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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**

The 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 (PBMA) Act, and the Financial Administration and Audit (FAA) Act.

### **2.0 PURPOSE OF THE COMMITTEE**

2.1 The Corporate Governance Committee ("the Committee") is established by the Board of Directors of the JDIC to ensure that the Board of Directors adheres to the highest standards of corporate governance, thereby promoting accountability, transparency, and ethical conduct within the JDIC. The primary objective of the Committee shall be to assist the Board in fulfilling its oversight responsibilities. In so doing, the Committee shall:

- 1) Ensure that effective corporate governance principles, policies, procedures, practices and guidelines are developed, implemented, and adhered to by the Board in alignment with local and international best practices;
- 2) Recommend to the Board the appropriate technical and professional qualifications for the membership on the Board for advisement to the Minister responsible for finance, ensuring compliance with the Government of Jamaica Competency Profile Instrument for the Boards of Public Bodies;
- 3) In addition to committees of the Board that are statutorily required, recommend to the Board other appropriate and relevant Board committees to effectively and efficiently carry out the Board's oversight responsibilities;
- 4) Recommend for the approval of the Board the qualifications for a suitable Chief Executive Officer (CEO) for the Corporation and assist the Board in the selection of this person in line with the Government of Jamaica Accountability Framework for Senior Executive Officers;

- 5) Assist the Board to ensure that an appropriate succession plan is in place to allow for the smooth transition of senior executive management officers when necessary.

### **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 two (2) independent Directors to ensure independence and effective oversight.
- 3.1.2 The Board Chairman shall not be the Chairman of the Corporate Governance Committee. These roles should be separated to ensure independence and effectiveness of governance oversight, a key function of the Corporate Governance Committee.
- 3.1.3 The Chairman of the Committee shall be appointed by the Board. In the absence of the Chairman at a meeting of the Committee, or part thereof, an acting/deputy Chairperson shall be elected from among the members in attendance.
- 3.1.4 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 Chairman 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 performance of a member shall be taken into account when the reappointment of that member is being considered.
- 3.2.3 The term of office of members should, as far as possible, be staggered to ensure that at least one-third of the membership of the previous Committee remains to facilitate a smooth transition and continuity in the conduct of the Committee's business.

#### **3.3 Resignation from Committee Membership**

- 3.3.1 A Committee member who wishes to resign from the Committee should give at least two (2) weeks' notice in writing to the Chairperson of the Committee outlining the reason(s) for resigning. The Board

Chairman should be informed as soon as is practicable of the resignation before the next scheduled meeting of the Committee to facilitate the appointment of a new member.

- 3.3.2 In the case of the Chairperson, the Board Chairman should be given, at least one (1) month's notice in writing outlining the reason(s) for resigning.

### 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 must be sent electronically to each Committee member, 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 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 Committee Chairman has the casting vote. If the matter is of significant importance, the Committee Chairman may refer the matter to the full 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 the subsequent meeting and must be certified by both the secretary and the Chairman of the Committee within fourteen (14) days of its confirmation.

### 3.5 **Reporting Responsibilities**

- 3.5.1 The Chairman 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 Chairman 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 or retain, at the Corporation's expense, any outside advisors it deems necessary. These advisors may include but are not limited to, legal counsel, independent consultants, and other Subject Matter Experts (SMEs). This authorization is to review any matters that arise during the execution of the Committee's duties and responsibilities. Additionally, the Committee is empowered to direct the Corporation on the

compensation of these advisors.

- 3.7.2 The Committee, and any outside advisor engaged or 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**

- 3.8.1 At the recommendation of the Board, or on its initiative for advising 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 who have a preexisting relationship. This includes, but is not limited to, the spouse of a Director, Management, or employee (referred to as a 'Relevant Person'); business partners of a Relevant Person or their spouse; the immediate relatives (child, step-child, or adopted child) of a Relevant Person or their spouse; bodies corporate-controlled, directly or indirectly, by a Relevant Person, their spouse, or their immediate relatives
- 3.8.2 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 Behaviour (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. The Committee shall also ensure that mechanisms to facilitate the effective operation of the Code are established.

