



Navigating Corporate Governance

A COMPREHENSIVE
HANDBOOK & TOOLKIT

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FOREWORD

Caribbean countries continue to face social, fiscal and growth challenges that threaten to curtail the Region's long-term development. Post-pandemic recovery efforts are being impacted by higher inflation, rising interest rates, extraordinary environmental events propelled by climate change, as well as social and governance instability.



That said, the current global context also offers opportunities for our region to rise above these challenges. According to the IDB's August 2023 Caribbean Economics Quarterly Report¹, near-shoring trends could spur foreign direct investment and greater economic diversification;

commodity price shocks could inspire countries to lower food imports and push for investment in renewable energy and innovative solutions in agribusiness; and the digital nomad phenomenon could usher new business opportunities in the tourism industry.

As the primary driver of economic activity and employment in the Caribbean, the private sector is called upon to lead the way towards sustainable and inclusive growth. At IDB Invest, we understand the key role businesses play in seizing emerging opportunities for development. As the private sector arm of the Inter-American Development Bank Group (IDB Group), we work with clients and industry partners to make our markets more robust, competitive, innovative, and attractive to fellow investors.

One of the main challenges we encounter to strengthen sustainable development in Latin America and the Caribbean is the limited trust foreign financiers have in the local markets. Corporate scandals and corruption allegations resulting in the arraignment of important political and business leaders, the increase in risk-restricting practices within the global financial sector, and the scrutiny to which companies are submitted by the public, highlight the need to improve corporate governance within our countries.

Effective corporate governance has long been associated with investor confidence, leading to improved trust in the markets, greater access to financing and reduced cost of capital, effective resource stewardship, and improved organizational resilience and performance. It is, therefore, an essential element of

sustainable development and of vital importance for encouraging capital mobilization.

The Private Sector Organisation of Jamaica (PSOJ) understands the benefits of good governance and, thus, has worked tirelessly to build Jamaican businesses' capacity to integrate high international governance standards into their decision-making processes without losing sight of the realities of the Jamaican market.

In 2021, IDB Invest and the PSOJ partnered to update the Jamaican Corporate Governance framework. The launch of the updated Jamaican Corporate Governance Code, in 2022, was followed by an extensive revision of the Handbook and Toolkit of Good Governance, which is now ready to be shared. Both are valued resources providing a reference to facilitate the control and management of companies, mitigate risks, protect from corruption, optimize resource management, increase the investor's confidence, and promote sustainable growth.

The Handbook lays out key policies and charters and provides various models for businesses to either establish or improve upon their governance framework. It not only reflects the most current international governance standards but also considers recent changes in Jamaica's regulatory framework for the private sector.

We hope the Handbook is especially useful to MSMEs. These companies currently account for 80% of jobs in Jamaica and could benefit from having a stronger participation in international markets, both as a receiver of foreign investor capital and as purveyors of quality goods and services.

Good governance is the cornerstone of business value creation and long-term sustainability. Its practice demands commitment, time, and resources; and yet, without it, a company becomes vulnerable to internal turmoil and external shocks. Let this Handbook serve as a tool to strengthen your organization's ability to comply with evolving regulatory demands, navigate complex business challenges, compete with equal footing in the global market, and in the long run contribute to the sustainable economic and social growth of Jamaica.

Marta Viegas

*Head of Corporate Governance,
IDB Invest*

1. IDB Group: Regional Overview: Global and Regional Economies at a crossroads. Caribbean Economics Quarterly. August 2023. Washington, DC.

PREFACE

The world is caught in a vortex of change ... increased regulation, artificial intelligence, augmented reality, virtual reality, health crises, deforestation, climate change, social media dis-information, a post-truth environment, political upheavals, wars... Governance is about leadership. How does one lead in this tumultuous, volatile, and uncertain environment? As organizations seek to navigate the endless changes, decisions must be anchored in core principles, core values- values of ethics, integrity, transparency, and accountability.



As organizations seek to navigate the endless changes, decisions must be anchored in core principles, core values- values of ethics, integrity, transparency, and accountability.

I have never been more conscious of the rubric "Governance is a journey ...

not a destination". Governance is principles based, and the principles of Corporate Governance are critical in providing guidance to help leaders pilot their organizations in this VUCA environment; defined by Pearl Zhu (author of the 'Digital Master' book series) as one in which board members "are required to exercise influence over Volatility, manage Uncertainty, simplify Complexity, and resolve Ambiguity in the 21st century digital environment."

It is imperative to the survival of life on this planet for leaders of all organizations to examine how their enterprises make money or fulfill purpose. Are they doing so in a sustainable way? As leaders, we are obliged to look at the world around us and to understand the impact which our businesses are having on the environment and the wider society. Investors are requiring this, and they are, through investment houses, pooling their resources and through the power of their combined investments making their voices heard in relation to these critical issues.

The G20/OECD Principles of Corporate Governance were endorsed by G20 leaders in September 2023 after having undergone a comprehensive review between 2021-2023. Similarly, the Jamaica Corporate Governance Code was launched in 2022 after extensive revision. The revised Code represents current globally accepted corporate governance best practices tailored to meet specific local needs and realities. This Toolkit aims to provide support to organizations as they put in place, or enhance, their policies to establish the framework within which their businesses operate. For those who wish to ignore the

changes because it is all simply too much, that is not a feasible option if you want your business to thrive or even survive in the current VUCA environment. This Toolkit therefore aims to help you and provide you with a launch pad.

The usual corporate governance policies and charters have been included in the Toolkit as samples to enable you to develop your own policies and charters suited to your organizations. The Toolkit also recognizes recent legislative developments such as the Sexual Harassment (Protection and Prevention) Act, which was passed into law in October 2021, and came into force on July 3, 2023. The law requires that each organization puts in place a policy to prevent sexual harassment in the workplace. A sample policy which accords with the new Act has been included in the Toolkit.

In addition, a summary of recent changes to the Jamaican Companies Act passed in March 2023 has been incorporated, as these changes are significant and the fines for non-compliance are unaffordable, especially for small and medium-sized businesses. It is therefore imperative that all businesses incorporated under the Companies Act, be aware of these changes and make every effort to comply.

Our special thanks to the IDB Invest for supporting the production of this updated Toolkit. Their unwavering support in partnering with us at the PSOJ to help Jamaican businesses improve their governance practices and build sustainable businesses is truly appreciated.

Change is not to be feared. The nature of the change is to be understood, and the requirements to meet the challenges and grasp the opportunities flowing from the change must be identified. Thereafter, the steps to counter the challenges and grasp the opportunities must be taken. This is what leadership requires. This is where the board of directors comes in. It is your job to successfully lead and direct your organizations in the evolving environment. It is your job to ensure your organization's sustainability. This manual is an investment in your success, and we have no doubt you will indeed succeed.

Camille Facey

Chair,
PSOJ Corporate Governance Committee



MESSAGE FROM THE PSOJ

In today's rapidly evolving business landscape, where regulatory frameworks are continually adapting and stakeholder demands for transparency and integrity are at an all-time high, the relevance of robust corporate governance has never been more pronounced.



As we present the latest PSOJ Handbook and Toolkit on Good Governance, we acknowledge this dynamic context and the critical role that effective governance plays in navigating it successfully. Our journey, reflective of global trends and local imperatives, underscores the enduring importance of governance structures that meet regulatory requirements and exceed stakeholder expectations in fostering trust and long-term sustainability.

Since 2001, the PSOJ Corporate Governance Committee has been at the forefront of advocating for and implementing best practices in governance. We've marked significant milestones with the publication of Corporate Governance Codes in 2006, 2009, 2016, and 2021, each designed to elevate governance standards among publicly listed and private companies.

Our Code, published in 2021, was officially named 'The Jamaica Corporate Governance Code'. It establishes best practice guidelines relevant to all types of organisations, from publicly listed to private, from family-owned businesses to non-profits and even for public sector entities. This Code, developed through extensive consultations with multiple stakeholders, including IDB Invest, reflects our commitment to setting standards that are both aspirational and attainable.

Our commitment extends beyond publications. The PSOJ Corporate Governance Committee, working with other partners, has successfully trained over 1,000 individuals for directorship roles.

As we reflect on this updated PSOJ Handbook and Toolkit and the global standards embodied herein, we recognise their critical role in an era where the expectations for corporate conduct are continually rising. The practical guidance and sample documents contained in the Toolkit are more than a response to regulatory changes; they are a proactive move towards embedding ethical and sustainable practices at the heart of our businesses, ensuring that corporate responsibility and economic success are not just parallel paths but convergent ones.

We thank all contributors, in particular, the IDB Invest Corporate Governance Unit, for supporting this work both financially and through review and input and our legal providers, FaceyLaw, for their work in updating the Toolkit and making relevant additions, such as the Prevention of Sexual Harassment Policy and the guidance on the 2023 amendments to the Jamaica Companies Act.

The progress made by Jamaican companies and the broader commitment to excellence in governance are clear indicators of our collective potential. As the PSOJ, we reaffirm our dedication to supporting this journey, contributing to a Jamaica recognised as an economic hub and a standard-bearer for governance and integrity. Together, let's shape a future where our nation is celebrated as the ideal place to live, work, raise families, and do business.

Metry Seaga

President, The Private Sector Organisation Of Jamaica (PSOJ)

INTRODUCTION

WELCOME!

Good governance is an intricately woven fabric which emerges as individual strands of thread are intertwined systematically to produce the substance of what any entity shall become. The United Nations Economic and Social Commission for Asia and the Pacific defines 'governance' as "the process of decision making and the process by which decisions are implemented (or not implemented)." It goes on to identify eight (8) major characteristics of good governance - "participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable, inclusive and follows the law."

This third update of the PSOJ Handbook and Toolkit of Good Governance aims to provide support to enterprises pursuing good governance. The Handbook's purpose has not changed, but the environment in which that purpose is to be achieved continues to evolve, hence the necessity for timely reviews. In one location! At one stop! With one click! The handbook provides tools to help

the entrepreneur, businessperson, CEO, legal professional, directors, and management navigate the constantly shifting legislative, social, and environmental changes.

This 2023 version includes two new elements - the Sexual Harassment (Prevention and Protection) Policy, and guidance on the Companies Act of Jamaica 2023 amendments. It advises on the selection of directors, showcases model charters and policies, outlines a framework for a Code of Ethics, and issues guidance for board performance evaluations. The kit is raw material that organisations can use to develop their own policies and procedures; and these, when anchored in the entity's core values, are a rudder for staff and all stakeholders as they unite to deliver the company's offerings with excellence.

It is our pleasure to share this with you in the hope that it will help to build, not only a stronger company for you, but a stronger nation as the multiplied impact of all our efforts overflow to help champion yet another generation of producers.

USING THE HANDBOOK

This handbook and toolkit is essentially divided into two major sections after the preliminary introductory messages. The first section highlights issues which affect the company at the board level such as director selection, the board charter, the board evaluation; and then addresses the Companies Act Amendment 2023. The second section is focused on providing samples, models and templates for various policies and charters.

There are a number of definitions and terms used in this handbook. The definitions that are deemed necessary are presented in tables at various points throughout this handbook. They may therefore appear in sample policies, charters, or codes. The first of those tables - Table 1 below - provides clarity on those persons ultimately responsible for the governance of an enterprise.

TABLE 1: Definition of Corporate Governance Terms

TERM	DEFINITION
Chairman	The director elected by the board who is responsible for presiding over and leading the board or committee meetings. The term Chairman includes both the masculine and feminine genders.
Independence	Independence is the absence of undue influence and bias which can be affected by the intensity of the relationship between the director and the company.
Executive Director	A director who is employed to the company and is normally responsible for aspects of the entity's daily operations.
Independent Non-Executive Director	A director who is free of any interest, position, association or relationship that might influence or reasonably be perceived to influence in a material respect, his or her capacity to bring an independent judgment to bear on issues before the board and to act in the best interest of the entity and its shareholders generally.

Gender: Any reference to "him" or "her" in this toolkit includes both the masculine and feminine genders, or either of them.

SECTION 1



DIRECTOR SELECTION

GUIDELINES FOR DIRECTOR SELECTION

Achieving the right mix of Director skills, experience and attributes is important for assuring Board effectiveness. The skills required by the company will vary depending on its size, the industry and the company's particular circumstances. Factors to take into consideration in selecting directors should include:

REQUIRED SKILL SETS THAT ARE BENEFICIAL TO THE BOARD

Examples of these skills are:

- Honesty and integrity, which are never to be underestimated and are of fundamental importance in times of crisis;
- Expertise in finance, accounting, and audit procedures;
- Legal expertise, particularly concerning company and commercial law and corporate governance;
- Ability to add value to the Board in carrying out its decision-making;
- Information Technology knowledge;
- Corporate Governance knowledge including familiarity with the Jamaican Corporate Governance Code.

