



COMMUNITY & WORKERS OF JAMAICA
CO-OPERATIVE CREDIT UNION LIMITED (C&WJCCUL)

CORPORATE GOVERNANCE POLICY

Policy#	CWJCCUL01
Policy Title	CORPORATE GOVERNANCE POLICY & PROCEDURES
Review Requirement	Biennially
Date of Board Policy Review	July 2021
Date of Policy Implementation	July 2021
Date of Previous Review	N/A
Date of Next Review	July 2023
Officer Responsible for Policy Review	Chief Executive Officer
Approving Authority:	 _____ President – BOD  _____ Secretary – BOD

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

TABLE OF CONTENTS

I.	Policy Objectives.....	3
II.	Policy Scope.....	3
III.	Policy Governance.....	3
1.	Introduction.....	4
2.	Role of the Board.....	5-7
3.	Division of Responsibilities – The President and Chief Executive Officer.....	7-8
3.1	Main Principles	
3.2	Policy Provisions	
3.3	Role of the Secretary of the of the Board of Directors.....	8
4.	Board Composition, Balance of Independence.....	8-9
5.	Appointments to the Board.....	9-10
6.	Information and Directors Training.....	10-11
7.	Performance Evaluation.....	11-12
8.	Re-Election of Directors.....	12
9.	Directors Duties and Obligations.....	12-13
10.	Standards of Business Conduct and Ethical Behaviour.....	13-14
11.	Committees of the Credit Union and Committees of the Board.....	14-17
12.	Financial Reporting.....	17
13.	Compensation and Honorarium.....	18
14.	Report to Members and Investor Relations.....	19
15.	Annual General Meeting.....	19
16.	Corporate Social Responsibility.....	20
17.	Review and Approval.....	21
17.1	Audit and Independent Review.....	21
17.2	Approval.....	21
17.3	Publication of Policy.....	21

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

I. POLICY OBJECTIVES

The objective of this Policy is to establish how the Credit Union and its Board of Directors will be governed; provide a guide for the Board of Directors in corporate governance principles; ensure compliance with the relevant regulations and guidelines; outlines the roles and responsibilities expected of the management and the Board of Directors. The Credit Union has adopted this Policy to promote the effective functioning of its Board and Board committees.

The Policy's intent is also to ensure that the standards of transparency, honesty and integrity remain within the culture and operations of the Credit Union, as well as to embed compliance in every department of the Credit Union in an effective way. This policy concerns everyone in the Credit Union and is viewed as an integral part of the business operations.

II. POLICY SCOPE

This Policy applies to:

- All Directors and volunteers of the Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL);
- All C&WJCCUL branches; and
- All permanent and temporary employees, volunteers and Directors. Such employees, volunteers and Directors are collectively referred to herein as "Employees."
- All subsidiaries and associated entities of the C&WJCCUL.

III. POLICY GOVERNANCE

Policy Owners

The Policy Owner is the Chief Executive Officer.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

Related Policies and Procedures

This document shall be read in conjunction with the following C&WJCCUL policies, namely:

- The Credit Union Rules (“the Rules”);
- Connected Party Policy
- Ethics and Conflict of Interest Policy;
- Fraud Policy;
- Guidelines to Fit and Proper Assessment Policy;
- AML/CFT Policies & Procedures;
- Human Resources Policies and Procedures; and
- Whistle Blowing Policy.

1. **Introduction**

This Policy provides the corporate governance structure and principles of the Community & Workers of Jamaica Co-operative Credit Union Limited (C&WJCCUL). It promotes the effective functioning of its Board of Directors and enables the Credit Union to meet governance expectations of regulators and supervisory authorities. The corporate governance framework is subject to on-going review, assessment and improvement. The Board of Directors proactively adopts governance policies designed to align the interests of the Credit Union’s Board and management with those of members and other stakeholders and to promote the highest standards of ethical behaviour and risk management at every level of the Credit Union. The Credit Union’s deferred shares are listed on the Jamaica Stock Exchange (JSE) and as such the Board and Management recognize that high quality corporate governance helps to underpin long-term organisation performance and results in high levels of investor confidence and member value.

