



Caribbean Assurance Brokers Limited

# **Risk & Compliance Committee Charter**

## **CHARTER HISTORY**

### **Document Control**

<b>Charter Title</b>	Risk and Compliance Committee Charter
<b>Current Version</b>	2.0
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<b>Next Scheduled Review</b>	November 22, 2027

### **Version History**

<b>Version</b>	<b>Description</b>	<b>Approval Authority</b>	<b>Approval Date</b>
1.0	Initial Approval	Board of Directors	July 23, 2024
2.0	First Revision	Board of Directors	November 22, 2025

## 1 Introduction

This is the Risk and Compliance Committee (hereinafter referred to as R&C or the Committee) Charter for the Caribbean Assurance Brokers Limited (hereinafter referred to as CAB, the Company, or the organization).

The charter governs the processes of the Committee and outlines the roles and responsibilities of the Committee and the Committee Members in ensuring that CAB fulfils its legal, statutory and fiduciary mandates in the areas of risk management and compliance.

## 2 Purpose

The Board of Directors has ultimate responsibility for risk oversight, risk management and compliance. As a subcommittee of the Board, the Committee serves as an independent and objective party to assist the Board in monitoring the effectiveness of the CAB's risk management and compliance programs with applicable laws and regulations. The Committee should also ensure that CAB is fostering a strong integrated risk management culture.

## 3 Goals

To oversee the management's encouragement of a culture based on the Company's principles to foster continuous improvement and the minimization of the impact of economic, sustainability and personal risk within the Company.

To ensure policies are established and adopted for the oversight and management of material business risks<sup>1</sup> and disclose a summary of these policies.

## 4 Duties and Responsibilities

### 4.1 Compliance

- The R&C Committee assists the Board of Directors of CAB in ensuring that the Company is compliant with all applicable laws and regulations relating to the legal operations of the Company, including but not limited to the Company's Act, the Rules of the JSE Junior Market, the Insurance Act and its Regulations, the Proceeds of Crime (POCA) and Terrorism Prevention Acts (TPA).
- Ensures that the Board appoints a Nominated Officer (Compliance Officer) with competence around Anti Money Laundering/Counter Financing of Terrorism/ Counter

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<sup>1</sup> Material business risks include, but not limited to, financial, sustainability, compliance, strategic, ethical, reputational, service quality, human resource, industry, legislative or regulatory and market-related risks.

Financing of Proliferation of Weapons of Mass Destruction (AML/CFT/CFP) laws and regulations as administered by the Financial Investigation Division (FID), the Financial Services Commission (FSC) and the Bank of Jamaica (BOJ), and who has the ability and capacity to undertake the responsibility for the ongoing monitoring of the AML/CFT/CFP duties of the Company;

- Ensures that CAB has in place policies, sustainability, and procedures relating to the AML/CFT/CFP requirements of the FID, FSC and BOJ including policies relating to training of staff and directors, Customer Due Diligence (CDD) and Know Your Customers (KYC) requirements.
- The R&C Committee assists the Board in ensuring that the Nominated Officer undertake and performs the duties of the Nominated Officer as prescribed by the FSC and submit monthly or quarterly reports on those activities as is required.

#### **4.2 Risk Management**

- Supports the Board of Directors on Policy matters of Enterprise Risk Management.
- Oversees management's monitoring of internal controls, compliance with the risk management policies, and adequacy of the risk management framework for risks faced by CAB.
- Reviews and recommends for the Board's approval, CAB's risk appetite and tolerance statement.
- Reviews and recommends for Board approval, policies recommended by management ensuring that policies, standards, and procedures are in accordance with regulatory requirements.
- Reviews on an annual basis the effectiveness of CAB's structure and processes for originating and managing risk.
- Periodically reviews with management, the effectiveness of CAB's risk management systems.

- Obtains on a regular basis, reasonable assurance that CAB’s risk management policies for significant risks are being managed and adhered to.
- Evaluates, on an annual basis, the effectiveness and prudence of Executive Management in managing the operations of CAB and the risks to which they are exposed.
- Reviews the report on significant risk exposures presented, including the amount, nature, characteristics, concentration and quality of investments and overall credit portfolios, as well as all significant exposures to financial and operational risks.
- Reviews, at least once a year, all investments, financial risk management (liquidity, funding and settlement, interest rate, currency) and capital management policies recommended by management.
- Reviews on a regular basis, the liquidity, funding, credit, and capital position management processes.
- Oversees management's processes regarding the proposal of new strategic endeavors, projects, and services to ensure such endeavors are within the Board's risk appetite and risks are proactively managed.