EXPERIENCE

- Relevant industry experience, which is useful in identifying industry trends and guiding management in setting strategy;
- Experience of operating internationally, which may be of great benefit, for example, when opening offices or launching products in other countries.

ATTRIBUTES

- Representatives of key stakeholders who may understand and keep in mind during deliberations the reactions of key stakeholders (whose support may be crucial to the smooth implementation of the Board's decisions);
- Achieving balance in gender distribution;
- Age distribution, which not only maintains Board continuity but will better represent customer or other stakeholders. The chairman should ensure that succession is managed in a controlled manner so that all the key directors do not retire at the same time;

- Willingness to participate in prescribed training programmes;
- Willingness to be evaluated annually for performance;
- Willingness and ability to commit the necessary time for effective stewardship; and
- Fitting the moral/ethical profile that will enhance shareholders' value.

QUESTIONS TO CONSIDER IN SELECTING "INDEPENDENT" DIRECTORS

- Does the person have close family ties with directors, advisers or senior employees?
- Is the person a substantial shareholder of the company, or an officer, or otherwise associated directly with a substantial shareholder of the business?
- Is the person currently employed, or was the person previously employed in an executive capacity of the company in the last 3 years?
- Is the person a material supplier or customer - of the company, or a company in the group, or an employee materially associated with the company?
- Does the person have a material contractual relationship with the company or another company in the group?
- Has the person served on the Board for more than nine (9) consecutive years from the date of first election?
- Does the person hold cross directorship, or have significant links with other directors through involvement in other companies or bodies?

WHAT MAKES A GOOD BOARD MEMBER?

A good board member is first and foremost a leader. As Mervyn King, a leading corporate governance promoter in South Africa says, “Corporate Governance is essentially about leadership”.

If one accepts this tenet, a director, through his or her leadership as a member of the Board makes a commitment to contribute to the growth and development of the company, providing good stewardship and striving for excellence in discharging his or her duties and responsibilities.

The following are the competencies that, in the view of many researchers in corporate governance, exemplify the characteristics of good directors.

GOOD BOARD MEMBERS MUST:

- Be well informed. They have a sound understanding of the company on whose board they serve and see the “big picture” - understand the context in which the company operates, its legal status, the business environment, the company’s strategy and the stakeholders that are important to the organisation. Good Board members ensure that they stay informed.
- Understand their legal and governance responsibilities and carry these out with honesty, probity and integrity. They set the “tone at the top”. In this respect, good Board members play their part in ensuring that:
 - o management is accountable to the Board;
 - o the Board is accountable to its shareholders;
 - o stakeholders’ rights are protected;
 - o all shareholders, including minority shareholders are treated equitably; and
 - o there is timely and accurate disclosure on all material matters, including the company’s economic performance, ownership, and corporate governance.
- Have an attitude of enquiry - ask questions, form opinions, debate issues and, after all that, make the best decisions possible.
- Act with mutual respect to build trust. The members of a Board must be able to trust one another because they are collectively responsible and liable for anything that goes wrong in the company. They must be willing to respectfully listen to, acknowledge, and solicit different points of view, encourage dialogue and constructive debate.
- Work with other Board members to build a strong team. This is not a task just for the chairman; each Board member needs to play his or her part to make this happen. It starts with agreeing on or reaffirming the vision, mission and goals of the company. A team approach fosters a sense of inclusivity and shared mission among Board members and hopefully extends this sense of collegiality to management and employees.
- Devote adequate time to fulfil the responsibility of participating in Board and committee work. This means that particular attention must be given to the number of directorships held by a member since, in some cases, numerous directorships may be detrimental to the quality of service that the board member is able to give to the company.
- Keep information gleaned at Board meetings confidential.
- Abstain from compromising independence, if the Board member is deemed to be independent, and disclose to the Board if the independence criteria are no longer met.
- Declare any conflicts of interest or perceived conflicts and abstain when considering any agenda item which might represent a conflict of interest.
- Know enough to be able to read and understand financial statements - particularly balance sheets, no matter what technical skills they bring to the Board.
- Understand what is meant by fiduciary responsibility and be willing to adhere to the tenets thereof. The duties of loyalty and fidelity are not to be taken lightly.
- Understand the need to regularly monitor the risks that the company faces and ensure that the company has established its risk appetite and that there are processes to mitigate or minimise identified risks.
- Think and act strategically in giving guidance and oversight to the company.
- Finally, recognise the need to keep abreast of new developments in corporate governance by reading and attending seminars and training programmes.

It has been noted that an effective Board has a balance of suitable, competent directors who, with the Chairman’s leadership and guidance, form a cohesive group to guarantee the company’s sustainability, safeguard its interests and ensure its profitable performance.

(See Best Practice Guidelines for the Appointment of Directors in the Sample Section.)

GENDER DIVERSITY

In 2023, data from the Jamaica Stock Exchange reveals that female directors on the boards of the companies listed on the Combined Market comprise 27.7% of the directorship of the 99 companies listed, with three (3) women listed as Chair, and a fourth as Vice Chair. In 2018 the female directorship stood at 25.7% for the 98 companies listed on the Combined Market, with four (4) female Chairs, and a female Deputy Chair. The data has remained relatively constant with the female directorship being a marginal 2% higher in 2023 in terms of Chairmanship. This still remains at a very low level.

All this falls within the context of Jamaica being ranked 2nd in terms of the Economic Participation and Opportunity in the World Economic Forum's Global Gender Gap Report 2023, among 146 countries; and 24th in the Global Gender Gap Index 2023 Rankings.² This performance however, contrasts with relatively speaking, a continued lower level of gender parity at the helm of Jamaican companies when it comes to board participation and chairmanship. A more overtly strategic approach to lessen the gender gap at the top levels of organisations is therefore required.

EUROPE'S DIRECTIVE

Europe's response has been through Directive (EU) 2022/2381 to improve the gender balance among directors of listed companies and the related measures. It is expected to have a sweeping impact, as it requires that countries mandate competent authorities to supply information annually about the gender composition of their boards. The Directive refers to "at least 40 % of non-executive director positions or at least 33% of all director positions" being held by the underrepresented sex.

The Directive (Clause 3) goes on to say that it "is aimed at ensuring the application of the principle of equal opportunities between women and men and achieving a gender-balanced representation among top management positions by establishing a set of procedural requirements concerning the selection of candidates for appointment or election to director positions based on transparency and merit."³

Clause 33 of the Directive states that:

The current lack of transparency in the selection process and qualification criteria for director positions in most Member States represents a significant barrier to greater gender balance among directors and negatively affects both the board candidates' careers and freedom of movement and investor decisions. Such a lack of transparency prevents potential candidates for director positions from applying to boards where their qualifications would be most required and from challenging gender-biased appointment decisions, thus restricting their freedom of movement within the internal market.

On the other hand, investors might have investment strategies that require prior knowledge regarding a director's expertise and competence. More transparency in the qualification criteria and the selection process for directors enables investors to better assess the company's business strategy and to take informed decisions.

It is therefore important that board appointment procedures be clear and transparent and that candidates be assessed objectively on their individual merits, regardless of their gender.

Ultimately, they require that a "... transparent and clearly defined selection process and an objective comparative assessment of qualifications in terms of suitability, competence and professional performance"⁴ in order to achieve the required gender balance.

In the United States, a 2020 amendment to a US Securities and Exchange Commission regulation requires public companies to provide a description of their human capital resources to the extent that they are material to the company's business (SEC, 2020[3]).

2. The global ranking is based on the assessment of each country's performance in four (4) sub-indexes - Economic Participation and Opportunity; Educational Attainment; Health and Survival; as well as Political Empowerment.

3. EU Directive on Gender Balance 2022 (Clause 7)

4. EU Directive on Gender Balance 2022 (Clause 24)

G20/OECD CORPORATE GOVERNANCE PRINCIPLES

The G20/OECD Corporate Governance Principle V.E.4. (2023) highlights a number of points and provides guidance to enterprises as they attempt to address gender diversity:

G20/OECD Corporate Governance Principle V.E.4 (Extracts)

- Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences, including with respect to gender and other forms of diversity.
- In order to avoid groupthink and bring a diversity of thought to board discussion, evaluation mechanisms may also support boards to consider if they collectively possess the right mix of background and competences. This may be based on diversity criteria such as gender, age or other demographic characteristics, as well as on experience and expertise, for example on accounting, digitalisation, sustainability, risk management or specific sectors.
- To enhance gender diversity, many jurisdictions require or recommend that publicly traded companies disclose the gender composition of boards and of senior management.
- Some jurisdictions have established mandatory quotas or voluntary targets for female participation on boards with tangible results.
- Jurisdictions and companies should also consider additional and complementary measures to strengthen the female talent pipeline throughout the company and reinforce other policy.
- Measures aimed at enhancing board and management diversity.
- Complementary measures may emanate from government, private and public-private initiatives and may, for example, take the form of:
 - advocacy and awareness-raising activities;
 - networking, mentorship and training programmes;
 - establishment of supporting bodies (women business associations);
 - certification, awards or compliant company lists to activate peer pressure; and
 - the review of the role of the nomination committee and of recruitment methods.
- Some jurisdictions have also established guidelines or requirements intended to ensure consideration of other forms of diversity, such as with respect to experience, age and other demographic characteristics.

THE CASE FOR GENDER DIVERSITY

The following is taken in part from the International Labour Organization's January 2015 Global Report, "Women in Business and Management: Gaining Momentum", a 2014 study published in the Oxford Journal of Legal Studies which considered "New Rationales for Women on Boards" and the United Nations Democracy Fund's Evaluation Report, "Strengthening Women's Leadership in Jamaica", which was prepared on September 21, 2011.

Though women have the educational qualifications and related attributes to lead, and many companies, in acknowledgement of this, have made significant strides towards gender diversity on their boards, in many cases, the vast ability of women to contribute to the economic and social growth of companies, remains unrealized.

According to the 2011 U.N. Evaluation Report, some of the main constraints to women advancing to leadership roles are existing cultural attitudes that perceive leadership as men's domain therefore rendering women invisible and reluctant to lead, the constraints imposed on women's time because of their roles and responsibilities in family life, women's 'low visibility' in decision-making despite their high levels of educational achievement and the general lack of confidence among women to compete for positions of leadership.

So why should there be more women on boards, particularly corporate boards in the private sector? As it turns out, research on women's contributions to board effectiveness has revealed that women bring numerous unique benefits to board operations which can positively affect the overall performance of the

company by increasing good governance credentials. In fact, it has been noted in research published in the Oxford Journal of Legal Studies⁵ and by the Conference Board of Canada 2002⁶ that women, when compared to men, are more likely to:

- Encourage high board member accountability;
- Insist on adherence to conflict of interest guidelines;
- Spend additional time preparing for board meetings;
- Conduct routine formal board evaluations;
- Raise conflict-inducing or 'tough' issues at board meetings;
- Have a greater inclination to reduce risks and as a result pay more attention to audit and risk oversight and control;
- Consider the needs of more categories of stakeholders and have greater empathy to stakeholder issues; and
- Foster boardroom discussions because of their transformational leadership style which preferences collaboration, sharing of resources and flexibility.

One of the basic tenets of good corporate governance is that effective boards should have the right combination of executive and non-executive directors as well as the right mix of independent directors, reflecting a variety of skills and attributes - those that we normally associate with good governance- strong financial expertise, relevant industry experience, legal expertise, honesty and integrity, and so on. However, boards should also reflect diversity in terms of age and gender distribution, the latter being necessary to ensure that women's views are incorporated in board decisions.

It is important to affirm that the impulse to adopt good corporate governance is driven by factors that are unique to the culture of the country in which the company operates and is influenced by:

- Understanding from research and conversations on governance of how diversity, particularly gender representation on boards, contributes to good governance and drives decisions to bring more women as participants on corporate boards;
- The reality is that for some companies, most of their products and services are purchased by women;
- The fact that many shareholders are women; and
- The undeniable truth that women bring important skills and perspectives to management and decision making.

