the work of other managers and the Corporation as a whole;
  - (d) report to the Executive Committee on day-to-day matters relating to the Corporation's business;
  - (e) ensure that Executive Committee resolutions and directives are implemented and effective;
  - (f) ensure that the Executive Committee is properly informed of major issues and has been given the opportunity to consider and approve all major transactions.
  
6. A Non-Executive Director shall:
  - (a) remain independent of management and so must remain uninvolved in the day-to-day operations and management activities of the business;
  - (b) monitor the management of the Corporation
  - (c) keep informed of the activities and operations of the Corporation, including the monitoring of corporate affairs and policies as well as be fully aware of the risks involved in the corporation's business;
  - (d) undertake a regular review of the corporation's financial statements, and have a duty to make further inquiry in relation to matters arising from the review;
  - (e) have authority to seek any information at all in relation to the operation and activities of the Corporation from officers and employees of the Corporation and to inspect the Corporations accounts and records.
  
7. An Alternate Director shall only be responsible to the extent and during the periods in which he acts as a Director.

**Minister may give directions to the Executive Committee**

8. The Minister may, after consultation with the Cabinet, give to the Executive Committee such directions to be followed by the Executive Committee in the performance of its goals, strategies and policies as appear to the Minister to be necessary, and which are not inconsistent with any provision of this Act, and the Executive Committee must give effect thereto.

**Chairman**

9. The Cabinet shall appoint a Nauruan non-executive Director to be Chairman.
10. The Chairman shall exercise such powers and perform such functions as are prescribed.
11. The powers and functions of the Chairman shall be exercised and performed by an alternate appointed by the Minister where:
- (a) the office of the Chairman is vacant; or
  - (b) the Chairman is for any reason unable to exercise those powers or perform those functions.

**Method and period of appointment**

12. A member of the Executive Committee shall be appointed on such terms and conditions as are approved by the Cabinet.
13. The appointment of every member shall be evidenced by instrument in writing, and such instrument shall state the period of office of the member, not exceeding three years, as is fixed by the Cabinet at the time of his appointment.
14. The names of all members of the Executive Committee as first constituted and every change in the membership thereof shall be published in the Gazette.
15. A person shall be ineligible for appointment to the Executive Committee if he;
- (a) is under the age of 18 years or over the age of 72 years; or
  - (b) is a Member of the Parliament of Nauru; or
  - (c) has within the preceding five years been declared a bankrupt, applied to take the benefit under the law of any country for the relief of bankrupt or insolvent debtors, has

compounded with his creditors or has made an assignment of his remuneration for their benefit; or

- (d) has at any time or is, considered by a legally qualified medical practitioner to be of unsound mind; or
- (e) has within the preceding five years, been convicted in any country of a criminal offence punishable with imprisonment for three months or more; or
- (f) has been prohibited from managing a corporation in any country.

16. A member is eligible for re-appointment.

**Alternate member**

- 17. In the case of the illness or absence of a member of the Executive Committee, the Minister may appoint a person to be the alternate of that member during his illness or absence.
- 18. The appointment of an alternate member shall terminate when the member for whom he is the alternate returns to duty only.
- 19. The Minister may terminate the appointment of an alternate member.

**Leave of absence**

- 20. The Minister may, upon such terms and conditions as he determines, grant leave of absence to a member of the Executive Committee.

**Vacation of office**

- 21. The Cabinet may at any time revoke and terminate the appointment of any member of the Executive Committee appointed by it.
- 22. Where a member:
  - (a) becomes a Member of the Parliament of Nauru; or
  - (b) becomes bankrupt, applies to take the benefit under the law of any country for the relief of bankrupt or insolvent debtors, compounds with his creditors or makes an assignment of his remuneration for their benefit; or
  - (c) resigns his office by writing under his hand addressed to the Minister; or

- (d) is absent, except on leave granted by the Minister, from three consecutive meetings of the Executive Committee; or
- (e) fails to comply with any of his obligations under this Act; or
- (f) is considered by a legally qualified medical practitioner to be of unsound mind; or
- (g) is convicted in any country of a criminal offence punishable with imprisonment for three months or more;

the Minister shall, by notice in the Gazette, declare the office of that member to be vacant and there-upon the office shall become vacant.

- 23. A person removed from the Executive Committee pursuant to the preceding paragraph shall not be eligible for re-appointment for a minimum period of 2 years thereafter.
- 24. If a declaration of bankruptcy or sentence is set aside by a court then the preceding paragraph shall not apply.

