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**JAMAICA DEPOSIT INSURANCE  
CORPORATION BOARD OF DIRECTORS  
CORPORATE GOVERNANCE COMMITTEE  
TERMS OF REFERENCE**

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**JAMAICA DEPOSIT INSURANCE CORPORATION  
BOARD OF DIRECTORS CORPORATE GOVERNANCE  
COMMITTEE TERMS OF REFERENCE**

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## **JAMAICA DEPOSIT INSURANCE CORPORATION BOARD OF DIRECTORS CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE**

### **1.0 MANDATE**

Jamaica Deposit Insurance Corporation (JDIC) is an independent statutory corporation, established in 1998 under the Deposit Insurance Act (DIA) with its principal object being to establish and manage a scheme for the insurance of deposits or parts thereof against the risk of loss. The JDIC Board is required to comply with the JDIC Board Governance Policies developed based on the Corporate Governance Framework for Public Bodies in Jamaica, the GOJ Accountability Framework for Senior Executive Officers, and such other relevant international and national best practices standards that promote sound governance in the public sector and governing legislation, in particular, the Deposit Insurance Act, the Public Bodies Management and Accountability Act (PBMA) and the Financial Administration and Audit (FAA) Act.

### **2.0 PURPOSE**

The Corporate Governance Committee ('the Committee') is established by the Board of Directors of the JDIC and operates to ensure compliance by the Board with applicable corporate governance law and policy. In this regard, the primary objectives of the Committee shall be to assist the Board in fulfilling its oversight responsibilities and in so doing shall:

- Ensure that effective corporate governance principles, policies, procedures, practices and guidelines are developed, implemented, and adhered to by the Board;
- As required, recommend to the Board the appropriate technical and professional qualifications for the membership on the Board for advisement to the Minister responsible for finance;
- In addition to committees of the Board that are statutorily required, recommend to the Board the appropriate slate of relevant Board committees for the effective and efficient carrying out of the Board's oversight responsibilities;
- Where required recommend for the approval of the Board the qualifications for a suitable Chief Executive Officer for the Corporation and assist the Board in the selection of this person.
- Assist the Board to ensure appropriate succession plans are in place to allow for the smooth transition of senior executive management officers when necessary;

### *Striking of Ad hoc Committees for Assessment of Chief Executive Officer*

- Subject to advisement to the Board, arrange for the striking of a qualified committee for the assessment of the performance of the Chief Executive Officer. The committee so struck will include not less than three such Board members as are most qualified by virtue of technical/and or professional and experienced in corporate leadership, management and operations, and where deemed necessary an additional member who may be an external expert.
- The assessment of the performance of the Chief Executive Officer should be undertaken at least once per annum at the end of the financial year with a mid-year assessment of the Corporation's compliance with statutory obligations and performance against the initiatives and targets of the Corporate Plans.
- The criteria for the annual assessment of the performance of the Chief Executive Officer shall be such criteria as may be approved, recommended, or guided by the Ministry responsible for finance, and or such other criteria as the Board may determine as appropriate subject to standards of best practice for the assessment of heads of organizations including organizations similar to the JDIC by virtue of its statutory mandate and otherwise. In addition to such criteria, the Committee shall review and recommend to the Board such other criteria that it may from time to time assess as appropriate to enhance the objectives of the process.
- The Committee shall where applicable recommend such merit and/or other payments related to the performance of the Chief Executive Officer using such guidelines as approved by the Ministry responsible for finance, or other authority and/or the existing human resource policies of the JDIC.

### *Board Orientation and Evaluation*

- Arrange for and oversee the orientation program for new Directors;
- Arrange for and oversee the continuing education programs for Directors;
- Arrange for and oversee the evaluation of the Board, its Committees and Management;

### *General*

- Perform such other functions as the Board may assign from time to time or any incidental activities consistent with the TOR as the Committee or the Board deems necessary or appropriate.
- Specific responsibilities and duties of the Committee can be found in appendix 1.

