

HIGH PRIORITY RECOMMENDATIONS

<p>Integrity and Ethical Values</p>	<p>The Board failed to comply in whole or in part with all tested sections of the PAL.</p> <p>The Board of the Cayman Islands Stock Exchange was not in compliance in whole or in part with sections 24-28 inclusive of the PAL in relation to the recruitment process for the position of Chief Executive Officer conducted from June – October 2017.</p> <p>The job advertisement was inadequate; documentation prepared to aid in the evaluation of the candidates contained erroneous information and lacked completeness, there is a lack of documentation to justify the absence of a short list of candidates, interview or the creation of a panel report supporting the decision on the members in the selection of the successful candidate.</p>	<p>Recommendation 1</p> <p>The Deputy Governor seek an acknowledgement from the Board of the Cayman Islands Stock Exchange that the recruitment process related to the 2017 hiring of the Chief Executive Officer was not in compliance with the Law and further that the Board commits to conduct its affairs in all future recruitment processes in a fully compliant manner.</p>	<p>Recommendation Accepted? Yes</p> <p>Recommendation Owner: <i>Deputy Governor</i></p> <p>Target implementation: <i>By May 2018</i></p>
<p>Commitment to Competence</p>	<p>The Board misinterpreted various sections of the PAL.</p> <p>Evidence demonstrates that errors in the application of the PAL were due to misunderstanding the meaning or intent of the PAL.</p> <p>In the absence of corrective measures, similar errors may take place in the future with the potential for unqualified individuals being appointed to positions which could be prejudicial to the organization.</p>	<p>Recommendation 2</p> <p>The Deputy Governor implement a system to ensure that all existing and new Board members of entities covered by the Public Authorities Law, receive or have received effective training on its application.</p>	<p>Recommendation Accepted? Yes</p> <p>Recommendation Owner: <i>Deputy Governor</i></p> <p>Target implementation: <i>By May 2018</i></p>