**Disclosure of interest**

- 25. A member of the Executive Committee who is directly or indirectly interested in a contract made or proposed to be made by the Corporation, otherwise than as a member (and in common with the other members) of an incorporated company consisting of not less than twenty-five persons, shall disclose the nature of his interest at a meeting of the Executive Committee as soon as possible after the relevant facts have come to his knowledge.
- 26. A disclosure under the last preceding paragraph shall be recorded in the minutes of the Executive Committee and the members:
  - (a) shall not take part after the disclosure in any deliberation or decision of the Executive Committee in respect to that contract; and
  - (b) shall be disregarded for the purposes of constituting a quorum of the Executive Committee in that deliberation or decision.

**Meetings of the Executive Committee**

- 27. The Executive Committee shall hold meetings on the first business day of every calendar month and in addition, as in the opinion of the Chairman, as is necessary for the efficient conduct of its business.

28. The Chairman shall, on the receipt of a written request signed by not less than two members, call a special meeting of the Executive Committee not later than three days after he receives that request.
29. Where the Minister considers that it is desirable in the interests of the Republic that a meeting of the Executive Committee should be held, he may direct the Chairman to convene such a meeting and the Chairman shall do so as directed.
30. At a meeting of the Executive Committee, three members shall constitute a quorum.
31. The Chairman shall preside at all of the Executive Committee and in the case of his absence from any meeting, subject to paragraph 11 of this Schedule, the members present and forming a quorum shall elect one of their number to preside at the meeting.
32. A question before a meeting of the Executive Committee is to be determined as follows:
  - (a) each member present is entitled to one vote;
  - (b) voting must be by a show of hands;
  - (c) the question is to be determined by a majority of votes;
  - (d) the member presiding at a meeting of the Executive Committee has a deliberative vote and, in the event of an equality of votes, also has a casting vote.
33. Such officers of or consultants to the Corporation as the Chairman decides, shall attend meetings.
34. The Executive Committee may make rules governing the conduct of meetings of the Executive Committee.
35. The proceedings of meetings of the Executive Committee shall not be affected by any vacancy in the membership of or by any defect in the appointment of a member or any incapacity of a member thereof.
36. The Executive Committee shall normally meet at the Head Office of the Corporation or it may meet at such places as it shall from time to time determine.
37. Where the place for a meeting has not previously been determined, the meeting shall be held at a place appointed by the Chairman.

38. The Executive Committee shall cause proper minutes of all meetings to be kept and the Minister shall be provided a copy of the minutes of all meetings of the Executive Committee.

## SECOND SCHEDULE

(section 26)

The Executive Committee shall annotate the annual accounts of the Corporation so as to show, *inter-alia*:

- (a) the total of any outstanding capital expenditure commitments;
- (b) the total cost, or valuation and the basis of such valuation, together with accumulated depreciation or amortisation and also the net value as at 30th June in the financial year under review of:
  - (i) the capital of the Corporation;
  - (ii) freehold and leasehold land;
  - (iii) structures and housing;
  - (iv) equipment;
  - (v) construction;
  - (vi) any interest applicable to construction;
- (c) the cost and market value of any investments quoted on a generally recognised stock exchange;
- (d) the cost and valuation on any investment not quoted on a generally recognised stock exchange;
- (e) the method by which inventories have been valued;
- (f) details of any adjustments applicable to previous years;
- (g) details of any contingent liabilities;
- (h) the total amount of any provision for doubtful debts;
- (i) the total amount written off during the year in respect of bad debts; and
- (j) such further matters as the regulations may require.



## THIRD SCHEDULE

(section 26)

The report of the auditors on their examination of the Corporation's annual accounts and the annotations therein shall state whether their examination was in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as they considered necessary and whether, in their opinion:

- (a) the balance sheet and profit and loss account are properly drawn in accordance with accounting principles generally accepted and applied in commercial practice and the provisions of this Act;
- (b) there are any inconsistencies in accounting principles applied between the balance sheet and profit and loss account and those of the previous year;
- (c) whether or not the balance sheet and profit and loss account give a true and a fair view of the state of affairs and results of the Corporation; and
- (d) adequate accounting and other related records; including registers, of the Corporation have been properly kept, and shall state their opinion on such further matters as the regulations may require.