Despite this forward thinking, as the research points out, the absence of women from the boardroom appears to be entrenched in the corporate governance practices in Jamaica. Our sense is that behind closed doors, many Boards have justified the retention of all male participation in terms of the ease of attaining board solidarity and collegiality – the importance of

the board having authority and making decisions, the fostering of an atmosphere of trust, respect and confidence among all members of the board, as well as the lingering view that women are not as well equipped with the "hard" business or financial skills as are their male counterparts. And yet the empirical research does not support this.

In fact, encouraging frank debate among board members who have diverse views and experiences has been found to enhance the leadership and stewardship of companies; and, according to the report of the Canadian Conference Board:

“strategic thinking and a strong ability to foresee and manage risk are enhanced by ensuring a varied set of perspectives around the boardroom table. Not only will the board more accurately mirror the diverse owners and stakeholders of the organisation, it will lead to better strategic decision-making and planning”.

The public sector in Jamaica has displayed significant leadership in this regard. In Jamaica at least thirty percent of each public sector board must be female. The Public Bodies Management and Accountability (Nomination, Selection and Appointment to Boards) Regulations 2021 which came into force in July 2022 provide that:

“The total membership of a board of a public body shall be comprised of –

- (a) a minimum of thirty percent of members of the male gender; and
- (b) a minimum of thirty percent of members of the female gender.”

The private sector needs to catch up with the public sector in this regard. The PSOJ, along with organisations in civil society, academia, and the private sector, will continue to collaborate in examining these issues of gender in governance.

The PSOJ and the Jamaica Stock Exchange as well as various other entities have collaborated in providing training for a significant number of women who are available to serve on boards. The Jamaica Stock Exchange has a database with the names of both men and women who have completed directors' training.

It is time to stop asking the question as to whether there are competent women available to serve on boards. The answer is a resounding yes. We urge companies to ensure the gender diversity of their boards in their own best interests.

5. Oxford Journal Legal Studies (2014)-New Rationales for Women on Boards

6. Conference Board of Canada, May 2002 Women on Boards...“ Not just the Right Thing...But the “Bright Thing”.

THE BOARD CHARTER

KEY AGREED PRINCIPLES⁷

The following ten (10) principles were identified by the National Association of Corporate Directors (NACD) and embodied Michael Peregrine's⁸ article entitled – The New NACD Governance Principles Promote More Engaged and Committed Boards. Peregrine states that “the specific principles emphasize the importance of an agile and well-informed board *“that is purpose driven and understands the interrelationships and co-dependencies between long-term corporate success”* and the interests of all the organization's primary stakeholders.”⁹

PRINCIPLE NO. 1: PURPOSE

The company's purpose, as defined by the problems addressed and the needs filled by its goods and/or services, should drive its behavior, shape its governance, and position the company to create sustainable long-term value.

PRINCIPLE NO. 2: ACCOUNTABILITY

The board is responsible for the long-term sustainable performance of the company, and governance structures and practices should be designed by the board to position it to function effectively, efficiently, and in an accountable manner.

PRINCIPLE NO. 3: OBJECTIVITY AND OVERSIGHT

Governance structures and practices should position the board to provide objective judgment and active oversight, supported by board leadership that is distinct from management.

PRINCIPLE NO. 4: INFORMATION

Governance structures and practices should be designed to support the board in determining its own priorities, agendas, and information needs, and to assist the board in focusing on priority issues.

PRINCIPLE NO. 5: RELATIONSHIPS

Governance structures and practices should support a relationship between the board and senior management that is open, objective, and both constructively supportive and challenging.

PRINCIPLE NO. 6: STRATEGY AND RISK

Governance structures and practices should support the board as adaptive and agile, focused on strategy and risk, and prepared to take appropriate action in a crisis.

PRINCIPLE NO. 7: TALENT

Governance structures and practices should support the board's focus on the corporate strategies, policies, and programs that support the attraction, retention, development, compensation, and well-being of the talented and motivated workforce required for the corporation to succeed.

PRINCIPLE NO. 8: CORPORATE AND BOARD CULTURE

Governance structures and practices should position the board to provide oversight of corporate and board culture, with the objective of promoting integrity, inclusion, and responsibility.

PRINCIPLE NO. 9: COMPOSITION, REFRESHMENT, AND DIVERSITY

Governance structures and practices should be designed to ensure that board and committee composition align with changing needs and that directors are competent, committed, and diverse.

PRINCIPLE NO. 10: TRANSPARENCY, COMMUNICATIONS, AND ENGAGEMENT

Governance structures and practices should be transparent and designed to encourage communication and engagement with shareholders and other key stakeholders on matters of importance.

7. The National Association of Corporate Directors (“NACD”), *A Framework for Governing into the Future the New* referenced in *NACD Governance Principles Promote More Engaged and Committed Boards*

<https://clsbluesky.law.columbia.edu/2022/10/21/the-new-nacd-governance-principles-promote-more-engaged-and-committed-boards/>

8. A partner at McDermott Will and Emery

9. The New NACD Governance Principles Promote More Engaged and Committed Boards: <https://clsbluesky.law.columbia.edu/2022/10/21/the-new-nacd-governance-principles-promote-more-engaged-and-committed-boards/>

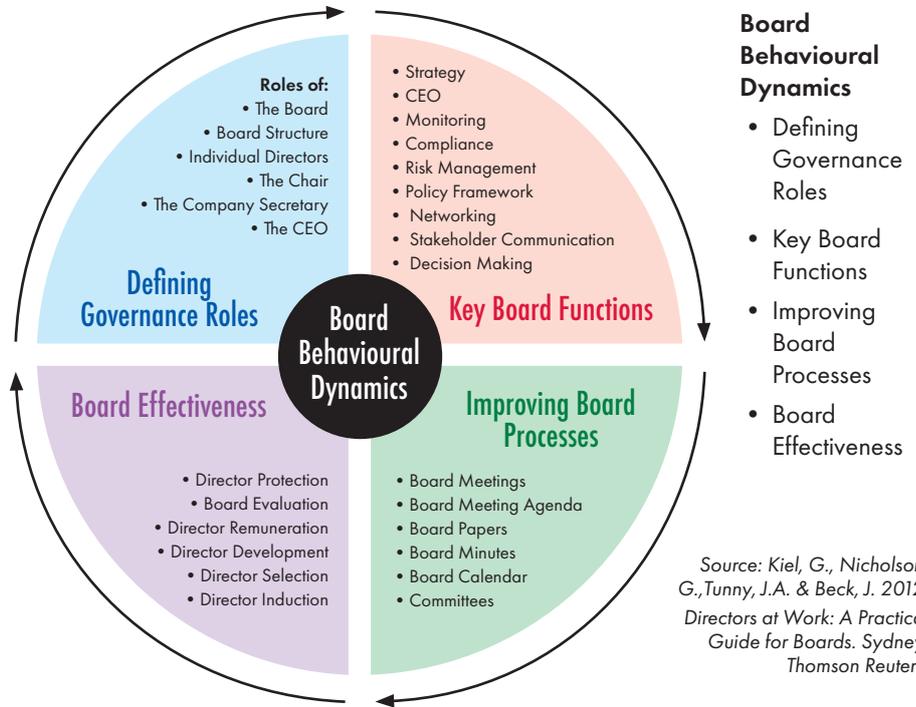
GUIDELINES FOR DEVELOPING A BOARD CHARTER

The Board Charter is succinctly described as “a legacy from today’s board to future boards”¹⁰. In the 2016 Effective Governance Fact Sheet on board charters published by the Australia based Hopgood Ganim affiliate, they describe the Board Charter as:

“a policy document that clearly defines the respective roles, responsibilities and authorities of the board of directors (both individually and collectively), and management in setting the direction, the management and the control of the organisation”¹¹

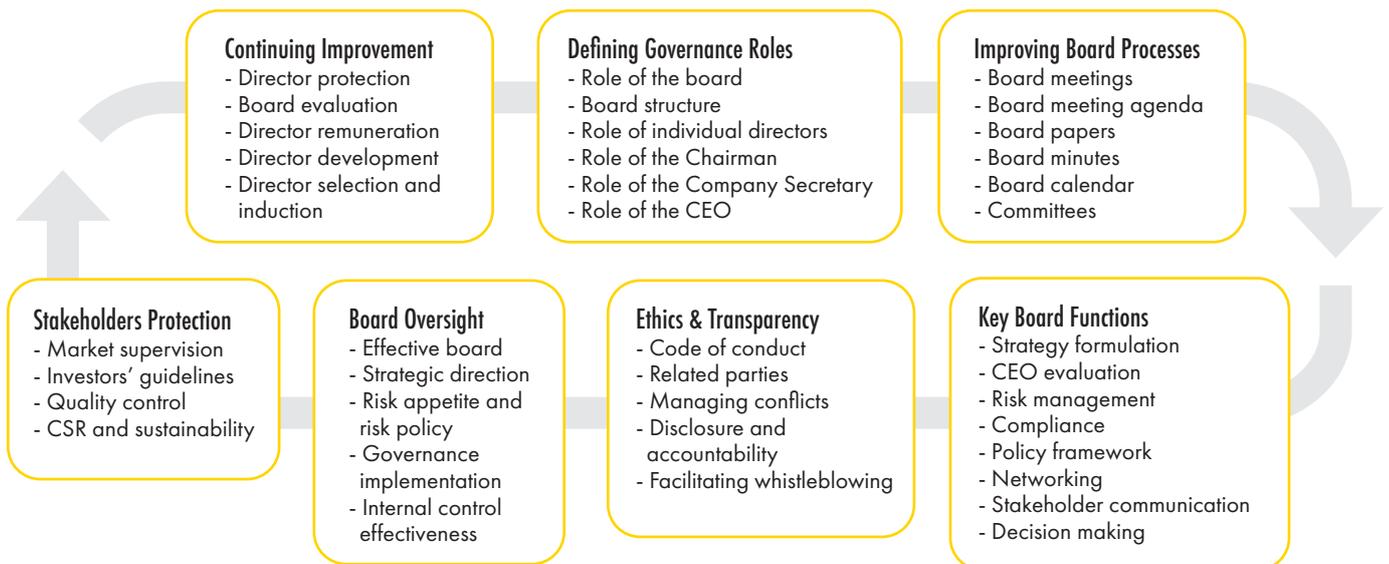
The Corporate Governance Practice Framework in Figure 1 is used to guide the establishment and continual development of governance policies and practices including the development of the Board Charter. It identifies four components of Board Behavioural Dynamics.

Figure 1: Corporate Governance Practice Framework



The model below extends the framework highlighting some of the main factors which must be considered when creating a Corporate Governance Charter. This model combines principles from the scholarly article, “Breakthrough Board Performance: How to Harness Your Board’s Intellectual Capital”, (Kiel and Nicholson:2003)¹², which was published in Corporate Governance: The International Journal of Business in Society (2004) and the Corporate Governance Pillars established by Boursa Kuwait¹³.

Figure 2: Corporate Governance Framework ¹⁴



10. https://www.effectivegovernance.com.au/content/Document/News%20Uploads/eG-Board-Charter-Fact-Sheet_v0_3_18Aug16%5B1%5D.pdf

11. https://www.effectivegovernance.com.au/content/Document/News%20Uploads/eG-Board-Charter-Fact-Sheet_v0_3_18Aug16%5B1%5D.pdf

12. <http://www.effectivegovernance.com.au/wp-content/uploads/2012/10/Nicholson-Kiel-2004-Breakthrough-board-performance.pdf>

13. <http://www.boursakuwait.com.kw/BoursaKuwait/Page.aspx?PAGE=35>

14. Principles combined from “Breakthrough Board Performance: How to Harness Your Board’s Intellectual Capital”, (Kiel and Nicholson:2003), which was published in Corporate Governance: The International Journal of Business in Society (2004) and the Corporate Governance Pillars established by Boursa Kuwait.

MAIN CONSIDERATIONS IN DEVELOPING A BOARD CHARTER

The following points should be considered when developing the Charter.

- Defining Governance Roles: delineating the role of the Board and key players in the governance system;
- Improving Board Processes: enhancing the administrative functions and processes of the Board;
- Key Board Functions: elaborating the critical activities that a Board performs and defining performance expectations;
- Ethics & Transparency: emphasising codes of ethical conduct to encourage high levels of accountability and integrity;
- Board Oversight: highlighting procedures and policies which facilitate responsible decision making;
- Stakeholders Protection: identifying the legal and ethical obligations to all legitimate stakeholders;
- Continuing Improvement: reviewing the procedures and processes which lay the foundation for continuing improvement in corporate governance.

PURPOSE OF A CHARTER

The Charter serves three major purposes, to:

- Improve and systematise the Board's role and powers,
- Enhance the transparency of its governance, and
- Demonstrate the company's commitment to good corporate governance practices.