This Corporate Governance Policy was developed in accordance with the Co-operative Societies Act, the Code on Corporate Governance promulgated by the Private Sector Organisation of Jamaica and the rules of the JSE and incorporates other corporate governance best practices, such as those set out by the Bank of Jamaica. This Policy documents the standards governing Board composition, function and effectiveness, the role of Board Committees, evaluation and relations with its stakeholders.

The Board and senior management of the Credit Union are required to establish a strong system and culture of compliance to ensure the effective management and mitigation of risks. Ensuring a strong culture of compliance requires a “tone at the top” approach by the Board and senior management who would consequentially be obligated to lead by example, emphasizing standards of honesty and integrity, as well as holding themselves and all team members to high standards of conduct and accountability.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

2. **Role of the Board**

Main Principle:

The Credit Union is to be led by an experienced and effective Board, which is collectively responsible for promoting the long term success of the Credit Union by establishing the strategic direction of the organisation and providing effective leadership and oversight, to ensure a safe and sound operation of the Credit Union.

Policy provisions:

- 2.1 The Board's role is to provide leadership of the Credit Union within a framework of prudent and effective controls which enable risks to be assessed and managed. The Board should set the Credit Union's strategic aims and monitor their achievement, ensure that the necessary financial and human resources are in place for the Credit Union to meet its objectives and review management performance. The Board should set the Credit Union's values and standards and ensure that its obligations to its members, shareholders and other stakeholders are understood and met as well as its statutory and regulatory requirements and obligations.
- 2.2 The values set by the Board should include the promotion of integrity, financial prudence, transparency, friendliness and training and development by the Credit Union in relation to its employees, members, customers, suppliers, shareholders and all other stakeholders as well as the wider community. This must include measures to promote the wellbeing and development of the Credit Union's employees and the communities in which the Credit Union operates and extends to the promotion of responsible behaviour by the Credit Union and its employees for the protection of the environment.
- 2.3 The Board should meet sufficiently regularly to discharge its duties effectively. There should be a formal schedule of matters specifically reserved for its decision.
- 2.4 All Directors must act honestly and in good faith, taking decisions objectively in the best interest of the Credit Union.

Approved by the Board of Directors at its meeting held on July 24, 2021.



Director



Director

- 2.5 Board members are required to attend Board and assigned Board committee meetings regularly and/or as scheduled and to prepare for and participate actively in meetings.
- 2.6 The Board ensures that the management team is suitably qualified and properly structured to carry out their responsibilities and monitors the performance of the Credit Union and the Management against targets set in the Credit Union's strategic plan.
- 2.7 Board Directors should constructively challenge and help develop proposals on strategy and should scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance. They should satisfy themselves on the integrity of financial information and that financial controls and systems of risk management are robust and defensible.
- 2.8 The Board should ensure that the Credit Union's Related Policies and Procedures in respect of conflicts of interest, ethics, and others (*see section III above*), which are designed to prevent or minimize the use of its services, whether intentionally or unintentionally, whether by Directors or employees, for criminal/illegal activities or for such activities that are expressly or impliedly outside of the scope of their authority or as determined by the Board.
- 2.9 Where Directors have concerns, which cannot be resolved, about the running of the Credit Union or a proposed action, they should ensure that their concerns are recorded in the Board Minutes. Where a Director resigns because of such concerns a written statement should be provided to the President/Chairman for circulation to the Board.
- 2.10 A written statement should be provided to the President/Chairman, for circulation to the Board, setting out the reasons where a Director resigns for reasons other than unresolved concerns.
- 2.11 The Credit Union should arrange appropriate insurance cover in respect of legal action against its Directors in the discharge of their duties as Directors.
- 2.12 Directors should act on behalf of the members to safeguard their funds deposited in the Credit Union. This includes monitoring the President and Chief Executive Officer's stewardship over Credit Union operations, and arranging for the audit and appraisal of the financial affairs of the Credit Union.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

2.13 The Board ensures that the Credit Union operates within the law, including the Co-operative Societies Act, the Proceeds of Crime Act and Regulations, and other applicable legislations, and also in accordance with the Credit Union's own Rules.