#### **4.3 Data Protection and Privacy**

- Ensures the implementation and enforcement of robust privacy and data security measures in keeping with Data Protection laws and regulations.
- Ensures the establishment of policies and procedures relating to privacy and data security in keeping with Data Protection laws and regulations and guidelines issued by the Office of Information Commissioner.
- Ensures the appointment of an appropriately qualified person as the Data Protection Officer, responsible for independently monitoring CAB’s compliance with Data Protection laws and regulations.
- Oversees compliance with the provisions of Data Protection laws and regulations.
- Obtains, on a regular basis, reasonable assurance that CAB’s Data Protection policies and procedures are being managed and adhered to.
- Ensures that the Board conducts an annual evaluation of the performance of the Committee, and the effectiveness and compliance with its Charter.

## **5 Operations of the Committee**

### **5.1 Composition**

The Committee will comprise at least four (4) members, the majority of whom shall be independent, non-executive directors, with at least one (1) being a member of the Audit and Finance Committee. The Board will appoint one of these members as the Chairperson of the Committee as well as one member as the Deputy Chairperson.

The Board may also appoint, to the Committee, external members with specialist risk management, data protection and systems security experience and expertise.. The Board will appoint the members of the Committee with due regard to the provisions in any applicable legislation.

The following members of the management team are required to attend the meetings of the Committee:

- I. The CEO or their designate.
- II. The Risk/ Compliance Manager /Officer

The Committee may invite any team member or any other individual to attend a meeting of the Committee, as they consider appropriate.

### **5.2 Duration/Term**

The term of office of the members of the R&C Committee shall be a maximum of three (3) years. The tenure shall not exceed the life of the appointing Board. Members are appointed by the Board of Directors and are eligible for re-appointment by the Board.

#### **5.2.1 Removal or Resignation**

If a member of the Committee retires, is removed, or resigns from the Board or from their position within the Company, that member ceases to be a member of the Committee. The Board may appoint a successor director and where the member was an employee of the Company, the new officer appointed to the specific position would become a member.

### **5.3 Secretary**

The Company Secretary or his/her designate shall be the Secretary of the Committee.

### **5.4 Meetings**

#### **5.4.1 Frequency**

The Committee shall meet monthly or at any other frequency as stipulated by the Board of Directors. The Committee shall meet when scheduled by the Committee Chairperson and the Secretary or at the request of a Committee member and/or as circumstances dictate.

#### **5.4.2 Calling Meetings and Notice**

A notice of each meeting confirming the date, time, venue and agenda must be forwarded to each member of the Committee at least five working days before the date of the meeting. The notice for members will include relevant supporting papers for the agenda items to be discussed.

#### **5.5 Report to Board**

The Committee Chairperson, or delegate, will report to the Board following each meeting. The Committee will report to the Board on the matters set out in Section 4 of this Charter.

The Committee Chairperson or delegate, will prepare a report on the matters set out in Section 4 that may be:

- required by any listing rule, legislation, regulatory body or other regulatory requirement; or
- proposed for inclusion in the Company's annual report.

#### **5.6 Minutes**

Minutes of proceedings and decisions of Committee meetings will be kept by the Secretary.

After the Committee Chairperson has given the preliminary approval of the Minutes, the Secretary will distribute the Minutes to all Committee members. Minutes, agenda and supporting papers will be made available to any director, upon request to the Secretary, providing no conflict of interest exists.

#### **5.7 Quorum and Voting**

A quorum will comprise a majority of the members of the Committee, of which one must be a Board member. In the event of an even numbered committee, the Chairperson will have the casting vote. In the absence of the Chairperson, the Deputy Chairperson will preside over the meeting. In the absence of the Chairperson and the Deputy Chairperson, the members present will elect one of their members as Chairperson for that meeting.

On matters requiring a vote by the Committee, each member will have one vote and the Chairperson of the Committee will also have a casting vote.

#### **5.8 Remuneration**

The Company will make provision for remuneration of Committee Members and this will be in line with the Board of Directors and Executive Management's Compensation Policy.

#### **5.9 Confidentiality of Information**

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

### **5.10 Conflict of Interest**

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

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

## **6 Authority of the Committee**

### **6.1 Advice**

The Committee may have access to professional advice from employees within the Company and from appropriate external advisers. The Committee may meet with these external advisers without management being present.

### **6.2 Authority to Engage Advisors**

The Committee has the authority, after approval by the Board, to engage legal counsel, HR advisors, or advisors with specific expertise on terms and conditions that the Committee deems reasonably appropriate in accordance with the Procurement Policy and Procedures.

### **6.3 Power to Summon Employees**

Except under special circumstances, the Committee has the power to require, through the CEO, any member of staff of CAB to attend meetings. The Committee may report any staff member who fails to attend such meeting[s] without reasonable excuse to the CEO for action.

## **7 Review**

The Committee will conduct a biennial review of this Charter. The Committee may also conduct a review, as needed, arising from a significant occurrence requiring urgent attention. This will ensure that the Charter continues to reflect the current processes and guidance utilized when assessing the appropriate risk management of the Directors and the Executive Management. The Board must approve any amendments to the Charter that stem from the review.