

**TERMS OF REFERENCE FOR  
THE FINANCE  
AND  
CORPORATE GOVERNANCE  
COMMITTEE**



# INSURANCE CORPORATION OF BARBADOS LIMITED

## FINANCE & CORPORATE GOVERNANCE COMMITTEE

### **Terms of Reference**

*Adopted by the Board of Directors on May 10, 2007*

*(Revised November 6, 2008)*

*(Last revised August 24, 2011)*

### **Objective:**

To report to the Board on the financial performance and alignment of strategic planning and objectives of the Company, as well as adherence by the Company to its Bye-Laws, Investment Guidelines, related Acts and to the Barbados Stock Exchange Listing Regulations. Responsibilities will be assumed following identified best practices in Corporate Governance as practiced in Barbados and other major business jurisdictions.

### **Authority:**

The Board authorizes the Committee, within the scope of its responsibilities, to request the attendance of management or staff at meetings and obtain outside legal or other professional advice where appropriate.

### **Composition and Organisation:**

- The Committee will consist of a minimum of four external independent Directors.
- Members will be appointed for a three year term of office, which will coincide with the directorship of the Board and the Board will nominate the chair of the Committee.
- A quorum consists of three members.
- The Secretary of the Committee will be the Company Secretary.
- Meetings shall be held not less than four times a year with special meetings convened as required by the Committee members or management.
- Act as an Executive Committee of the Board.
- Review and recommend appropriate changes to the Company's By-laws to the Board.

## **Roles and Responsibilities:**

### **Corporate Governance:**

The Committee shall:

- At least annually, review the Board's current composition and recommend succession planning for directors to the Board.
- Review and recommend to the Board, fees to be paid to the directors.
- Develop and periodically review an orientation program for new directors and oversee the implementation of the program.
- Evaluate the performance of the Board of Directors as appropriate.
- Periodically review a Code of Business Conduct and Ethics.

### **Compensation and Human Resources:**

The Committee shall:

- Consider and if deemed appropriate approve the recommendation of the Human Resources Committee for increases in the salaries and benefits for all staff.
- Delegate consideration and approval of the CEO's remuneration package to a sub-committee consisting of the Chairman, the Deputy Chairman and one other director.
- Approve specified targets and relevant awards for the Senior Management Team under the Equity Incentive Plan.
- Periodically review the succession plan for senior management.

### **Business Opportunities:**

The Committee shall:

- Review, and if deemed appropriate, recommend to the Board, any proposal to enter into a transaction or deal that would have a significant impact on the financial results of the Company.
- Review, and if deemed appropriate, recommend to the Board, any proposal to expand into a business unrelated to the current business of the Company.

**Finance:**

The Committee shall:

- Review the quarterly and annual financial statements of the company and compare to budget.
- Approve the Annual Budget.
- Identify appropriate performance measures including financial results and assess management's performance against these measures.
- Review and approve any material changes to the Company's Investment Guidelines.
- Approve any material investment or divestment by the Company outside of the parameters of the Investment Guidelines.
- Review and recommend to the Board of Directors, the quarterly dividend.
- Review the adequacy and details of the Directors and Officers and the Errors and Omissions insurance cover.
- Review and approve any changes to the rules and administration of the Defined Benefit and Defined Contribution pension schemes.
- Review and recommend proposed changes to the capital structure of the Company, to the Board.
- Report to the Board on the activities of the Committee and make recommendations on its findings.
- Ensure the Board is aware of matters, which may significantly impact the financial condition or affairs of the Company.
- Perform other oversight functions as requested by the Board of Directors.
- Assess the adequacy of the strategic planning process.
- Understand and challenge where appropriate, the strategic plans of the Company.
- Ensure the strategic plans are in alignment with the strategic objectives of the Company.