3. **Division of Responsibilities – the President & the Chief Executive Officer**

Main Principle:

There should be a clear division of responsibilities at the head of the Credit Union between the running of the Board (the President) and the executive responsibility for the running of the Credit Union's business (the CEO). No one individual should have unfettered powers of decision.

Policy Provisions:

3.1 The Role of the President and the Chief Executive Officer

- 3.1.1 The division of responsibilities between the President and the Chief Executive Officer should be clearly established.
- 3.1.2 The President is responsible for leadership of the Board, ensuring its effectiveness on all aspects of its role and setting its agenda. The President is also responsible for ensuring that the Directors receive accurate, timely and clear information. The President should ensure effective communication with the Credit Union's management and shareholders. The President should also facilitate the effective contribution of Directors and ensure constructive relations between Directors.
- 3.1.3 The Chief Executive Officer is responsible for the daily management and administration of the C&WJCCUL, within the policies approved by the Board of Directors.
- 3.1.4 The Board should satisfy itself that plans are in place for orderly succession for appointments to Executive management so as to maintain an appropriate balance of skills and experience within the Credit Union. The Succession Plan should include

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

policies and principles regarding succession in the event of an emergency or the retirement of the CEO.

- 3.1.5 The Annual Report should identify the President, the Chief Executive Officer, the other Directors and the chairmen and members of the Credit and Supervisory Committees.

3.2 The Role of the Secretary of the Board of Directors

- 3.2.1 To ensure the smooth functioning of Board meetings, the members of the Board shall elect and appoint a Secretary to support the President and the Board of Directors.
- 3.2.2 The responsibilities of the Secretary include:
- i. keeping a correct record of all meetings of members, the Board of Directors, and the officers;
 - ii. giving notice of all meetings of the members in the manner prescribed by the Credit Union's Rules;
 - iii. performing such other duties as he/she may be directed to perform by resolution of the Board of Directors not inconsistent with the Law and the Rules;
 - iv. preparing and maintaining at the C&WJCCUL's registered office or such other place as the Board of Directors may designate, records containing:-
 - a. Minutes of the meetings of members and resolutions of members;
 - b. Minutes of meetings and resolutions of the Board of Directors and Committees, and
 - c. a register of its Directors.

4. Board Composition, Balance and Independence

Main Principle:

The Board should include a balance of Directors of sufficient calibre and number for their views to carry significant weight in the Board's decisions and it is desirable that the members of the Board should bring a combination of knowledge, competence and experience to be able to fully understand the Credit Union's material activities and associated risks, thereby enabling the Board to carry out its functions effectively.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

Policy Provisions:

The Board should be of sufficient size that the balance of skills and experience is appropriate for the requirements of the business and that changes to the Board's composition can be managed without undue disruption bearing also in mind the composition requirements for Board committees.

4.1 All Directors should bring an independent judgment to bear on issues of strategy performance, resources, including key appointments and standards of conduct.

4.2 The Directors of the Board should be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

5. **Appointments to the Board**

Main Principle:

There should be a formal, rigorous and transparent procedure for the appointment of Directors to the Board.

Policy Provisions:

The Nominating Committee should lead the process for Board appointments and make recommendations to the Annual General Meeting. The Chairman of this Committee should not be the Board President or a Director who is eligible for re-election at the next Annual General Meeting.

The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender and is to be conducted in accordance with Fit & Proper Guidelines which may be issued by the Bank of Jamaica, the Financial Services Commission, in accordance with the Credit Union Rules and/or any other relevant regulatory body.