### **3.0 OPERATING PRINCIPLES**

#### **3.1 Composition and Secretariat**

- 3.1.1 The members of the Corporate Governance Committee shall be appointed by the Board and shall consist of a minimum of three (3) independent Directors;
- 3.1.2 The Chairperson of the Committee shall be selected by the members. In the absence of the Chair at a meeting of the Committee, or part thereof, an acting Chair shall be elected from among the members in attendance;
- 3.1.3 The Secretary of the Committee shall be the Corporate Secretary or such other person as appointed by the Committee.

#### **3.2 Tenure**

- 3.2.1 The Chairperson and members of the Committee shall, subject to extenuating circumstances as may be determined by the Board, be appointed for a term of two years, and will be eligible for reappointment on the recommendation of the Chairman of the Board;
- 3.2.2 The term of office of members should, as far as possible, be staggered to ensure that at least one (1) member of the previous membership remains to facilitate smooth transition and continuity in the conduct of the Committee's business;
- 3.2.3 The performance of a member shall be taken into account where a reappointment of that member is being considered.

#### **3.3 Demitting membership of Committee**

- 3.3.1 A Committee member, who wishes to demit membership, should give at least one (1) months' notice in writing to the Chairperson of the Committee outlining the reason(s) for demitting; and the Board should be informed as soon as is practicable before the next scheduled meeting of the Committee in time for the appointment of new member(s)
- 3.3.2 In the case of the Chairperson, the Board should be informed of the demitting of office in writing.

### 3.4 **Meetings**

#### 3.4.1. Scheduling

3.4.1.1 The Corporate Governance Committee shall meet at least four (4) times in a financial year. Special meetings may be convened as deemed necessary by the Committee;

3.4.1.2 The Committee may invite such other person(s) to its meetings as it deems necessary.

#### 3.4.2 Notice

Notice of the date, time, and place of each meeting shall be given to each Committee member, either in writing or electronically, a minimum of fourteen (14) days before the meetings.

#### 3.4.3 Agendas and Meeting Materials

Agendas and meeting materials (Minutes of previous meetings, submission(s) for discussion(s), notation, or approval) shall be prepared and dispatched to Committee members at least seven (7) days before each meeting.

#### 3.4.4 Quorum

The presence of three (3) members constitutes a quorum. A member who is unable to attend a meeting in person may participate via teleconference or virtual application.

#### 3.4.5 Voting

3.4.5.1 Each member of the Corporate Governance Committee is entitled to one (1) vote;

3.4.5.2 A matter put to vote at a meeting shall be decided by a majority of the votes cast. In the event there is an equality of votes the matter should be taken to the Board for a final decision;

3.4.5.3 The powers of the Corporate Governance Committee may be exercised at a meeting where a quorum is present in person or via a virtual meeting, or by resolution via electronic mail or in writing signed by all members entitled to vote on the resolution at a meeting.

### 3.4.6 Minutes of Meetings

3.4.6.1 The Secretary of the Committee shall produce Minutes of the proceedings of all meetings;

3.4.6.2 Minutes of meetings shall be confirmed at subsequent meetings and within fourteen (14) days of its confirmation, shall be signed by the Secretary and certified by the Chair.

### 3.5 Reporting Responsibilities

3.5.1 The Chairperson of the Committee shall make a formal report to the Board (verbal or written) on the proceedings of each meeting at the next regular Board of Directors' meeting or as required by the Board;

3.5.2 The Committee shall make any such recommendation(s) to the Board, for approval, as it deems necessary on any area within its remit where action or improvement is needed;

3.5.3 The Chairperson of the Committee is to provide a written report on the work of the Committee for inclusion in the Corporation's Annual Report.

### 3.6 Revision of Terms of Reference (TOR)

The Committee will review and assess the adequacy of this TOR at least annually and submit it to the Board for approval together with such amendments as it deems necessary and appropriate.