SECTIONS OF A BOARD CHARTER

Below are the nine (9) sections that comprise a Board Charter along with the content of each section itemized.

BOARD RESPONSIBILITIES

Major responsibilities, including those carried out by the Board and its committees, and those that are management's responsibility.

BOARD COMPOSITION

Board size:

- the proportion of independent directors,
- the proportion of management directors,
- directorship term limits,
- director retirement age and
- any limits on the number of directors.

DIRECTORS

This section should cover the director's - selection, recruitment, orientation and the appointment letter. Specific pointers for director selection, and the director's appointment letter are provided below.

Director selection criteria include:

- skill set
- diversity (academic qualifications, technical expertise, relevant industry knowledge, gender, age and ethnicity)
- experience

Directors will be required to sign an appointment letter. The appointment letter will include the following:

- Role, duties, and responsibilities
- Obligation to comply with any Board decisions
- Duration
- Notice period
- Remuneration and benefits
- Confidentiality
- Outside interests / potential conflicts of interests
- Induction
- Review processes
- Insurance
- Independent professional advice
- Committees

BOARD LEADERSHIP

- Selection process for the Board chairman
- Separation of the chairman and chief executive officer roles
- The appointment of a "lead" outside director
- The selection process for committee chairs

DIRECTOR REMUNERATION

Composition and amount of director remuneration:

- Stock options, cash
- The basis for determining remuneration
- Expense reimbursement

BOARD MEETING PROCEDURES

- Frequency and duration of meetings
- The expectations of director attendance
- Procedures for setting meeting agendas
- Procedures for advanced distribution of Board meeting materials
- Executive sessions of independent directors
- Attendance by non-directors

BOARD PERFORMANCE

The board's performance should be evaluated annually and it should involve the assessment of:

- The Board's and committees' effectiveness
- Individual director performance, including the Chair's performance
- Limitations on continuing Board membership (retirement, etc.)
- How conflicts of interest are addressed
- Board processes
- The company's risk appetite

Risk Assessment:

Special attention should be given to comprehensive risk assessment. The Board is responsible for the maintenance of the company's systems of risk management and internal control, and for reviewing their effectiveness.

This process involves:

- the identification, evaluation and management of key risks through a Risk Committee or the CEO. The latter should submit reports (at least annually) to the Board, either directly or through the Audit Committee;
- business reviews by the Board;
- the review of internal financial controls and the risk management process by the Audit and or Risk Management Committee.

COMMITTEES

Identify:

- The specific committees formed
- Committee membership requirements
- Selection and rotation of members and chairs
- Committee meeting processes and agendas.

BOARD RELATIONSHIPS

Interaction with the chief executive: contact with investors, media, and customers, and access to management and employees.

(See a sample of a Board Charter in Section 2).

SCHEDULE OF RESERVED POWERS

Many companies create a Statement of Reserved Powers arising out of their Board Charter. A schedule clarifies the particular powers in the company that the Board reserves for its own decision-making purposes. These statements are regarded as evidence of good practice in corporate governance. A typical schedule would contain:

- Auditor issues
- Communications to shareholders and the media
- Dividend payments
- Accounting and management control policies and practices
- Director and senior manager appointments, removals, terms, conditions, etc.
- Disposal or acquisition of major assets
- Major contracts and investments
- Authority levels
- Treasury, risk management, capital policies
- Budgets, strategies, mission, vision

(See a sample in Section 2 - presented as Annex 1 of the Board Charter).

BOARD EVALUATION

KEY AGREED PRINCIPLES¹⁵

The following ten (10) principles were identified by the National Association of Corporate Directors (NACD) and embodied Michael Peregrine's¹⁶ article entitled – *The New NACD Governance Principles Promote More Engaged and Committed Boards*. Peregrine states that “the specific principles emphasize the importance of an agile and well-informed board *“that is purpose driven and understands the interrelationships and co-dependencies between long-term corporate success”* and the interests of all the organization’s primary stakeholders.”¹⁷

PRINCIPLE NO. 1: PURPOSE

The company’s purpose, as defined by the problems addressed and the needs filled by its goods and/or services, should drive its behavior, shape its governance, and position the company to create sustainable long-term value.

PRINCIPLE NO. 2: ACCOUNTABILITY

The board is responsible for the long-term sustainable performance of the company, and governance structures and practices should be designed by the board to position it to function effectively, efficiently, and in an accountable manner.

PRINCIPLE NO. 3: OBJECTIVITY AND OVERSIGHT

Governance structures and practices should position the board to provide objective judgment and active oversight, supported by board leadership that is distinct from management.

PRINCIPLE NO. 4: INFORMATION

Governance structures and practices should be designed to support the board in determining its own priorities, agendas, and information needs, and to assist the board in focusing on priority issues.

PRINCIPLE NO. 5: RELATIONSHIPS

Governance structures and practices should support a relationship between the board and senior management that is open, objective, and both constructively supportive and challenging.

PRINCIPLE NO. 6: STRATEGY AND RISK

Governance structures and practices should support the board as adaptive and agile, focused on strategy and risk, and prepared to take appropriate action in a crisis.

PRINCIPLE NO. 7: TALENT

Governance structures and practices should support the board’s focus on the corporate strategies, policies, and programs that support the attraction, retention, development, compensation, and well-being of the talented and motivated workforce required for the corporation to succeed.

PRINCIPLE NO. 8: CORPORATE AND BOARD CULTURE

Governance structures and practices should position the board to provide oversight of corporate and board culture, with the objective of promoting integrity, inclusion, and responsibility.

PRINCIPLE NO. 9: COMPOSITION, REFRESHMENT, AND DIVERSITY

Governance structures and practices should be designed to ensure that board and committee composition align with changing needs and that directors are competent, committed, and diverse.

PRINCIPLE NO. 10: TRANSPARENCY, COMMUNICATIONS, AND ENGAGEMENT

Governance structures and practices should be transparent and designed to encourage communication and engagement with shareholders and other key stakeholders on matters of importance.

15. The National Association of Corporate Directors (“NACD”), *A Framework for Governing into the Future the New referred to in NACD Governance Principles Promote More Engaged and Committee Boards*

<https://clsbluesky.law.columbia.edu/2022/10/21/the-new-nacd-governance-principles-promote-more-engaged-and-committed-boards/>

16. A partner at McDermott Will and Emery

17. *The New NACD Governance Principles Promote More Engaged and Committee Boards*: <https://clsbluesky.law.columbia.edu/2022/10/21/the-new-nacd-governance-principles-promote-more-engaged-and-committed-boards/>

GUIDELINES FOR BOARD PERFORMANCE EVALUATIONS

The following is taken in part from, A Guide to Board Evaluation, The Companies Act, 2013 Series, published by the Institute of Company Secretaries of India (2015)¹⁸.

THE BOARD EVALUATION

International corporate governance standards and codes are increasingly emphasizing the need for Boards to evaluate their effectiveness. Jamaica's Code on Corporate Governance 2021 states: "The governing body should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual governing body members, with a view to producing outcomes which enhance the effectiveness of the governing body."

WHAT OR WHO SHOULD BE EVALUATED?

Evaluation criteria linked to Board and committee responsibilities and goals should be specified in the Board Charter and governance policies. In addition to providing director orientation and education, the Board should consider other ways to strengthen director performance, including individual director evaluations. An evaluation should have clear terms of reference for the:

- Board
- Chairman
- Individual directors
- CEO

BENEFITS OF EVALUATIONS

Boards and their committees will benefit from regularly conducted evaluations since this will contribute to good corporate governance. Board evaluations should:

- Improve the performance of the Board towards achieving corporate goals and objectives;
- Provide an opportunity to assess the balance of skills, knowledge and experience on the Board;
- Allow the Board to identify the primary areas of concern and areas to be improved;
- Provide an opportunity to create awareness about the role of directors individually and collectively as a Board;
- Enhance the leadership, teamwork, accountability, communication and efficiency of the Board;
- Encourage effective coordination between Board and Management; and
- Facilitate overall growth of the organisation.

WHY SHOULD THE EVALUATION BE UNDERTAKEN?

The evaluation should also state the reasons why it is being undertaken. Typical reasons may include:

- Identifying Board weaknesses and providing the Board with an opportunity to take action to improve itself;
- Allowing the Board to assess the value it creates for the company and the efficiency of its internal functioning;
- Acting as an early warning system, which will allow changes to be implemented before problems set in;
- Identifying and overcoming any differences among Board members; and
- Leading some directors to conclude that they are neither able nor willing to invest the time and effort to add value to the Board, and decide that the company's interests would be better served by a change in Board personnel.

QUESTIONS THE GOVERNING BODY MEMBERS SHOULD ANSWER

Typical questions that directors should ask prior to an evaluation include:

- Is the Board clear about its function and responsibilities?
- Is each director clear about their role?
- Do the committees understand their roles?
- What performance metrics will be used?
- Who will administer the evaluation?
- How will the information be collected?

THE EVALUATION PROCESS

A typical evaluation process is led by the chairman, but frequently outside experts provide assistance. The process comprises:

- An evaluation instrument;
- A Board presentation involving a description of the process;
- A questionnaire, which directors complete individually and privately;
- One-on-one confidential interviews;
- Data collection and analysis; and
- A presentation and Board discussion involving the development of a plan to strengthen and address any identified deficiencies.

(Sample board evaluation instrument is provided in Section 2.)

18. https://www.icsi.edu/portals/0/guide_to_board.pdf

STEPS FOR BOARD EVALUATION

IDENTIFICATION OF OBJECTIVES

The first step for a Board evaluation is to identify the objective of the evaluation. It is important to determine what to assess, since this is critical in designing an appropriate evaluation framework. The Board has to undertake various important responsibilities including strategic development and risk management. However, before the evaluation begins it is important that the Board, after thorough Board discussions, sets the target of the company against which the performances should be measured.

WHAT IS TO BE EVALUATED?

The evaluation process should be used constructively as a mechanism to improve Board effectiveness, maximise strengths and address weaknesses. Board evaluation can be divided into two main factors; people factors (knowledge, personal characteristics, Board size, structure, directors' contribution, interpersonal skills, level of commitment, Board room behaviour, etc); and process factors (planning and managing Board meetings, information flow, oversight management, risk management, coordination, succession planning).

AREAS TO CONSIDER IN EVALUATIONS

The Higgs Review¹⁹ suggests the following as some of the areas that should be considered in a performance evaluation:

- How well has the Board performed against any performance objectives that have been set?
- What has been the board's contribution to the testing and development of strategy?
- What has been the board's contribution to ensuring robust and effective risk management?
- Is the composition of the Board and its committees appropriate, with the right mix of knowledge and skills to facilitate optimal performance in the light of future strategy?
- How has the Board responded to any problems or crises that have emerged and could or should these have been foreseen?
- Are the matters specifically reserved for the Board the right ones?
- How well does the Board communicate with the management team, company employees and others? How effectively does it use mechanisms such as the AGM and the annual report?
- Is the Board, as a whole, knowledgeable about the latest developments in the regulatory environment and the market?
- How effective are the board's committees? (Specific questions on the performance of each committee should be included such as, for example, their role, their composition, and their interaction with the board.)

PROCESSES FOR EFFECTIVE BOARD EVALUATIONS

The processes that reinforce the board's effectiveness should also be evaluated, e.g.:

- Is appropriate, timely information of the right quality provided to the Board and is management responsive to requests for clarification or amplification? Does the Board provide helpful feedback to management on its requirements?
- Are sufficient Board and committee meetings of appropriate length held to enable proper consideration of issues? Do all the Board members attend and actively contribute at meetings? Is time used effectively?
- Are Board procedures conducive to effective performance and flexible enough to deal with all eventualities?

EVALUATING THE CHAIRMAN

The leadership skills of the Chairman are central to an effective Board process, therefore, according to Higgs Review, some specific issues relating to the Chairman should be included as part of an evaluation of the board's performance e.g.:

- Is the Chairman demonstrating effective leadership of the board?
- Does his or her leadership style promote effective decision making and constructive feedback?
- Are relationships and communications with shareholders well managed?
- Are relationships and communications within the Board constructive?
- Do the Chairman and CEO work well together to complement their skills and experience?
- Are the processes for setting the agenda working? Do they enable Board members to raise issues and concerns?