5.1 Before making a recommendation for appointment, the Nominating Committee should evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

- 5.2 The Nominating Committee will, for the purposes of giving information only, advise the Board of Directors of nominated Directors and shall include any material interests and commitments of nominated Directors. "Material interest" means an actual or potential benefit or detriment, other than one that would devolve to the interest of the Credit Union or such other important interest which may be financial or non-financial in nature.
- 5.3 The Board should satisfy itself that plans are in place for orderly succession for appointments to the Board, so as to maintain an appropriate balance of skills and experience on the Board. The Succession Plan should include policies and principles regarding succession in the event of an emergency or the retirement of Directors.
- 5.4 If a Director makes a change in principal occupation, the Director is required to immediately advise the Board and allow the Board/Committee to assess the impact of the Director's continued ability to provide the skills required to support the Board in the execution of its roles and responsibilities.

6. **Information and Directors' Training**

Main Principle:

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. New Directors should receive a comprehensive induction to the Credit Union's affairs on joining the Board and all Directors should continually update and refresh their skills and knowledge.

Policy Provisions:

- 6.1 The President is responsible for ensuring that the Directors receive accurate, timely and clear information. Management has an obligation to provide such information but Directors should seek clarification or amplification where necessary.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

- 6.2 There should be a procedure approved by the Executive Committee of the Board for individual Directors in the furtherance of their duties, to take independent professional advice if necessary, at the Credit Union's expense.
- 6.3 All Directors should have access to the impartial advice and services of the Credit Union secretary who is responsible to the Board for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.
- 6.4 The President should ensure that new Directors receive a full, formal and tailored induction on joining the Board.
- 6.5 The President should ensure that the Directors continually update the skills and knowledge required to fulfil their role both on the Board and on Board committees. The Credit Union should provide the necessary resources for developing and updating Directors' knowledge and capabilities in respect of their roles and responsibilities as Directors of the Board.

7. **Performance Evaluation**


Main Principle:

The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. The assessment should be rigorous, transparent and formal and include the Board as a whole and the individual Directors.

Policy Provisions:

- 7.1 Performance evaluation of the Board and its individual Directors should be undertaken at least once a year. The Board should develop the criteria for evaluation. The President should ensure that the Board acts on the results of the performance evaluation by recognising its strengths and addressing the weaknesses identified.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....

Director


.....

Director

- 7.2 The Board should state in the Annual Report whether such performance evaluation has taken place and how it was conducted.
- 7.3 The Board evaluation exercise should be externally facilitated at least every four years. The external facilitator should be identified in the Annual Report and a statement made as to whether they have any other connection with the Credit Union.
- 7.4 Individual assessments should aim to show whether each Director continues to contribute effectively and to demonstrate commitment to the role including demonstrating the values of the Credit Union, commitment of time for Board and committee meetings and any other duties. They should address whether each Director requires specific training, continues to contribute effectively and demonstrates commitment to the role.
- 7.5 The full Board should also perform the assessment of the President.

8. **Re-election of Directors**

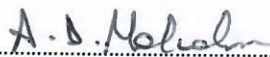
Main Principle:

All Directors should be subject to re-election in accordance with the Rules of the Credit Union.

Policy Provisions

- 8.1 All Directors should be subject to election and to re-election thereafter at intervals in keeping with the provisions of the Credit Union's Rules. The names of Directors submitted for election or re-election should be accompanied by sufficient biographical details to enable members to take an informed decision on their election.
- 8.2 The appraised performance of a Director should be shared with the Nominating Committee before proposing re-election, so that Committee may be satisfied that the Director continues to contribute effectively and demonstrate commitment to the role.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

9. **Directors' Duties and Obligations**

Main Principle:

The Directors of the Credit Union have a duty of care, loyalty and confidentiality to the Credit Union.

