



## **Access Financial Services Limited**

### **TERMS OF REFERENCE FOR THE HUMAN RESOURCES AND COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS**

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#### **Governance Statement**

**Access Financial Services Limited** (hereinafter called “the Company”) was established in 2000 under the Companies Act of Jamaica as a provider of personal and business loans to Jamaica’s Microfinance Sector. The Company was listed on the Junior Market of the Jamaica Stock Exchange (JSE) in 2009 and as a part of that listing the Company is required to abide by the rules of the JSE. In furtherance of enhancing its oversight role, the Board of Access Financial Services Limited (AFS) has established a Human Resource and Compensation Committee (hereinafter called “the Committee”) as a standing committee of the board.

The objective of the Human Resource and Compensation Committee is to provide oversight and contribute to the human resource strategic policy deliberations while ensuring the optimization of the Company’s human capital. This includes reviewing human resources policies and overall compensation for the organisation. AFS’s Human Resource and Compensation Committee provides advice and guidelines to the Board on matters brought to the Committee’s attention or on its own volition.

#### **A. PURPOSE**

The Board will appoint a Human Resource and Compensation Committee to:

1. Monitor compliance with applicable labour and related laws and regulations.
2. Review human resource policies of the Company.
3. Review and recommend compensation strategy and policy for the board and senior management.

#### **B. MEMBERSHIP**

1. The Committee shall be comprised of a **minimum of three (3) non-executive directors**.
2. The Board shall appoint the Chairman of the committee who at all times must be a non-executive director as defined in the Company’s Board Charter.

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3. Members will be appointed by the Board and will serve until resignation or until the termination of their appointment to the Board.
4. The Company Secretary will be the assigned secretary for the Committee. In the absence of the Company Secretary, the Chair of the Committee may make alternate arrangements with the Group Chief Executive Officer for a member of the Company's staff to act as Secretary to the Committee.
5. The Group Chief Executive Officer **shall attend** all Committee meetings.
6. The Committee has the power to require any member of staff of the Company to attend meetings as required. Such staff attendance should be scheduled through the Group Chief Executive Officer.

**C. MEETINGS, QUORUM AND PROCEDURES**

1. The Committee will determine its own rules of procedure, provided they are consistent with the AFS policies.
2. The Committee will meet **at least twice per year** and more frequently as circumstances require.
3. The Chair of the Committee or a majority of the members of the committee may call a special meeting of the Committee through the Company Secretary who will ensure that adequate notice is provided.
4. **Two (2) members** of the Committee will **constitute a quorum**. This must include at least 1 independent non-executive director. The Committee's Chairman shall have a casting vote as required.
5. Meeting agendas and documents will be prepared for each meeting and provided within a minimum of **3 working days** in advance to the Committee members along with appropriate briefing materials.
6. Senior Management or other persons, whose advice and counsel are sought by the Committee, may be invited to meetings of the Committee to provide such pertinent information as the Committee's request.
7. The Committee shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.
8. An annual report, which speaks to the Committee's annual activities shall be included in AFS's Annual Report.

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**D. SPECIFIC RESPONSIBILITIES AND DUTIES**

The Committee will have the following duties and responsibilities:

- a. Annually review and contribute to the strategic direction of the human resource requirements for the Company, in line with the board approved strategic plan.
- b. Monitor implementation of the Human resource strategic plan.
- c. Provide leadership, advice and direction on human resource policies in line with labour law regulations and legislations.
- d. Review and recommend to the board annual remuneration for directors, management and employees.
- e. Review Human Resources strategies with a focus on enhancing talent management practices; and
- f. Review and oversee all relevant matters that the board may assign to the committee from time to time.

**E. SELF-EVALUATION**

- a) The Committee shall periodically conduct a self-evaluation of its performance.
- b) In conducting this review, the Committee will also evaluate whether this term of reference appropriately addresses the matters including but not limited to attendance and participation of members, or matters which should be within its scope.
- c) In conducting this review, the Committee will address all matters that it considers relevant to its performance, including at least the following:
  - i. The adequacy, appropriateness and quality of its information and recommendations to the Board;
  - ii. The manner in which they were discussed or debated; and
  - iii. Whether the number and length of meetings are adequate for the Committee to complete its work in a thorough and thoughtful manner.

**F. COMMITTEE SECRETARY**

The Secretary for the Committee shall be the Company Secretary who may assign an in-house staff member to take the Minutes of the meetings.

The Committee Secretary is required to:

- a) circulate the notices and minutes of the Committee meetings;
- b) distribute to Committee members, **3 working days prior to the meetings** of the Committee, all agenda and documents of meetings, reports and/or related documents which are prepared for consideration by the Committee;
- c) keep detailed records of the Committee's meetings; and
- d) have such other duties as may be assigned by the Committee.

**G. REPORTING RESPONSIBILITIES**

The Committee shall submit reports to the Board on the Committee's activities, findings and related recommendations.

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**H. CONFLICT OF INTEREST**

Where there is a conflict of interest, the Committee Member so affected shall declare his interest to the Chairman and the details of the conflict are to be recorded by the Company Secretary.

The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

**I. CONFIDENTIALITY OF COMMITTEE INFORMATION**

All information received by the Committee is confidential and is the property of AFS and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

**J. AUTHORITY**

The Committee has the authority to conduct or authorize investigations into any human resource matters within its scope of responsibility. In so doing it is empowered to:

- a) Investigate any human resource matter brought to its attention with full access to all books, records, facilities, and personnel of AFS; financial governance matters will be referred to the Audit & Risk Management Committee for investigation.
- b) Seek any information it requires from any officer or employee of AFS and such officers or employees shall be instructed by the Board to respond to such enquiries;
- c) Meet with officers/employee of AFS for the purpose of furthering its investigations; and
- d) Provided that the approval of the Board is first obtained, retain outside counsel or other experts to advise the Committee or assist in the conduct of an investigation.

**K. AUTHORITY TO ENGAGE ADVISORS**

The Committee, with prior approval by the Board, may engage outside advisors as it deems appropriate and necessary to assist it in the effective discharge of its functions.

**L. REMUNERTAION**

The Company shall make provision for remuneration of Committee Members in line with the Company's board compensation policy.

**M. REVIEW AND ASSESSMENT OF TERMS OF REFERENCE**

The Board will conduct a review and assessment of the Committee Terms of Reference at least every 2 years in such manner as the Board deems fit.

**DOCUMENT CONTROL**

<i>Version</i>	<i>Date</i>	<i>Date Approved by Board of Directors</i>	<i>Area Changes made</i>
1.0	September 2020	September 10, 2020	