



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

MARCH 2021

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

TABLE OF CONTENTS	PAGE
1.0 MANDATE	1
2.0 PURPOSE	1-2
3.0 OPERATING PRINCIPLES	3-6
3.1 Composition and Membership	
3.2 Tenure	
3.3 Demitting Membership of Committee	
3.4 Meetings	
3.5 Reporting Responsibilities	
3.6 Revision of Terms of Reference (TOR)	
3.7 Independent Counsel or other Advisors	
3.8 Related Part Transaction or Conflict of Interest	
3.9 Code of Business Conduct and Ethical Behaviour	
3.10 Disclosure	
DOCUMENT CHANGE CONTROL	7

**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 objects 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 and such other relevant international and national best practices standards that promote sound governance in the public sector in general and JDIC, in particular, the Deposit Insurance Act, the Public Bodies Management and Accountability Act (PBMA) and the Financial Administration and Audit (FAA) Act and

2.0 PURPOSE

The Corporate Governance Committee ('the Committee') is established by the Board of Directors of JDIC 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 is 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 and continuing education programs for new 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.

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 fifty percent (50%) plus one (1) 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 by teleconference, 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 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.

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</i> <i>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</i> <i>Approved by the Board on April 21, 2021</i>