Policy Provisions:

9.1 Decisions taken by the Board should be informed by reasonable and balanced assessments of all relevant information. In all actions taken by the Board, the Directors are expected to exercise independent thinking and sound business judgement in what they reasonably believe to be the best interest of the Credit Union. In exercising this obligation, Directors may rely on advice provided by management as well as outside advisors and auditors.

9.2 Directors shall:

- i. Act honestly and in good faith in the best interest of the Credit Union and for the protection of its members and exercise care, diligence and skill.
- ii. Ensure transparency in Board operations and the execution of their oversight responsibilities.
- iii. Abstain from using or disclosing confidential information, particularly where the use of such information is for their own purpose or benefit.
- iv. Participate in Board and committee work and facilitate timely and effective decision making.
- v. Disclose to the Board if independence criteria are no longer met.
- vi. Alert the President of a conflict of interest and abstain when considering any agenda item which might represent a conflict of interest.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

- vii. Promote the goodwill and support of relevant stakeholders.
- viii. Exercise their powers for the proper purposes for which they were conferred and not act for any collateral or ulterior purpose.
- ix. Not act to bind the Credit Union on his own without the authority of the Board as whole either specifically or generally.

10. **Standards of Business Conduct and Ethical Behaviour**

Main Principle:

The Credit Union is committed to the highest standards of ethical business behaviour. The Board of Directors of the Credit Union has adopted the Ethics and Conflict of Interest Policy which applies to all employees.

Policy Provisions:

- 10.1 The Board of Directors periodically reviews, approves and ratifies the Credit Union's Ethics and Conflict of Interest policy.
- 10.2 The Board shall obtain reasonable assurance that there is an ongoing, appropriate and effective process in place for ensuring adherence to the policy.
- 10.3 The Credit Union has developed and communicated a set of core values and implemented these in the operating and behavioural environment of the Credit Union. All Directors, managers and employees are expected to act in accordance with the Credit Union's policies and values at all times.
- 10.4 The Board has ensured that policies have been developed for dealing with actual and perceived conflicts of interest at all levels of the organisation. Directors are to disclose to the Board actual or potential conflicts of interest that may exist between the interests of the Director and the Credit Union.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

10.5 Where a Director has an actual, potential or perceived conflict of interest in relation to any matter under consideration by the Board, the Director must declare that conflict of interest, absent themselves from any discussion of that matter and not vote on any resolution arising from or relating to that matter. This is to be noted in the Minutes of the meeting.

11. **Committees of the Credit Union and Committees of the Board**

Main Principles:

The members of the Credit Union shall elect suitable members for the constitution of a Credit and Supervisory committee with responsibilities as set out in the Rules of the Society and the Co-operative Societies Act.

The Board will establish formal, rigorous and transparent arrangements for selecting independent auditors and will ensure that the independent auditors thoroughly check the Credit Union's financial accounts, application of financial reporting standards and efficiency of internal control mechanisms.

While the Board of the Credit Union is responsible for the overall leadership of the Credit Union, the Board may establish other committees, regulatory and standing committees, to assist in discharging its duties.

The committees meet regularly or as scheduled throughout the year and are required to provide regular and timely reports and recommendations to the Board of Directors. Each committee also follows an Annual Work Plan to confirm that all their duties and responsibilities have been met during the year.

Committees of the Board may include, but are not limited to, the Executive Committee, the Asset Liability Management Committee (ALCO) and the Enterprise Risk Management Committee.

Policy Provisions:

11.1 The Board should establish an Asset Liability Management Committee in line with the Asset Liability Management Policy and set out in written terms of reference and should include:

Approved by the Board of Directors at its meeting held on July 24, 2021.



Director



Director

- reviewing, approving and monitoring the integrity of the annual and interim financial statements of the Credit Union, and any accompanying reports or related policies and statements and any formal announcements relating to the Credit Union's financial performance and reviewing significant financial reporting judgements contained in them;
- providing oversight of the Credit Union's internal financial and other control systems and risk management systems;
- making recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.

