

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (BOD) of the Pension Industry Association of Jamaica (PIAJ) acknowledges and supports the need for corporate governance at the highest standards, and the need for the ethical conduct by all Directors. Directors shall not only ensure that exemplary standards and behavior are maintained but shall also support and build a culture of responsibility, accountability, fairness and transparency and consider the interests of all stakeholders of the PIAJ as is appropriate.

A. ROLE OF BOARD MEMBERS

1. The BOD is responsible for setting the objectives and strategy for the PIAJ and to determine how these are to be implemented and supported.
2. The BOD will determine the governance arrangements including its committee structure and delegations to committees.
3. The BOD will in its decision-making bear in mind its responsibilities to its constituent members, while also being mindful of the legal and regulatory framework within which it operates.
4. The BOD will determine policy and strategy which will guide and direct day to day operations and may delegate the day to day administrative functions of the PIAJ.
5. The BOD will hire consultants and outsource functions as deemed necessary.

B. TERMS OF REFERENCE:

1. Appoint the Chair of the PIAJ BOD.
2. Appoint the Chairs of the Committees.
3. Maintain communication with members and report to them at the AGM and otherwise.
4. Take decisions on matters delegated to Committees or to the Chair, and recommended to the BOD for approval, including approval of the Annual Report and audited Financial Statements for the PIAJ.
5. Approve corporate governance policies and changes to these herein set out and ensure compliance with best practice guidelines, including BOD evaluation processes and reporting and disclosure.
6. Contract a professional/reputable auditing firm to conduct an Annual Audit of the finances of the PIAJ.

C. OPERATION OF THE BOD:

1. The members of the PIAJ shall appoint the directors of the board
2. The BOD shall appoint a Chair of the BOD
3. The Chair fulfils the leadership role in the conduct of the BOD and its relationship with its stakeholders.
4. Procedures for the operation of the BOD including the appointment and removal of Directors are governed by the Articles of Association of the PIAJ.

D. BOD MEMBERSHIP:

1. The BOD should aim to have a balance of skills, experience, and knowledge of the pension industry, as well as the commitment to serve. The skills and experience of each director are detailed in their biographies.
2. The BOD should undertake a formal and rigorous annual evaluation of its own performance including that of its committees and individual directors. BOD evaluation questionnaires are completed by Directors annually. The responses are collated and discussed, with the Chair leading the process.
3. The BOD has a policy that the tenure of the Chairman shall not exceed 3 years provided however, that the Chairman may be re-elected for successive 3-year terms on the majority vote of the BOD.

E. CONFLICT OF INTEREST:

Directors must put the interests of members of the Association above all others. Conflicts of interest can interfere with a Director's ability to act independently.

Where there is potential for conflict of interest, Directors are required to observe the following procedures:

1. To disclose any actual or potential conflicts of interest which may exist, as soon as they become aware of the conflict. Such disclosure, if not made in a meeting of the Directors, are to be provided in writing.
2. The decision on whether any director(s) can participate or vote on the matters that pose the conflict will be determined by the majority of the other members of the BOD and this to be duly recorded in the minutes.

F. BOD MEETINGS:

1. The BOD shall meet on a regular basis (at least quarterly) or more often if determined by the Directors to be necessary.
2. Apologies for absence shall be given in advance to the Secretariat. Individuals who are unable to attend are invited to raise any points with the Chair in advance of the meeting.
3. The quorum for the BOD meeting is five Directors. A duly convened meeting of the PIAJ BOD at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in the BOD.
4. In the absence of the Chair, the remaining Directors shall elect one of their members to Chair the meeting.
5. Decisions will normally be reached by consensus, but any Director may call for a vote and majority vote shall prevail. Where necessary, voting will be by show of hands, and in any equality of voting the Chair of the meeting shall have the casting vote.
6. The BOD will determine whether a potential conflict of interest raised by a Director precludes that Director from participating in a particular discussion or involvement in taking a decision on a particular topic. While identification and disclosure of the conflict is the Director's primary responsibility, the BOD is primarily responsible for the decision about the action to be taken to mitigate risk and avoid harm.
7. The BOD's agenda for the meetings is determined by the Directors.
8. The BOD meeting and board package including (standard and special items, such as minutes of the previous meeting, reports from committees of the BOD, financial reports) should be circulated to the BOD at least one week in advance of the meeting.
9. Details of BOD meeting attendance by Directors during the year are recorded in the BOD Minutes.
10. An attendance register will be maintained for BOD meetings. Each director is required to have a minimum attendance record for the calendar year of 50%. If a director has not met the minimum attendance record for the year, the BOD shall meet and determine the course of action. The course of action can include requesting that director resign from the board.
11. Meetings may be held telephonically.
BOD may make decisions on matters pertaining to the Association via round robin. The majority of vote shall prevail, and the decision ratified at the next scheduled BOD meeting.

G. GOVERNANCE AND OVERSIGHT:

The BOD is responsible for governance and oversight which involves the following:

1. Setting and reviewing strategic direction.
2. Determining the criteria and processes to oversee the implementation of strategy and the day-to-day administration and operations of the PIAJ.
3. Monitoring legislative and regulatory developments pertaining to pensions, and communicating these to members, as well as liaising with the Regulators/Government Agencies and formulating position papers where appropriate.
4. Establishing committees of the PIAJ Board and appointing the Chairs of these committees. The BOD has delegated the appointment to the members of each committee to the Chair of the respective committees. The Chair will advise the board of the committees' membership and terms of reference.
5. Requiring the committees to hold a minimum number of meetings as well as, a minimum number that each individual Committee member needs to attend.
6. Delegating appropriate levels of authority to the Chair of the PIAJ and Chairs of Committees.
7. Receiving reports from Committees of PIAJ.
8. Approving budgets.
9. Reporting financial results to members.
10. Convening an Annual General Meeting.
11. Review the effectiveness and competitiveness of third-party contractors who provide services to the BOD at least annually.

H. COMMITTEES:

The BOD should have a sufficient number of BOD committees to ensure key BOD responsibilities are carried out. The following committees should be populated by BOD Members and members drawn from the wider membership as needed.

- Governance and Legislative Committee
- Membership Committee
- Public Education Committee

I. SPECIAL COMMITTEES:

Special Committees may be convened and may require co-opting members from the wider community of members. The BOD will sanction the formation of such Committees, appoint BOD representatives to Chair these committees and ultimately review and approve their work.

The BOD and its Committees should have written terms of reference (TOR), which clearly define roles and responsibilities and processes. An annual evaluation of the Committees should be undertaken to assess their effectiveness as a whole as well as the contribution of individual members.

J. ANNUAL AUDIT

The BOD undertakes an annual audit of its accounts and submits this report to an AGM for approval by the members of the PIAJ. The BOD has overall responsibility for the associations' systems of financial and operational control, and this is embodied in the Audit Committee's Charter.

The BOD ensures that recommendations made by the external auditors, and other external advisers, are carefully considered and that appropriate action is taken.

K. REVIEW OF GOVERNANCE POLICY

This policy will be reviewed periodically by the BOD.

Governance Policy approved by the BOD: November 14, 2019

Governance Policy reviewed on: _____