



Access Financial Services Limited

TERMS OF REFERENCE FOR THE CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS

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. As a listed Company AFS is required to ensure compliance with JSE listing rules, specifically Rule 506 which outlines corporate governance requirements for listed companies. The Board of Access Financial Services Limited (AFS) has therefore established a Corporate Governance Committee (hereinafter called “the Committee”) as a standing committee of the Board.

The Corporate Governance Committee (CGC) of Access Financial Services Limited (AFS) exercises an independent review function to assist AFS in fulfilling its corporate governance oversight responsibilities. The Committee evaluates and monitors the Company’s adequacy of and compliance with all governance matters pursuant to the Company’s governance policies. The CGC acts to ensure that AFS adheres to its Corporate Governance (CG) mandate as outline in its Board Charter, the Companies Act (2004) and other applicable laws, regulations and the Jamaica Stock Exchange (JSE) Rules.

The CGC will assess the company’s governance and compliance and take appropriate action to always ensure AFS compliance with all requirements.

The CGC is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will monitor the maintenance of high ethical standards of all employees and directors of AFS.

A. PURPOSE

The Corporate Governance Committee shall:

1. Monitor compliance with applicable laws and regulations including the JSE Rules.
2. Oversee the selection, appointment and performance evaluation of the Board and its committees.

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3. Develop and recommend amendments on the Board's corporate governance policies and practices.
4. Review the organization and operational performance of the Board's Committees.
5. Review and recommend short development programmes related to new standards or regulatory developments including but not limited to corporate governance and accounting standards, which can impact the overall performance of the Directors of AFS. This must be done in line with budgetary requirements.
6. Ensure all new directors go through an appropriate orientation programme.
7. Monitor ethical conduct of AFS's operations to ensure adherence to principles of good corporate citizenship and that all operations add value for AFS corporate sustainability.
8. Review annually the competency profile for Directors of AFS.
9. Monitor AFS's JSE corporate governance index.
10. Review annually succession planning for the Board, company executives and senior managers.

B. MEMBERSHIP

1. The CGC 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 an Independent non-executive director as defined in the Company's Board Charter.
3. The Company Secretary will be the assigned secretary for the CGC. In the absence of the Company Secretary, the Chair of the CGC 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.
4. The Group Chief Executive Officer **shall be invited** to all Committee meetings.
5. 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.

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C. MEETINGS, QUORUM AND PROCEDURES

1. The CGC will determine its own rules of procedure, provided they are consistent with the JSE Rule 506, AFS Code of Ethics and Board Charter that governs AFS Board operations.
2. The CGC will meet at **least twice per year** and more frequently as circumstances require.
3. The Chair of the CGC or a majority of the members of the committee may call a special meeting of the CGC through the Company Secretary who will ensure that adequate notice is provided.
4. **Two (2) members** of the CGC will **constitute a quorum**. This must include at least 1 independent non-executive director. The CGC 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 CGC, may be invited to meetings of the Committee to provide such pertinent information as the CGC request.
7. The CGC shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.
8. An annual Corporate Governance report, which speaks to the state of AFS's overall Governance and the Board's annual activities, will be included in AFS's Annual Report.

D. SPECIFIC RESPONSIBILITIES AND DUTIES

The CGC will have the following duties and responsibilities:

a) Monitor Adherence to Laws & Regulations

1. To ensure that the Board is in compliance with the Companies Act; the Jamaica Stock Exchange Rules, especially Rule 506; AFS Board Charter and all other applicable and relevant laws and regulations.

b) Recommend and Review Policies

2. To ensure development of required governance policies and periodically review and recommend changes to the Board Charter and committee's terms of reference that will guide the Board in the execution of its governance responsibilities. The CGC will ensure that such policies are appropriate to AFS's business, and comply with applicable laws, and regulations and are in line with governance best practices.

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3. To review Code of Business Conduct for directors and employees, and to periodically recommend changes as required.
4. Monitor and address complaints as required under AFS Whistle Blowing Policy and the Code of Conduct.
5. To consider all directors conflict of interests and related party transactions.
6. To monitor the annual corporate governance index score of AFS and ensure that action is taken where required.
7. To consider any other corporate governance issues that arises from time to time, and to develop appropriate policy recommendations for these.

c) Selection; orientation; development and evaluation of Board & Committees

8. To promote the qualities and characteristics needed by AFS to effectively execute its corporate governance responsibilities, especially when considering the Board changes to directorships and the Board's sub-committees. These will include but are not limited to:
 - a. Maturity of judgement
 - b. Management & leadership experience
 - c. Diversity of Professional Skills
 - d. Accountability
 - e. Integrity & professionalism
 - f. Financial Literacy
 - g. Time Available to AFS
 - h. Governance Knowledge
 - i. Networking/Contacts
 - j. Degree of Independence
9. Discharge its responsibilities for maintaining an annual competency profile, by doing an annual review of the existing skills and competencies of the Board, identifying gaps and taking the necessary action as required to address these gaps.
10. To oversee evaluations of the performance of the Board and all its committees.
11. To support the Board Chairman with the assessment, performance and contribution of directors, and to provide the Board Chairman with guidance and support to those who are under-performing.

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12. To recommend to the Board Chairman, those directors to be selected for chairmanship and/or membership on, or removal from, the various Committees based on performance.
13. To review and approve appropriate related short professional development programmes for director's, within budget, that will assist the Board to effectively perform its function.
14. To ensure appropriate orientation of new directors, in order to improve each member's ability to contribute effectively to the deliberations of the Board.
15. To develop and annually review a succession plan for directors, the Chairman and the Group Chief Executive Officer.

d) Corporate Social Responsibility (CSR)

16. The CGC will review the company's CSR initiatives in line with the Board' CSR Policy ensuring that each initiative adds value to the relevant community and supports the vision, mission and values of AFS and is within budget.
17. To review all donations made within AFS policy guidelines.
18. Ensure that AFS has established appropriate sustainable policies including policies to address responsible environmental practices.

E. SELF-EVALUATION

- a) The CGC shall periodically conduct a self-evaluation of its performance.
- b) In conducting this review, the CGC 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 CGC 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;
 - ii. The manner in which they were discussed or debated; and
 - iii. Whether the number and length of meetings are adequate for the CGC 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 to take the Minutes of the meetings.

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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 ensure that its activities and findings are duly documented and maintained with Board documents.

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 full board.

J. AUTHORITY

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

- a) Investigate any governance 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.

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K. AUTHORITY TO ENGAGE ADVISORS

The CGC, 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 CGC 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 7, 2020	