ENCOURAGING EVALUATIONS

Though Directors may be opposed to routine Board evaluations, one technique for reducing directors' resistance to the evaluation process is to promote them as "performance improvement plans" (PIPs). This approach emphasises the fact that the exercise's objective is to encourage improved performance rather than criticising performance or behaviour. Treating reviews as a forward-looking planning process, rather than a backward-looking critique, may make the process appear more goal oriented and positive.

Board evaluations are inevitably challenging for Board members. The evaluation process can be made easier, however, by using facilitators, and by treating it as a forward-looking process whose goal is the improvement of the Board's work, rather than an implicit critique.

19. Review of the role and effectiveness of non-executive directors (January 2003) <http://www.ecgi.org/codes/documents/higgsreport.pdf>

HINDRANCES TO EFFECTIVE BOARD EVALUATIONS

Common factors which hinder effective Board evaluations include:

- some directors may feel uncomfortable about being evaluated;
- evaluation may be perceived as a sign that the Board lacks trust or confidence in the CEO's performance;
- the Board feels it lacks the skills and expertise to conduct effective evaluations;
- the Board does not view routine evaluations as important;
- there are no performance targets for the Board, committees, or executive managers;
- the Board is dysfunctional;
- individual directors may be concerned about the issues that an evaluation may raise;
- previous Board evaluations were ineffective.

CHARACTERISTICS OF EFFECTIVE BOARD EVALUATIONS

Notwithstanding the challenges which Boards may encounter when implementing effective evaluation procedures, it is important that Boards take all reasonable steps to do so, since this is a positive move towards good corporate governance.

Characteristics of successful evaluations include:

- the purpose, objectives, process, and outcomes have been fully explained and discussed with all concerned parties;
- strict confidentiality is maintained at all times during the process;
- the chairman and the CEO play a key role in developing and approving the process;
- an annual review is conducted;
- benchmarks of Board, committee, executive, and company effectiveness are used as performance indicators;
- there is a written format that is discussed by all parties involved;
- the chairman provides the full Board with a report; and
- the process itself is evaluated for improvements to be undertaken in the following year.

EVALUATION OF THE CEO

Some companies use 360-degree questionnaires from the top management team and other key stakeholders to evaluate a CEO's performance. Typical questions may include:

Does the CEO:

- Provide constructive feedback?
- Seek feedback to improve his/her performance?
- Share ideas and information with others?
- Work as a team player?
- Develop and build relationships?
- Have good relationships with senior corporate, political, and industry leaders?
- Achieve business goals and objectives?
- Participate in developing the company's vision?
- Challenge the status quo and provide fresh, innovative, and workable solutions?
- Make tough decisions?
- Provide leadership?
- Provide motivation and inspiration?
- Have personal presence and credibility?
- Exhibit honesty and integrity?
- Take responsibility for his/her action?

ROLE OF THE COMPANY SECRETARY

INTRODUCTION

The Jamaica Companies Act at section 172 (2) stipulates that “Every company shall have a secretary” and that a sole director of the company shall not also be the secretary.

The Companies Act further states that:

“172 (4). It is the duty of the directors of a public company to take all reasonable steps to ensure that the secretary or each joint secretary of the company is a person who appears to them to have the requisite knowledge and experience to discharge the functions of secretary of the company.”

The Company Secretary does not simply take notes during Board meetings. Professional company secretaries usually have legal backgrounds, understand corporate and securities law,

have sufficient business knowledge to understand the company’s business, and have strong interpersonal skills that allow them to help the chairman steer Boards.

In some companies, the General Counsel doubles as the Company Secretary though recent thinking is that this may pose a conflict. The Trust & Corporate Services Providers Act which was made applicable to the domestic market on 25 April 2022, and came fully into force on 25 April 2023, provides that persons who operate businesses that provide company secretarial services must be licenced by the Financial Services Commission. Such a licence is not required if the person is an employee of the Company. The larger companies oft times have company secretaries as employees whether full-time or part-time. These Company Secretaries may in turn have their own support staff.

BENEFITS OF THE COMPANY SECRETARY’S ROLE

The Company Secretary can help the Board to:

- work at its highest level of efficiency, by introducing best practice working procedures;
- identify gaps in corporate governance matters and propose ways to address such weaknesses;
- assist in establishing and maintaining clear communication between the various governing bodies of the company in compliance with the company’s constitution;
- ensure that the Board follows existing internal corporate rules and policies, and change or institute new ones, when appropriate;
- ensure that the Board adheres to all relevant regulatory requirements, both domestic and foreign.

Accordingly, the Company Secretary often acts as an advisor to directors and senior executives on regulatory requirements, listing rules, and legislation related to corporate governance.

To protect the ability of the Company Secretary to act in the interests of the company and its shareholders at all times, they must be shielded from undue influence from management and any other parties. The Company Secretary should thus be accountable to and supervised by the Board. They should devote sufficient time to their duties.

Therefore, large companies with a large number of shareholders, a large Board and numerous Board committees, often limit the Company Secretary from concurrently holding other positions within the company or other legal entities.

(A sample Terms of Reference is provided in Section 2.)

CHANGES TO THE COMPANIES ACT OF JAMAICA

AMENDMENTS TO THE COMPANIES ACT IN 2023

The original Companies Act 2004 has been amended four (4) times, in 2013, 2017, 2021 and the latest amendments were approved by parliament on March 31, 2023. These amendments were made in accordance with the recommendations of Financial Action Task Force (FATF), the international agency which is self-described as the “global money laundering and terrorist financing watchdog”²⁰.

To avoid being blacklisted by FATF, Jamaica made a number of revisions, thus ensuring that it is not regarded as a risky place to do business, or a place where the systems are not sufficiently robust. The primary change is associated with transparency regarding the beneficial ownership of companies. As such, more detailed and current information on the beneficial ownership of legal persons must be submitted to the Registrar of Companies, whose powers were increased to ensure compliance.

THE BENEFICIAL OWNER (BO)

The “Beneficial owner” refers to a person who directly or indirectly exercises ultimate ownership and/or effective control of the company. The BO is anyone who owns 25% or more of the company; as such, there may be more than one beneficial owner.

Companies must both declare the beneficial owner(s) of the company and provide accurate, adequate and up-to-date information in this regard; as well as retain beneficial ownership information even after closure of the enterprise.

ADDITIONAL OBLIGATIONS OF COMPANIES

To comply with the FATF Framework the company is required:

- To collect and maintain up-to-date, accurate and adequate beneficial ownership information including names, nationalities, addresses, occupations, dates of births, taxpayer registration numbers at the time of incorporation and thereafter.
- To notify the Registrar of Companies of any changes to the beneficial ownership information and the Register of Members within 14 days of the change.
- To notify the Companies Office of Jamaica (COJ) of where the Register of Members is kept.
- To keep an index of beneficial owners and members (companies with more than 50 members). To record the measures taken to verify beneficial ownership information as well as any supporting documents used in the verification process.

- To enter the particulars of beneficial owners where the company receives notice of any trust that affects the membership of the company.
- To allow the COJ access to carry out its inspection.
- To respond to any question asked by the COJ regarding the company’s beneficial ownership information in the stipulated manner and period.
- To rectify any inaccurate, inadequate and/or outdated information in the Register of Members upon receiving notice from the COJ.
- To give the COJ any documents concerning the beneficial ownership information and the Register of Members. This information also applies to former and current officers, employees, agents, and auditors of the company.
- To keep beneficial ownership information and a record of the measures taken to ensure the accuracy of this information for at least 7 years from the day that the last business transaction was conducted.
- To retain the company’s documents for 7 years after the company is wound up or struck off.

POWERS OF THE REGISTRAR

The company Registrar has investigative and inspection powers and therefore is required:

- To inspect the Register of Members of a company where a notice is issued to the company. The COJ can therefore come to the company and ask to be shown the Register of Members and Beneficial Owners. (The Registrar must notify the company seven (7) days before the date of inspection.)
- To apply for a court order for mandatory inspection if the company refuses to cooperate.
- To enter a company’s registered office to conduct an inspection between the hours of 8:00 am and 5:00 pm.
- To question the company or its officers, agents, and / or employees about its beneficial ownership information.
- To verify the accuracy of the information provided on a beneficial ownership return.
- To keep a proper Register of Beneficial Owners.
- To request additional information from the company and any public or foreign entity to verify beneficial ownership information.

20. <https://www.fatf-gafi.org/en/home.html>

- To examine records and procedures to ensure that they are compliant with the Companies Act.
- To notify the company of any inaccurate, inadequate and/or outdated information in the Register.
- To send an inspection report within 90 days from the inspection date and make any relevant recommendations to ensure compliance.
- To issue an inspection certificate of companies.

OBLIGATIONS ON COMPANY / SANCTIONS FOR NON-COMPLIANCE

Companies' obligations under the updated Act have been coupled with sanctions for non-compliance. The latter are intended to encourage companies to meet the requirements as set out in the legislation. Table 2 below outlines the new obligations and related sanctions when a company fails to conform.

Table 2: Company Obligations and Potential Sanctions for Non-Compliance Under the Amended Companies Act of Jamaica

Obligation on Company	Sanction For Non-compliance	Value of Sanction
<ul style="list-style-type: none"> • File annual returns. 	Fine	Up to J\$5M
<ul style="list-style-type: none"> • Maintain a Register of Members. • Keep an up-to-date, accurate and adequate Register for a period of not less than 21 days after the company is made aware of a change. • Notify the COJ of any changes in the location of the Register of Members within 14 days. • Obtain beneficial ownership and membership information; relate to the Registrar or COJ 	Fine (company) Fine (each individual officer)	Up to J\$5M Up to J\$3M
<ul style="list-style-type: none"> • Allow the COJ to inspect 	Fine	Up to \$1M
<ul style="list-style-type: none"> • Record verification measures and substantiate documents. • Notify members and/or beneficial owners of their duties to provide information to the company. • Notify the company of any beneficial owner of their shares. 	Fine (company) Fine (each individual officer)	Up to \$5M Up to \$3M
<ul style="list-style-type: none"> • Beneficial owners must notify the company of their particulars. 	Fine (on beneficial owner)	Up to \$3M
<ul style="list-style-type: none"> • Company's agents must comply with beneficial ownership obligations. 	Fine	Up to \$3M
<ul style="list-style-type: none"> • Care must be taken in use of share warrants²¹. 	Fine or imprisonment	
<ul style="list-style-type: none"> • Notify the COJ of any changes to beneficial ownership information within 14 days. 	Fine (company)	Up to \$1M
<ul style="list-style-type: none"> • Respond to the COJ regarding beneficial ownership information within the stipulated timeline. • Comply with any requirement of the COJ regarding: <ul style="list-style-type: none"> - beneficial ownership; - unlawful behaviour towards the COJ or its representatives. 	Fine or imprisonment for 1 year	Up to \$1M

21. A share warrant is a contract between an individual and an organization that allows the individual to trade the company shares at a fixed price on or before a pre-decided date. (Investopedia: <https://www.investopedia.com/articles/investing/071513/warrants-and-call-options.asp>)

Obligation on Company	Sanction For Non-compliance	Value of Sanction
<ul style="list-style-type: none"> Permit the COJ to inspect the Register of Members and provide a copy of same. 	Fine (first offense) Fine (second offense)	Up to \$3M Up to \$7M
<ul style="list-style-type: none"> Rectify inaccurate, inadequate and/or outdated information within 30 days of notice. 	Fine (company for first offense) Fine (on company for second offense)	Up to \$3M Up to \$5M
<ul style="list-style-type: none"> Produce a document related to the Register of members during inspection. Do not hinder, impede the COJ during an inspection. 	Fine (company) Fine (individual) or 1 year imprisonment	\$3M \$1M
<ul style="list-style-type: none"> Submit annual beneficial ownership returns. Rectify the Register of Members after any conviction. Ensure that there is no missing, inaccurate, inadequate and/or outdated information in the beneficial ownership return. 	Company struck from the Register of Members	

Note:

The government is in the process of establishing a fixed penalty regime that will apply to these offences and which will be less than the fines set out in the Companies Act. If paid to the Collector of Taxes within 30 days of the Fixed Penalty Notice (FPN), the person to whom the FPN was issued will not be liable to be convicted of the offence.