11.2 The Supervisory Committee assists the Board in the oversight of the systems of internal controls, the Credit Union's financial reporting processes and audit functions, as well as compliance with legal and regulatory requirements. The Credit Union's Internal Auditor report directly to the Supervisory Committee and the CEO. The main role and responsibilities of the Supervisory Committee should be in accordance with the Rules of the Credit Union and should include:

- monitoring and reviewing the effectiveness of the Credit Union's internal financial and other control systems and risk management systems;
- monitoring and reviewing the effectiveness of the Credit Union's internal audit function and examining and approving the internal audit plan for the year and reviewing the internal audit report which should include an overall assessment of the internal control, risk, financial reporting, compliance and corporate governance frameworks of the Credit Union;
- ensuring compliance with applicable governing statutes and regulations issued by any relevant supervisory authority;
- reviewing and monitoring the external auditor's independence, objectivity and effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements;
- updating the Board, identifying any matters in respect of which it considers that action or improvement is needed and making recommendations as to the steps to be taken.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

- 11.3 The Board provides oversight to Management to ensure that an adequate and effective enterprise-wide risk management framework is in place for identifying, measuring, monitoring and controlling all material risks to which the Credit Union is exposed. In fulfilling these responsibilities, the Board shall:
- i. Define the risk appetite of the Credit Union while setting the overall tone and direction of the organisation through the establishment of sound strategies, values and culture.
 - ii. Understand the nature and level of risks being taken by the Credit Union.
 - iii. Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks.
 - iv. Ensure that management is provided with the resources required to adequately manage the material risks to which the Credit Union is exposed.
 - v. Ensure that effective internal controls and systems are in place to safeguard the Credit Union's assets.
 - vi. Ensure the information technology systems and processes are appropriate and reinforced with a system of checks and balances to ensure security and confidentiality of data.
 - vii. Ensure that the integrity of the Credit Union's internal controls and risk management systems are evaluated on an annual basis.
 - viii. Approve policies to mitigate risks to which the Credit Union is exposed.
 - ix. Approve material related party transactions for which responsibility is not delegated in policy.

12. Financial Reporting

Main Principles:

C&WJCCUL is committed to providing timely, accurate and balanced disclosure of all material information about C&WJCCUL and to providing fair and equal access to such information. The Board requires that Management has processes in place to support its policy of full, true, and timely disclosure of financial results, significant developments and other material information to appropriate stakeholders. The Board should ensure that the Credit Union provides its members, shareholders and other stakeholders with information that presents a balanced and understandable assessment of the Credit Union's financial position and prospects and that all timelines for reporting to the Jamaica

Approved by the Board of Directors at its meeting held on July 24, 2021.



Director



Director

Stock Exchange, the Bank of Jamaica, the Jamaica Co-operative Credit Union League, and all other relevant regulatory authorities are met and complied with in a timely manner and to the highest standard required.

Policy Provisions:

- 12.1 The Board should ensure that the Annual Report includes a clear description of the Credit Union's business prospects; financial accounts and a statement by the auditors on the Credit Union as a going concern and the integrity of the financial accounts.
- 12.2 The Board's responsibility to present a balanced and understandable assessment of the Credit Union's affairs extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.
- 12.3 The Directors should report that the business is a going concern, with supporting assumptions or qualifications as necessary.

13. **Compensation and Honorarium**

Main Principle:

Levels of remuneration of a Credit Union's executives should be sufficient to attract, retain and motivate persons of the quality required to run the Credit Union successfully. Some proportion of executives' remuneration should be structured so as to link rewards to corporate and individual performance.

Policy Provisions:

- 13.1. A Compensation & Benefits Committee is to be established as an independent committee of the Board.
- 13.2. The Compensation & Benefits Committee should judge where to position the Credit Union relative to other similar entities. The Compensation & Benefits Committee should be sensitive to the wider financial industry, including pay and employment conditions elsewhere in the Credit Union's peer group, and other financial entities with similar size and structure, especially when determining annual salary increases.