### 3.7 Independent Counsel or Other Advisors

3.7.1 The Committee is authorized by the Board to engage/retain, at the expense of the Corporation, any outside advisors, including, but not limited to, legal counsel, independent advisors and/or other Subject Matter Experts (SME), as determined necessary, to review any matter in the course of carrying out its duties and responsibilities, which includes authorization to instruct the remuneration of advisors;

3.7.2 The Committee, and any outside advisor engaged/retained by it, shall have access to all records and information relating to the Corporation or its employees deemed relevant in the performance of its duties, including having access to the Corporate Secretary for assistance as required.

### 3.8 Related Party Transactions and/or Conflicts of Interest

On the recommendation of the Board or at its instance for the advisement to



the Board, the Committee will review all proposed related party transactions and situations involving potential or perceived conflicts of interest. A related party transaction is an arrangement between two or more parties in a preexisting relationship; this includes, inter alia, the spouse of a Director, Management or an employee ('Relevant Person'); business partners of a Relevant Person or his/her spouse; the immediate relatives (child, step-child or adopted child) of a Relevant Person or his/her spouse; bodies corporate-controlled, directly or indirectly, by a Relevant Person, his/her spouse or immediate relatives.

Any member of the Committee who is a party to, or has a potential or perceived conflict of interest in a proposed transaction, or who has a material interest in any related party transaction, or is a party to a related party transaction, must abstain from all deliberations and any vote on that transaction.

### **3.9 Code of Business Conduct and Ethical Behaviour**

The Committee shall review and assess the adequacy of the Corporation's Policy on Code of Business Conduct and Ethical Behavior (the 'Code') from time to time to ensure that it addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Corporation's assets, compliance with applicable laws, rules and regulations and the reporting of illegal or unethical behaviour, and establishes mechanisms to facilitate the effective operation of the Code.

### **3.10 Disclosure**

The Committee shall ensure that this TOR and its membership composition are publicly disclosed.

## **4.0 SPECIFIC RESPONSIBILITIES AND DUTIES OF THE CORPORATE GOVERNANCE COMMITTEE**

4.1 The Corporate Governance Committee will have the following duties and responsibilities:

- 4.1.1 Review, at least annually, the Corporation's policies on corporate governance, including code of business conduct and conflict of interest for Directors and employees and make recommendations to the Board as deemed necessary;
- 4.1.2 Review and monitor the training and continuous professional development of the Board, CEO and Senior Management;

- 4.1.3 Review and monitor the Corporation's policies and practices on its compliance with legal and regulatory requirements;
- 4.1.4 Periodically review the Corporation's mandate as set out in the Deposit Insurance Act (DIA) and make recommendations as deemed necessary to the Board;
- 4.1.5 Keep abreast of corporate governance developments to ensure that the Corporation's governance practices are in line with international standards and best practices;
- 4.1.6 Review the Corporation's Communication Policy annually and make recommendations to the Board, where applicable, to enhance effective communication between the Corporation and its Policyholders/Stakeholders;
- 4.1.7 Review the Corporation's Corporate Social Responsibility (CSR) Policy annually and make recommendations where applicable to enhance its effectiveness;
- 4.1.8 Undertake such other governance initiatives as may be necessary or desirable to ensure that the appropriate processes, structures and information necessary for effective direction and oversight are in place to contribute to the sound governance and management of the Corporation.

#### 4.2. Evaluation of Board and Board Committees

- 4.2.1 An evaluation of the Committee shall be conducted annually by its members. This assessment should take into consideration the performance of the Committee in fulfilling its duties and responsibilities;
- 4.2.2 The Committee shall ensure that Board and Board Committee evaluations, including the evaluation of the Chairpersons, are conducted annually. This assessment should take into consideration the performance of the Board, Board Committees and the Chairpersons in fulfilling their duties and responsibilities;
- 4.2.3 The Committee shall annually review, for Board approval, the mandates and responsibilities of the Board, the Chairman of the Board, the CEO, the members of the Board and the Board Committees;
- 4.2.4 The Committee shall annually implement and regularly review the processes in place to assist the Board in determining whether the

Board is satisfied with the manner, frequency and timeliness within which significant issues are brought to its attention, as well as the appropriateness of that information;

4.2.5 The Committee shall annually review the method for regularly evaluating and assessing the effectiveness of the Board, individual members of the Board and Board committees and recommend any appropriate action plans to address any significant findings.