ADDITIONAL INFORMATION

Additional information related to the changes in the Companies Act requirements is available from the following sources:

- COJ's Beneficial Ownership Hub - <https://www.bohubjamaica.com/>
- COJ's Beneficial Ownership Booklet - https://issuu.com/cojadvisory/docs/beneficial_ownership_new_2
- COJ's Presentation on the Companies (Amendment) Act 2023 - https://www.bohubjamaica.com/files/ugd/f4ad2c_5a7575773cd6432f8d28499f85f0b20d



SECTION 2

LIST OF SAMPLES AND TEMPLATES



Best Practice Guidelines for the Appointment of Directors

Model Board Charter

Model Charters for Committees:

- Audit
- Corporate Governance and Nomination
- Remuneration
- Risk Management



Model / Sample Policies:

- Corporate Governance
 - Corporate Social Responsibility
 - Occupational Health and Safety
 - Sexual Harassment (Protection and Prevention)
 - Whistleblowing
 - Code of Ethics (Set of Policies that May be included in a Code of Ethics Handbook for Directors and Employees)
 - Code of Business Conduct and Ethics
-

Board Performance Evaluation:

- Framework for a Board Performance Evaluation
 - Sample Board Evaluation Instrument
-

Sample Company Secretary Terms of Reference

BEST PRACTICE GUIDELINES FOR THE APPOINTMENT OF DIRECTORS

Below is a non-exhaustive list of the combination of skills, experience, attributes and characteristics that Boards may wish to consider when recruiting new board members. This list was obtained from the Mauritius Institute of Directors', "Best Practice Guidelines for the Appointment of Directors", published in September 2012.

Best Practice Guidelines for the Appointment of Directors

SKILLS	EXPERIENCE	ATTRIBUTES
Practical wisdom and good judgment	Specialist knowledge in a specific area	Highest personal and professional ethical standards and honesty;
Financial literacy; ability to read and understand a financial statement	A detailed knowledge of the industry/relevant industry experience	Integrity, independence and free of conflicts of interest;
Specialized professional skills e.g. Accounting, Finance, HR, Legal, ICT, Marketing	Expertise on global issues	An enquiring and independent mind;
An understanding of key technologies	Experience in other industries using experience gained in one industry for the benefit of a company in another industry	Willingness and commitment to devote the required amount of time to carrying out the duties and responsibilities of Board membership, including time to gain knowledge of the industry, to prepare for Board meetings, and to participate in Committees;
Director education – a clear understanding of the duties of a director and knowledge of the Code.	High visibility in the field	Commitment to improving the business, its continued well-being and making a difference. Commitment to making this role a significant priority, not serving just for the money or for personal interests;
Good interpersonal skills and the ability to communicate clearly	Leadership and management experience, especially in related businesses	Willingness to represent the best interests of all stakeholders and objectively appraise board and management performance;
Decision maker – exploring options and choosing those that have the greatest benefit to the organisation and its performance	International experience	Critical analysis and judgment; Vision, imagination and foresight;
Risk Management	Personal networks and external contacts	Motivation – drive and energy to set and achieve clear objectives and make an impact;
Interpersonal sensitivity – a willingness to keep an open mind and recognise other perspectives		Strategic perspective, able to identify opportunities and threats;
Ability to mentor other directors Advisory skills		Innovator - a willingness to challenge management and challenge assumptions, stimulate board discussion with new, alternative insights and ideas;
Strong ability to represent the company to stakeholders		Maturity and discipline to know and maintain the fine line between governance and managerial oversight.

Source: Mauritius Institute of Directors (September 2012)

MODEL BOARD CHARTER

It is preferable for a company to develop its own charter rather than simply adopt a model charter. During this process, the charter can be tailored to the specifics of the company's industry, ownership structure, stakeholders, and shareowner base. As an internally developed document, the charter will also be useful to executives and employees. Nevertheless, the following is provided as an example of a Board Charter.

1.0 Introduction

1.1. ADOPTION

This Board Charter has been adopted by Resolution of the Board of Directors (Board) of (name of company), hereinafter referred to as the Company, at the meeting of the Board held on the XX day of XX, 20XX.

1.2. COMPLEMENTARY TO LAW AND ARTICLES

These provisions are complementary to the requirements regarding the Board and Board members contained in Jamaican legislation, such as the:

- Companies Act 2004 (as amended in 2004, 2013, 2017, 2021, 2023; as well as changes effected by the passing of the Security Interests in Personal Property Act 2013, and the Insolvency Act 2014),
- Other laws and regulations,
- Articles of Incorporation of the Company and
- Provisions governing the relationship between the committees and the Board as contained in the charters of the committees (which have been adopted by the Board).

1.3. CHARTER ON WEBSITE

This Board Charter has been posted on the company's website (give address).

2.0 Composition of the Board, Positions, Committees

2.1. BOARD PROFILE, SIZE, EXPERTISE AND INDEPENDENCE

2.1.1. Board Profile

The Board, in consultation with the Corporate Governance and Nomination Committee, shall prepare a profile of its size and composition, considering the nature of the Company's business and its subsidiaries, and the desired expertise and background of the Board members (the Board Profile or Competency Profile).

2.1.2. Number of Members

In keeping with its Articles of Incorporation, the Board shall have a minimum of ___ and a maximum of ___ members.

2.1.3. General Composition

The Board shall use its best efforts to ensure that:

- its members can act critically and independently of one another;
- each Board member can access the broad outline of the Company's overall policies and strategy;
- each Board member has adequate knowledge of the Company's operating environment and associated risks;
- each Board member has sufficient expertise to perform his or her role as a Board member within the Board Profile;
- the Board matches the Board Profile;
- the Board has, as a minimum, board members with knowledge and experience in governance, general finance, business, accounting, law, human resources and management; and
- no less than (a fraction) of the Board members are independent as defined below.

2.1.4. Independence

An independent director is a director who:

- is not, and has not been, employed by the Company or any of its Related Parties at any time during the past 3 years; (a Related Party is a company or individual that makes payments to, or receives payments from the Company for property or services in an amount which, in any single fiscal year, exceeds [x %] of the Company's consolidated gross revenues).
- is not, and has not been affiliated with a company that acts as an advisor or consultant to the Company or its Related Parties, and has not acted in such capacity at any time during the past five years;
- is not, and has not been affiliated with any significant customer or supplier of the Company or its Related Parties at any time during the past 3 years;
- does not currently have, nor has had any personal service contracts with the Company, its Related Parties or its senior management at any time during the past 3 years;

- is not affiliated with any non-profit organisation that receives significant funding from the Company or its Related Parties;
- does not receive and has not received any additional remuneration from the Company apart from a director's remuneration, nor participates in the Company's share option or performance-related payment plans, nor is a participant of the Company's pension plan;
- the director's remuneration does not constitute a significant portion of the person's annual income;
- is not employed as an executive officer of another company where any of the Company's executives serve on that company's Board;
- is not a member of the immediate family of any individual who is, or has been at any time during the past 3 years, employed by the Company or its Related Parties as an executive officer;
- is not, nor has been at any time during the past 3 years, affiliated with or employed by a present or former auditor of the Company or auditor of any Related Party;
- is not a controlling person of the Company (or member of a group of individuals and/or entities that collectively exercise effective control over the Company) or such person's brother, sister, parent, grandparent, child, cousin, aunt, uncle, nephew or niece, or a spouse, widow, in-law, heir, legatee and successor of any of the foregoing, (or any trust or similar arrangement of which any such persons or a combination thereof are the sole beneficiaries) or the executor, administrator or personal representative of any person described in this paragraph who is deceased or legally incompetent; and
- has not served on the Board for more than 9 years from the date of his or her first election²².

2.2. (RE) APPOINTMENT; TERM OF OFFICE; RESIGNATION

2.2.1. Election by Shareholders

Member of the Board are elected at the annual general meeting.

2.2.2. Substance of Nominations and Recommendations

A nomination or recommendation to the annual general meeting for a candidate for the Board shall state:

- the candidate's age;
- the candidate's profession and specialized skills;
- the amount and nature of any shares held in the company;
- any convictions for any crimes involving dishonesty, fraud or breach of trust;
- the positions the candidate holds or has held in the past

- five years (including memberships on any Board of Directors or management Boards/executive committees);
- the candidate's experience;
- how the candidate's training, skills and experience fit within the context of the Board Profile;
- nominating shareholder [if applicable]; and
- any other information relevant to assess the candidate's suitability as a member of the Board.

The recommendation or nomination for appointment or reappointment shall state the reasons for the nomination or recommendation. Any nomination or recommendation by the Board for appointment or reappointment of a director must be in accordance with Section 2 of this charter, including the Board Profile.

2.2.3. Reappointment

Before recommending a member of the Board for reappointment, the Board must carefully consider the person's past performance on the Board.

2.2.4. Staggered Retirement

Subject to the provisions of the Articles of Incorporation, all directors shall retire from office at the first annual general meeting of the Company. At all annual general meetings held in each subsequent year, one-third (1/3) of the Company's directors, if there are three or a multiple of three directors, or, a number that is nearest one-third (1/3), where the number of directors is not three or a multiple of three, shall retire from office²³.

The directors who are chosen to retire each year shall be those who have been longest in office since their last election, however, where two individuals were simultaneously appointed as directors, the one to retire will be determined by lot.

2.3. CHAIRMAN AND VICE-CHAIRMAN

2.3.1. Election

The Board shall elect a chairman and a vice-chairman from among its members. The vice chairman replaces and assumes the powers and duties of the chairman when the chairman is absent.

2.3.2. Duties

The chairman of the Board, hereinafter referred to as the Chairman:

- is primarily responsible for the activities of the Board and its committees;
- acts as the spokesperson for the Board;
- presides over the meetings of the board and the general meetings of the entity;
- is the principal contact for the Chief Executive Officer (CEO). The CEO and the Chairman shall meet regularly;

22. See section B 1.1 in the UK Corporate Governance Code

23. See Article 95 of Table A, Companies Act, 2004

- leads the board in the conduct of an annual performance appraisal of the CEO;
- is primarily responsible for providing direction to the Corporate Secretary.

2.3.3. Responsibilities

The Chairman ensures that:

- Board members, when appointed, participate in an induction programme and, as needed, additional education or training programmes;
- the Board members receive all information necessary for them to perform their duties;
- the Board has sufficient time for consultation and decision-making;
- the committees function properly;
- the Board's performance is evaluated by an external facilitator at least every three years²⁴;
- the Board elects a vice-chairman; and, the Board has proper contact with senior management.

In addition, the Chairman is primarily responsible for:

- ensuring that the Board satisfies its duties to all key stakeholders and promotes sustainability;
- determining the agenda of Board meetings, chairing such meetings and ensuring that minutes are kept of such meetings;
- consulting with external advisors appointed by the Board;
- addressing problems related to the performance of individual directors; and
- addressing internal disputes and conflicts of interest concerning individual directors and the possible resignation of such members as a result.

2.4. COMPANY SECRETARY

2.4.1. Appointment

As required by law, the Board will appoint a Company Secretary to assist the Board in the proper execution of its functions.

2.4.2. General Access

All Board members may go to the Company Secretary for advice, or to use the person's services.

2.4.3. Responsibilities

The Company Secretary sees to it that the Board follows correct procedures and that the Board complies with its obligations under law and the company's Articles of Incorporation. The Company Secretary shall assist the Chairman of the Board in organising the Board's activities (including providing informa-

tion, preparing an agenda, ensuring reports on meetings, coordinating evaluations and training programmes). The Company Secretary is the secretary of the Board.

2.5. COMMITTEES

2.5.1. Establishment of Committees

The Board may appoint committees from among its members to perform specific tasks. The Board shall determine the members of any committee. The Board shall establish an Audit Committee, a Remuneration Committee, a Risk Management Committee, a Corporate Governance Committee and Nomination Committee, or any other committee that may be deemed necessary. The Board may invite external persons (i.e. non-directors) to participate in a committee based on the need for expertise not currently residing in the organisation's directorship.

2.5.2. Board Responsibility for Committee Action

The Board remains collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

2.5.3. Committee Reporting

Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware. Each director has unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

2.5.4. Committee Charters

The Board shall establish (and may amend) charters for each committee. The charters shall indicate the role and responsibilities of the committee, its composition and how it should perform its duties. The charter of a committee shall require that the committee has no less than two members (or, if the committee is composed of three or fewer members, one member) who are independent, as defined in Section 2.1.4. of this Charter.

2.5.5. Website Disclosure

The charters and the composition of the committees shall be posted on the company's website.

24. See section B.5.1 of PSOJ's Corporate Governance Code, 2016

3.0 Duties and Powers

3.1. GENERAL DUTIES AND POWERS

3.1.1. General Responsibilities

The Board oversees the general business and strategic direction of the Company. The entire Board is responsible for such supervision and oversight.

3.1.2. The Board Acts in the Interest of the Company

The Board shall act in the best interests of the Company and its business, taking into consideration the interests of the Company's shareholders and other stakeholders. Directors shall perform their duties independent of any particular interest in the Company and should not support one interest without regard to the other interests involved.