Approved by the Board of Directors at its meeting held on July 24, 2021.



Director



Director

- 13.3. To avoid potential conflicts of interest, the Board of Directors should set up a compensation sub-committee comprised of Directors to make recommendations to the Board, within agreed terms of reference, on the Credit Union's framework of Directors' honorarium. This sub-committee may include the Chief Executive Officer.
- 13.4. The Sub-Committee should consult the President and/or Chief Executive Officer about their proposals relating to the honorarium for Directors and have access to professional advice inside and outside the Credit Union.
- 13.5. The Board should seek the approval of the Annual General Meeting for the honorarium for Directors.

14. **Report to Members and Investor Relations**

Main Principle:

There should be regular communication between the Credit Union and its members and stakeholders based on the mutual understanding of objectives.

Policy Provisions:

- 14.1 The Annual Report should set out the Credit Union's policy on Directors' honorarium.
- 14.2 The President, the Board of Directors and Executive Management should be identified in the Annual Report and the Report should state that all Directors are non-executive.
- 14.3 The Directors should report that the business is a going concern, with supporting assumptions or qualifications as necessary.
- 14.4 The Board's responsibility to present a balanced, understandable assessment extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

15. **Annual General Meetings (AGM)**

Main Principle:

The Board uses the Annual General Meeting as a major opportunity to inform members, shareholders and other interested stakeholders on the Credit Union's affairs and encourage their participation. The Board endeavours to ensure that members are provided with sufficient information for the Annual General Meeting to make well-informed decisions on issues put for voting at the Annual General Meeting.

Policy Provisions:

15.1 The Credit Union, in the scheduling of its Annual General Meeting will satisfy all governing rules and regulatory requirements by publishing and making available to members and shareholders proper notice and all related information, including the Credit Union's Annual Report.

16. **Corporate Social Responsibility**

Main Principle:

The Board of C&WJCCUL is committed to high standards of Corporate Social Responsibility.

Policy Provisions:

16.1 The Board should ensure that all who represent C&WJCCUL act ethically and responsibly, with honesty, integrity and in a manner consistent with the legitimate interests and expectations of stakeholders and the broader community.

16.2 The Board should ensure that its activities are seen to be in keeping with that of a good corporate citizen, supporting stakeholder interests including that of employees, members and others, in environmental, social, governance and economic matters. The best interests of C&WJCCUL should be understood within the parameters of being a sustainable enterprise and a responsible corporate citizen having regard to the following:

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director

- i. To consider not only financial performance but also the impact of the C&WJCCUL's operations on all stakeholders, the public and the environment;
- ii. To consider the protection, enhancement and investment in the well-being of the economy, society and the environment;
- iii. To ensure that C&WJCCUL's performance and interaction with its stakeholders is guided by high ethical standards;
- iv. To ensure that collaborative efforts with stakeholders are embarked upon to promote ethical conduct and good corporate citizenship;
- v. To ensure that corporate citizenship programmes are implemented; and
- vi. To ensure that management develops corporate citizenship policies.

17. **Review and Approval**

17.1 Audit and Independent Review

This policy will be subject to audit by the internal and external auditors to verify whether the provisions herein are being adhered to and make recommendations to strengthen the corporate governance practices of the Credit Union. The Chief Internal Auditor shall, as a part of his/her audit program, conduct tests and reviews to ensure compliance with this policy and that all officers and departments are properly executing the processes and procedures outlined.

17.2 Approval

The Policy shall be reviewed by the Policy Review Committee biennially or in accordance with the needs of the Credit Union to ensure that it is current and relevant, and submitted to the Board of Directors for approval.

17.3 Publication of Policy

Information about this policy is to be made available to the public through the Credit Union's website or such other forum as may be determined by Management and the Credit Union's Annual Report shall indicate that the Policy is available on the Credit Union's website or such other forum.

Approved by the Board of Directors at its meeting held on July 24, 2021.


.....
Director


.....
Director