### **3.10 Disclosure**

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

## 4.0 SPECIFIC ROLES, RESPONSIBILITIES AND DUTIES OF THE CORPORATE GOVERNANCE COMMITTEE

### 4.1 General Duties and Responsibilities:

- 4.1.1 **Regular Review of Governance Policies:** Review, at least annually, the Corporation's policies on corporate governance, including the Code of business conduct and Conflict of Interest Policy for Directors and employees and make recommendations to the Board as deemed necessary;
- 4.1.2 **Board Orientation, Evaluation, Training and Development:**
  - 1) Oversee the orientation program for new Directors.
  - 2) Review and monitor the training and continuous professional development of the Board of Directors, CEO and Senior Management;
- 4.1.3 **Compliance Monitoring:** Review and monitor the Corporation's policies and practices on compliance with legal and regulatory requirements;
- 4.1.4 **Strategic Alignment:** 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 **Best Practices:** Keep abreast of corporate governance developments to ensure that the Corporation's governance policies and practices are in line with local and international standards and best practices;
- 4.1.6 **Communication Policy:** Review the Corporation's Communication Policy annually and make recommendations to the Board, where applicable, to enhance effective communication between the Corporation and its stakeholders;
- 4.1.7 **Corporate Social Responsibility:** Review the Corporation's Corporate Social Responsibility (CSR) Policy annually and make recommendations, where applicable, to enhance its effectiveness;
- 4.1.8 **Governance Initiatives:** 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 **Annual Assessments:** Ensure that an evaluation of the performance of the Board, Board Committees, individual Directors, Chairpersons and the Corporate Secretary is conducted annually. This assessment should be conducted by a competent external consultant to ensure the integrity of the process and should be guided by the Government of Jamaica Performance Evaluation Instruments for Public Bodies;
- 4.2.2 **Review Mandates and Responsibilities:** Annually review, for Board approval, the mandates and responsibilities of the Board, Board Committees, Chairman, and the CEO;
- 4.2.3 **Assessment Processes:** 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;
- 4.2.4 **Assessment of Board Meeting Needs and Conduct:** In consultation with the Corporate Secretary (CS) and the Chief Executive Officer (CEO), 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 **Competency Profile:** 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 **Skills and Competencies:** 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 JDIC's Board effectively and efficiently;

#### 4.4 Succession Planning

- 4.4.1 **Review Management's Succession Plans:** 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 **Leadership Needs:** The Committee shall periodically review the leadership needs of the Corporation to ensure the continued ability of the Corporation to efficiently and effectively meet its mandate.

#### 4.5 Evaluation/Assessment of Chief Executive Officer (CEO)

- 4.5.1 Subject to advisement to the Board, the Committee shall 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 Board members most qualified by virtue of their technical and or professional experience in corporate leadership, management and operations, and where deemed necessary, an additional member who may be an external expert.
- 4.5.2 The Committee shall ensure the assessment of the performance of the Chief Executive Officer is conducted 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.
- 4.5.3 The Committee shall ensure that the criteria for the annual assessment of the performance of the Chief Executive Officer are those 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.
- 4.5.4 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 and procedures of the JDIC.

4.6 Review of the Corporate Plan

**Annual Review for Compliance and Strategic Alignment:** The Committee shall annually review the JDIC's Corporate Plan to ensure compliance with legislative and regulatory requirements and the Corporation's strategic objectives for the approval of the Board.

4.7 **Other Duties of the Committee:**

The Committee shall perform such other functions as the Board may assign or deem appropriate from time to time or any incidental activities consistent with the TOR of the Committee.

## DOCUMENT CHANGE CONTROL

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

<b>Date Prepared/ Updated</b>	<b>Section</b>	<b>Title/Page</b>	<b>Change Summary Reference</b>	<b>Date Approved by Board/Board Committee</b>
<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>
<i>Reviewed by CSU in May 2022</i>	All		Minor changes were made pertaining to grammar and formatting.	<i>Approved by COM on June 16, 2022</i>  <i>Approved by the Corporate Governance Committee via round robin on September 2, 2022</i>  <i>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			<p><b><i>Approved by the Corporate Governance Committee on October 25, 2023</i></b></p> <p><b><i>Approved by the Board on November 29, 2023</i></b></p>
<b>Reviewed by CSS in October 2024</b>	All		<p>Sub-Section 3.1.2 was added to ensure the roles of the Chairman of the Board and the Chairman of the Corporate Governance Committee are separated to maintain independence and effective governance oversight.</p> <p>Sub-Section 4.3.3 was deleted as it is no longer relevant as the MoFPS has a process for this.</p> <p>Subsection 4.4.2 was deleted as it is no longer relevant.</p> <p>All other changes made pertained to grammar and formatting.</p>	<p><b><i>Approved by the Board on December 13, 2024</i></b></p>

<b>Reviewed by CSS in March 2025</b>	3.1		Sub-Section 3.1.1 was amended to reduce the minimum number of independent directors from three (3) to two (2), taking into consideration the current size of the Board and the existing number of independent directors.	<b><i>Approved by the Board at the 168<sup>th</sup> Board of Directors meeting held on April 16, 2025</i></b>
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