3.1.3. Quality of Performance

The Board is responsible for the quality of its own performance.

3.1.4. Action in Concert

As much as they can, within their individual responsibilities as members of the Board, members shall act and speak in concert with respect to important affairs and on matters of principle. Where the members of the Board are unable to unanimously agree on a matter, the issue shall be determined by majority vote of the directors present at the meeting.

3.1.5. Provision of Information

The Chairman and the CEO shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to properly function.

3.1.6. Responsibility for Securing Information

The Board and its individual members each have responsibility for obtaining all information from the management and the internal and external auditors needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisors of the Company. The Company shall aid the Board in obtaining such information. The Board may require certain officers and external advisors to attend, but never to vote at its meetings.

3.1.7. Access to Records

Each member of the Board has access to the books and records of the Company, if useful to perform duties. Unless the charter of a committee states otherwise, directors shall consult with the Chairman of the Board and the Company Secretary before exercising their rights under this provision.

The directors have unlimited access to committee meetings and may attend such meetings but cannot vote thereat.

3.1.8. Use of Experts

The Board may hire experts to assist or advise them where such advice and information is needed to aid their decision-making. The cost of such experts shall be agreed to by the Board and shall be paid by the Company. A Board member may rely upon the advice of a relevant expert so long as the member has no reason to question the expert's report or conclusion.

3.2. DUTIES REGARDING THE SUPERVISION OF MANAGEMENT

3.2.1. Nature of Supervision

In supervising the management, the Board shall consider:

- the achievement of the company's objectives;
- the strategy and risks in the company's activities;
- the structure and operation of the internal risk management, and audit and control systems;
- the financial reporting process;
- compliance with law and regulations; and
- any other matters the law requires the Board to consider.

3.2.2. Financial Reporting

The Board supervises the company's financial reporting in accordance with Section 3.6 - Supervision of Financial Reporting.

3.2.3. Annual Risk Review

At least once a year, the Board shall discuss the Company's strategy and business risks, the management's assessment of the internal risk management and control systems, and any significant changes to such systems.

3.2.4. Resolutions Subject to Approval

The following resolutions are subject to the approval of the Board:

- determining and amending the operational and financial strategic objectives of the Company;
- determining and amending key performance indicators in support of the strategic objectives (including, for example, any financial ratios);
- the resolutions listed in Annex 1 of this Charter; and
- any other matters that Jamaican laws or regulations or the Company's Articles of Incorporation require the Board to approve.

3.3. DUTIES REGARDING THE MEMBERS AND THE PERFORMANCE OF THE BOARD

3.3.1. Duties Regarding the Board

The duties of the Board (in consultation with the appropriate Board committees) in relation to the members of the Board include:

- the nomination of members of the Board (the appointment is made by the annual general meeting) and proposals to the annual general meeting for the compensation of members of the Board;
- the determination of the number of directors, the appointment of a chairman and vice-chairman of the Board, the establishment of committees and defining their roles, the evaluation of the Board, its individual members and its committees (including an evaluation of the Board Profile and the induction, education and training programme);
- the approval of other positions of directors to the extent required of this Charter; and
- addressing any conflicts of interest issues between the Company and the directors.

3.3.2. Board Self-Assessment

At least once a year, the Board shall discuss its own activities and those of its individual members, the effectiveness of such activities, and the composition and competence of the Board.

3.4. ANNUAL CALENDAR

The Board shall develop an annual work programme or annual board calendar in order to ensure that:

- all obligations (including legal and regulatory) are executed within prescribed timelines; and
- the Board's time is appropriately allocated to ensure that all the Board's responsibilities are met.

3.5. CERTAIN OTHER DUTIES OF THE BOARD

3.5.1. Duties Generally

The other duties of the Board include:

- duties regarding the external auditor as described in Section 3.6 of this Board Charter and the charter of the Audit Committee; and
- other duties imposed by law, the company's Articles of Incorporation, this Charter and the charter of a committee.

3.5.2. Annual Report and Accounts

- The Board shall ensure that proper accounts are kept in keeping with the provisions of the Companies Act, 2004 and in accordance with the Company's Articles of Incorporation.
- The Board shall draw up a report describing its activities in the financial year, and containing the statements and information required by law and the Company's Articles of Incorporation. This report will be laid before the Company in its annual general meeting together with a copy of the auditor's report.

3.6. SUPERVISION OF FINANCIAL REPORTING

3.6.1. General Supervision Responsibilities

The Board, in consultation with the Audit Committee, supervises compliance with written procedures for the preparation and publication of the annual report and accounts, the quarterly (if any) and semi-annual financial reports, and any other financial information. The Board, through the Audit Committee, also supervises the internal control and audit mechanisms for external financial reporting.

3.6.2. Discussion of Financial Reports

The Audit Committee shall regularly, and in any event as soon as possible, provide the Board with reports on the annual report and accounts, and the quarterly (if any) and semi-annual financial reports, which will then be discussed at a meeting of the Board. The annual report and accounts for the year just ended shall be discussed in a meeting with the Board within four (4) months of the year end. The semi-annual and quarterly (if any) financial reports of the Company for the respective period just ended shall be discussed in a meeting with the Board within two (2) months of the end of the period.

3.6.3. External Auditor

The Board shall ensure that the external auditor attends the meeting of the Board at which the report of the external auditor with respect to the audit of the annual accounts is discussed, and at which the Board decides whether or not to approve the annual accounts. The external auditor shall receive any financial information underlying the quarterly (if any) and/or semi-annual financial reports and other interim financial reports, and shall be given the opportunity to respond to all information.

3.6.4. Audit Committee is Principal Contact with External Auditor

The Board's principal contact with the external auditor is through the chairman of the Audit Committee. If any irregularities in the financial reports are discovered, the first discussion regarding such irregularities should be between the Audit Committee and the external auditor.

3.6.5. Recommendations by External Auditor

The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the Company's internal controls, as expressed in the - Management Letter²⁵.

25. The Management Letter is "formal communications from the auditor to the client management in accordance with the International Standard on Auditing 265 (communicating deficiencies in internal control to those charged with governance and management)".

3.7. DUTIES REGARDING NOMINATION AND ASSESSMENT OF EXTERNAL AUDITOR

3.7.1. Appointment of External Auditor

The external auditor shall be appointed at the annual general meeting to hold office from the conclusion of that meeting until the conclusion of the next annual general meeting. The Board nominates a candidate for this appointment based on an open, transparent and competitive selection process. The retiring auditor will be automatically reappointed unless the Board recommends replacement of the external auditor and the appropriate resolution to effect this change is passed by shareholders in the general meeting. The Corporate Secretary and the audit committee shall advise the Board on such matters.

3.7.2. Compensation of External Auditor

The compensation of the external auditor and instructions to the external auditor to provide non-audit services should be avoided. Where any such appointment is considered, it shall be closely reviewed and approved by the Board on the recommendation of the Audit Committee, always ensuring that the auditor's independence is not compromised.

3.7.3. Reports to the Board

The Audit Committee shall report its dealings with the external auditor to the Board on an annual basis, including its assessment of the external auditor's independence. For example, consideration should be given to the desirability of rotating the responsible partners of the external auditor, and the desirability of the external auditor providing both auditing and non-audit services to the company.

3.7.4. Assessment

At least once every three (3) years, the Audit Committee shall conduct a thorough assessment of the functioning of the external auditor in the various entities and capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the annual general meeting so it may re-assess the appointment of the external auditor.

3.7.5. Conflicts of Interest

Conflicts of interest and potential conflicts of interest between the external auditor and the Company shall be resolved in accordance with the policy laid down or as determined by the Board on the recommendation of the Audit Committee. Board members must inform the chairman of the Audit Committee of any matters they know of that may compromise the independence of the external auditor, or that may result in a conflict of interest between the external auditor and the Company.

3.7.6. Representation by External Auditor

When appointed, the external auditor shall indicate its awareness of:

- the Company's policy as set out in Section 3.7.5 and Annex 2; and

- other matters provided for in this Charter and the Charter of the Audit Committee and shall agree to abide by and promote such policies.

3.8. REMUNERATION OF BOARD MEMBERS

The board of directors shall appoint a Remuneration Committee in keeping with the principles outlined in the Jamaica Corporate Governance Code 2021 and develop a Terms of Reference accordingly. The committee shall be responsible, inter alia, for the following:

3.8.1. Preparation of an Annual Remuneration Report

The Remuneration Committee shall annually prepare a remuneration report setting out:

- the remuneration policies and activities of the past year;
- an overview of the remuneration policy; and
- planned activities for the next financial year and subsequent years.

The remuneration report will differentiate between executive and non-executive remuneration.

3.8.2. Remuneration of Directors

The Board shall determine the remuneration of the executive and non-executive directors based on a proposal by the Remuneration Committee.

3.8.3. Seeking Approvals by the Annual General Meeting (AGM)

Approvals by the AGM must be sought:

- For the remuneration of directors which must be included in the annual report and presented at the Annual General Meeting (AGM) where a resolution in respect to its approval should be passed.
- Where executive directors and other senior managers are remunerated in the form of shares or rights to subscribe for shares, approval shall be sought at the annual general meeting.

3.8.4. Reporting Extraordinary Remuneration

If a director or former director is paid special remuneration during any financial year, an explanation of this remuneration shall be included in the remuneration report. The remuneration report shall detail and explain any remuneration paid or promised as severance pay to a director.

3.9. RELATIONS WITH SHAREHOLDERS

3.9.1. Equal and Simultaneous Information

Where appropriate, the Board shall simultaneously provide all shareholders and other parties in the financial markets with equal information about matters that may influence the share price.

3.9.2. General Meetings; Record Date; Venue

The Board shall determine the date and place of all shareholder meetings including annual general meetings and the record date for the payment of dividends where dividends are proposed. In keeping with the Companies Act, no more than 15 months must elapse between the date of one annual general meeting and that of the next²⁶. Unless there is an overriding company interest to act otherwise, the Board shall use its best efforts to provide shareholders with all information necessary or requested, for the shareholders to properly act at the general meeting. If the Board believes the Company does have an overriding interest, it must state why it so believes.

3.9.3. Compliance with Law

The Board shall ensure all laws, regarding general meetings and the rights of individual shareholders, are complied with.

3.9.4. Attendance by Directors

The Chairman shall ensure that, unless there are important reasons, all the members of the Board attend general meetings.

3.9.5. Chairman of General Meetings

The general meetings are presided over by the Chairman of the Board or, in the Chairman's absence, the Vice Chairman of the Board. The Board may also designate another director to preside over the general meeting.

3.9.6. Disclosure of Resolutions

A resolution of a general meeting may be publicly disclosed only through a statement from the Chairman of the Board or the Company Secretary.

3.9.7. Changes to Corporate Governance

Any substantial change to the corporate governance structure of the Company shall be submitted to the annual general meeting for discussion under a separate agenda item.

3.9.8. Attendance by External Auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the annual general meeting and is available to address the meeting. The external auditor may be questioned at the annual general meeting in relation to the audit of the Company's financial statements.

4.0 Board Meetings; Decision Making

4.1. FREQUENCY, NOTICE, AGENDA AND VENUE OF MEETINGS

4.1.1. Frequency

The Board shall meet as often as necessary, but not less than four (4) times a year.

If possible, meetings shall be scheduled annually, in advance, according to an annual Board calendar. The Board shall meet, other than scheduled, if deemed necessary by the Chairman of the Board or two (2) other members of the Board.

4.1.2. Notice and Agenda

Meetings of the Board are called by the Chairman. Except in urgent cases, as determined by the Chairman, the agenda for a meeting shall be sent to all directors at least five (5) calendar days before the meeting. For each item on the agenda, an explanation in writing shall be provided and related documentation will be attached. The Chairman shall consult with the CEO prior to convening the meeting on the content of the agenda. Each Director and the CEO has the right to request that an item be placed on the agenda for a Board meeting; provided that the item is notified to the Chairman at least ten (10) calendar days prior to the meeting.

Directors who have taken part in a meeting may not object to resolutions adopted at the meeting on the grounds of an invalid notice.

4.1.3. Venue

Board meetings are generally held at the offices of the Company, but may also take place elsewhere. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

4.2. ATTENDANCE AT, AND ADMITTANCE TO MEETINGS

4.2.1. Attendance by CEO

The CEO, even where the person is not a member of the Board, shall attend Board meetings unless the Board instructs the person not to attend. If requested by the Board, other executives shall also attend meetings of the Board, in whole or in part.