4.2.6 In consultation with the Chief Executive Officer (CEO) the Committee shall assess the needs of the Board relative to the frequency and location of Board and Board Committee meetings, the appropriateness of meeting agendas, documents and information provided and the conduct of meetings, and make recommendations to the Board as deemed necessary.

#### 4.3 Board Selection and Nomination

4.3.1 The Committee shall periodically review the Board profile against the Government of Jamaica Competency Profile Instrument for the Boards of Public Bodies to ensure that the qualifications, skillset and experience of each Director are in line with the technical competencies required by the Corporation to achieve its mandate;

4.3.2 The Committee shall identify and maintain a list of the skills, experience, knowledge, and competencies that Board members should possess to be able to carry out their function on the Board effectively and efficiently;

4.3.3. The Committee shall develop and implement an effective system to communicate the skills, experience, knowledge, and competencies that Board members should possess to be able to carry out their function on the Board effectively and efficiently to the Minister of Finance and the Public Service (the 'Minister') to inform his appointment of Board members.

#### 4.4 Succession Planning

4.4.1 The Committee shall review Management's succession plans for the CEO and other senior officers and make recommendations, where necessary, to the Board for approval consistent with the Government of Jamaica Accountability Framework for Senior Officers (Permanent Secretaries, Chief Executive Officers of Executive Agencies and Public Bodies);

4.4.2 The Committee shall review the tenure of each Board member (resignation, retirement, death, etc) with a view to make recommendations to the Minister for the selection and appointment of Board members pursuant to section 4.3.2 above;

4.4.3 The Committee shall periodically review the leadership needs of the Corporation with a view to ensure the continued ability of the Corporation to efficiently and effectively meet its mandate.

4.5 Evaluation/Assessment of Chief Executive Officer (CEO)

The Committee shall annually establish a struck Committee, excluding the CEO, to review and assess the CEO's performance in accordance with the Government of Jamaica Accountability Framework for Senior Executive Officers (Permanent Secretaries, Chief Executive Officers of Executive Agencies and Public Bodies) and such other standards of best practice that are appropriate and make recommendations to address any significant gaps identified.

4.6 Review of the Corporate Plan

4.6.1 The Committee shall:

4.6.1.1 Annually review the Corporate Plan to ensure compliance with legislative and regulatory requirements and the Corporation's strategic objectives for the approval of the Board; and

4.6.1.2 Make recommendations to resolve any gaps identified.

## DOCUMENT CHANGE CONTROL

### JAMAICA DEPOSIT INSURANCE CORPORATION BOARD OF DIRECTORS CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

Date Prepared/ Updated	Section	Title/Page	Change Summary Reference	Date Approved by Board/Board Committee
<i>Prepared by the CSU in December 2011</i>	All			<i>Approved by CGC on January 21, 2013  Approved/Ratified by BOD on March 25, 2013 (BM-JDIC 104)</i>
<i>Revised by the COM on February 3, 2016</i>	All			<i>Approved by CGC on February 8, 2016</i>
<i>Revised by the CSU in March 2019</i>	All			<i>Approved by COM on May 19, 2020  Approved by the Board on April 21, 2021</i>
<i>Reviewed by CSU in May 2022</i>	All		<i>Minor changes were made pertaining to grammar and formatting.</i>	<i>Approved by COM on June 16, 2022  Approved by the Corporate Governance Committee via round robin on September 2, 2022  Approved by the Board via round robin on September 2, 2022, and ratified at the 153<sup>rd</sup> Board of Directors meeting held on September 28, 2022</i>

<b>Reviewed by CSS in October 2023</b>	All			<b><i>Approved by the Corporate Governance Committee on October 25, 2023</i></b>  <b><i>Approved by the Board on November 29, 2023</i></b>
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