4.2.2. Proxies

A director may be represented at Board meetings by another director holding a proxy in writing. The existence of such authorisation must be proved satisfactorily to the chairman of the meeting.

26. See s. 126 of the Companies Act, 2004

4.2.3. Undue Absence

A director, who is frequently absent from Board meetings, shall be required to explain such absences to the Chairman.

4.2.4. Attendance by Non-Members

The admission to a meeting of persons other than Board members, the CEO, the Company Secretary and (if invited) other executives, shall be decided by majority vote of the directors present at the meeting.

4.3. CHAIRMAN OF THE MEETING

4.3.1. Chairman

Board meetings are presided over by the Chairman of the Board or, in his or her absence, the vice-chairman. If both are absent, one of the other directors designated and approved by a resolution of the directors present at the meeting, shall preside.

4.4. DECISION-MAKING WITHIN THE BOARD

4.4.1. Preference for Unanimity

The directors shall try to unanimously adopt resolutions. However, directors are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

4.4.2. Individual Vote

Each director has the right to cast one (1) vote.

4.4.3. Majority Vote; Quorum

Where unanimity cannot be reached and the law, the company's Articles of Incorporation or this Charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairman of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if there is a quorum. A quorum is regarded as ____.

4.4.4. Adoption at Meeting

Resolutions of the Board may be adopted at a Board meeting.

4.4.5. Round Robin Resolutions

Board resolutions may also be adopted in writing provided that the proposal concerned is submitted to, and signed by all Board members who are entitled to receive notice of the meeting of the directors²⁷. A board resolution adopted in this manner, shall be as valid as though it had been passed at a meeting of the directors, duly convened and held. The Company Secretary shall prepare a report on a resolution so adopted, which shall be added to the documents for the next meeting of the Board and shall be included in the Board Minute Book.

4.4.6. Minutes

Minutes must be drawn up for every Board meeting and for every resolution adopted outside a meeting. The minutes are to be signed by the chairman of the meeting and then added to the company's records. Each director shall receive a copy of the minutes.

4.4.7. Urgent Resolutions

Urgent resolutions may be drawn up and adopted immediately in the relevant meeting.

4.4.8. Certification of Resolutions

Any resolution adopted by the Board must be certified by the Chairman of the Board and Company Secretary before it is publicly disclosed.

5.0 Other Provisions

5.1. CONFLICTS OF INTEREST OF BOARD MEMBERS

5.1.1. Duty to Disclose

A Board member shall immediately report to the Chairman of the Board any conflict of interest or potential conflict of interest. He or she shall provide all relevant information, including information concerning spouse, or other life companion, foster child and relatives by blood or marriage up to the second degree. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

5.1.2. Related Party Transaction

A potential conflict of interest exists if the Company intends to enter into a transaction with a Related Party, and the Company shall develop a policy on how to ensure that the rights of shareholders are protected during such transactions. A Related Party includes the following:

- i. The Board members of the Company, its parent company, affiliated or sister companies and associates.
- ii. A parent company and any subsidiary or affiliated company that is not wholly owned.
- iii. The CEO or General Manager, and key officers, including anyone who directly reports to the Board or the CEO.
- iv. Any significant shareholder owning or controlling more than 10% of the voting shares, having the ability to control, or exercise a significant influence on the outcome of resolutions voted on by shareholders or directors of the company, its parent company, affiliated or associated companies.
- v. The father, mother, sons, daughters, husband, or wife of any of the natural persons listed in Clauses (one, three, four and six).

27. See Table A, Article 112-Companies Act, 2004

- vi. Any business, the directors, CEO and key officers of any business, in which the natural persons listed own, jointly or severally, at least 20% of the voting rights.
- vii. Any person whose judgment or decisions could be influenced as a consequence of an arrangement or relationship between or involving themselves and any of the persons in the six paragraphs above.

5.1.3. Abstention by Conflicted Party

A director shall not take part in any discussion or decision-making regarding any subject or transaction in which there is a conflict of interest with the Company.

5.1.4. Requirements to Approve Conflicts of Interest

All transactions in which there are conflicts of interest with Board members shall be agreed, on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with directors require the approval of the Board.

5.2. DIRECTOR REMUNERATION

5.2.1. Approval by Annual General Meeting

The remuneration of the directors is determined by the annual general meeting. The Board shall submit proposals on its remuneration to the annual general meeting.

5.2.2. Reimbursement of Costs

Apart from their remuneration, directors shall be reimbursed for all reasonable costs incurred in connection with their attendance at meetings. The reasonableness of such costs shall be approved by the Chairman. Costs incurred by the Chairman shall be approved by the Vice Chairman. Any other expenses shall be reimbursed only if incurred with the prior consent of the Chairman or the Company Secretary (or if it concerns the Chairman, the Vice Chairman or the Company Secretary on behalf of same).

5.2.3. Loans and Guarantees

The Company and its subsidiaries do not grant personal loans, guarantees or the like to directors, save as part of its usual business operations.

5.3. INDUCTION PROGRAMME, ONGOING TRAINING AND EDUCATION

5.3.1. Induction Programme

Upon election, each Director shall participate in an induction programme that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a director.

5.3.2. Annual Review of Training

The Board shall conduct an annual review to identify areas where the directors require further training or education.

5.3.3. Costs of Company

The costs of the induction course and any training or education shall be paid for by the Company.

5.4. OTHER POSITIONS

5.4.1. No Excess Memberships

Directors shall limit their other positions so as to ensure they can perform their duties as members of the Board. Outside directorships are capped at ___ Board seats.

5.4.2. Notice of Outside Positions

Directors must inform the Chairman and the Company Secretary, of their other positions which may be of importance to the Company, or affect the performance of their duties before accepting such positions. If the Chairman determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with the appropriate section of this Charter. The Company Secretary shall keep a list of the outside positions held by each director.

5.5. HOLDING AND TRADING SECURITIES

5.5.1. Long-Term Investment

Any shareholding in the Company by directors is for the purpose of long-term investment.

5.5.2. Trades in Company Securities

Directors are bound by the [name of company] corporate governance code, ethics code and/or Share Trading Policy regarding transactions in company securities, which are posted on the company's website.

5.5.3. Trades in Other Securities

With respect to the ownership of, and transactions, in securities, other than regulated by the [name of company] corporate governance code, ethics code and/or Share Trading Policy, directors must at all times comply with law.

5.5.4. Reporting Trade in Company Securities

A director shall not deal in any securities of the Company without first notifying the Chairman (or other directors appointed for that specific purpose) and receiving written acknowledgement. A record of all notifications and acknowledgments must be kept and maintained by the Company Secretary.

A director is prohibited from purchasing or selling any securities of the Company within the periods of:

- two (2) months immediately preceding the preliminary announcement of the company's annual results, and
- one (1) month in the case of quarterly results together with dividends and distributions to be paid or passed, unless exceptional circumstances exist.

A list of director's dealings in the securities of the Company since the date of the previous list should be circulated to members of the board with the board papers.²⁸

5.6. CONFIDENTIALITY

5.6.1. Duty to Keep Information Confidential

Unless required to do so by law, no Board member shall, during membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to the person's knowledge in the capacity of work for the Company and which the person knows or should know to be of a confidential nature. A director may disclose such information to fellow directors as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a stake, should be informed of the information. A director shall not use such confidential information for personal benefit.

5.6.2. Return of Confidential Information

At the end of each director's term of office, the person shall return all confidential documents in his or her possession to the Company, or guarantee their disposal in a manner that ensures confidentiality is preserved.

5.6.3. Notice of Disclosure

If a director intends to disclose to third parties, information which the person has become aware of in duties and which may be confidential, the member must inform the Chairman of the intent and the identity of the person who is to receive the information with sufficient notice for the Chairman to assess the situation and advise the director. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

5.7. MISCELLANEOUS

5.7.1. Acceptance by Directors

Anyone who is appointed as a director must, upon assuming office, declare in writing to the Company that the person accepts and agrees to comply with the provisions of this Charter. A corresponding reference to this extent is included in a director's Appointment Letter.

5.7.2. Occasional Non-Compliance

If permitted by law and the Articles of Incorporation, the Board may occasionally decide, by unanimous decision, at its sole discretion, not to comply with the provisions of this Charter.

5.7.3. Amendment

This Charter may be amended by the Board at its sole discretion without prior notification.

5.7.4. Interpretation

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Chairman shall be decisive.

5.7.5. Partial Invalidity

If one or more provisions of this Charter are, or become, invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions with provisions which are valid and the effect of which, given the contents and purpose of this Charter are, to the greatest extent possible, similar to that of the invalid provisions.

28. see Rule 2.1 & 2.2, Appendix 7 of the Jamaica Stock Exchange's Model Code for Securities Transactions by Directors and Senior Executives of Listed Companies

ANNEX I

MATTERS SPECIFICALLY RESERVED FOR DECISION MAKING BY THE BOARD

Regulatory/Legal Requirements

- ensuring compliance with the objects, purposes and values of the Company, its Articles of Incorporation and its By-laws;
- ensuring that the Company complies with all relevant laws, regulations and requirements of its regulator. In this regard, the Board should receive at least quarterly, a report on the Company's compliance with all statutory requirements;
- settling or approving policies, plans and budgets to achieve the Company's objectives, and monitoring the performance of them;
- ensuring the solvency, financial strength and good performance of the Company;
- approval of the interim and preliminary company results;
- approval of any interim dividend and recommendation of any final dividend;
- approval of the Annual Report and Accounts, Summary Financial Statement of the Company and any interim statement advertised or issued to shareholders;
- appointment and removal of the Company Secretary;
- receipt of declarations of interest from directors;
- approval of listing particulars;
- approval of the annual report on directors' remuneration contained in the Annual Report and Accounts.

Appointments, Training, Evaluation and Terms of Reference

- appointment and removal of directors;
- appointment of any director as Chairman or Vice Chairman of the Board or Senior Independent Director, and ending such appointments;
- determination of the independence of any director or proposed director;
- appointment to (and removal from) the positions of Chief Executive and Group Finance Director;
- the scope and extent of delegations to the Chairman, Vice Chairman, and Chief Executive;
- approval of the terms of reference of all Board committees;
- performance evaluation of the Board at least once each year, and reporting in the Annual Report and Accounts as to whether such performance evaluation has taken place and how it has been conducted;
- approval of policy on Executive Directors' remuneration;
- approval by the Chairman and Executive Directors of the remuneration and terms of appointment of Non-Executive Directors of the Company;
- ensuring that a satisfactory dialogue with shareholders takes place.

Management

- approval of the Company/Group Business Plan;
- approval of, any significant changes to, Company/Group Policies and Standards on financial and non-financial risks;
- approval of the policy in relation to the provision of non-audit services by the external auditors, as recommended by the Audit Committee;
- approval of matters for the agenda of all Company Annual General Meetings;
- the review and approval of any material changes to the levels and nature of the insurance cover and other risk management programmes held by the Company/Group;
- setting and maintaining a framework of delegation and internal control;
- approval of, and significant changes to, the Company's/Group's internal control system;
- annual review of the effectiveness of the Company's/Group's internal control system and reporting to shareholders that this has been done;
- approval of, on the recommendation of the Audit Committee, the Audit Engagement Letter.

Transactions

- approval of any substantial transaction as defined by the Jamaica Stock Exchange Listing Rules or any substantial capital and revenue expenditure, including an acquisition or disposal of financial assets that exceeds or may exceed \$ _____;
- approval of commencement, by any company in the Group, where such business has not previously been transacted and where the activity is expected to represent, in its first full year of trading, more than 1 % of gross income of the Group in the recent financial year;
- approval of cessation, by any company in the Group, of any activity previously conducted, representing more than 1% of gross expenses of the Group in the most recent financial year.

Guarantees/Indemnities/Securities

Approval of the provision of any guarantee, indemnity or security by a Group company for a sum that exceeds, or may exceed, \$ ____.

Share Capital and Financing

- approval of any increase/reduction in the issued share capital within the Authorised Share Capital approved by shareholders;

- approval of the issue or repayment of any share capital or debt securities or any other borrowings by any Group company other than:
 - o where such issue, repayment, subscription or borrowing is in the ordinary course of business and has been approved in the Group Business Plan; and/or,
 - o an issue where any Group company or its nominee will be, or is, the sole holder of those securities and the sum to be subscribed or paid does not exceed _____ [state amount].

Subsidiaries/Associates/ Joint Ventures

The Subsidiary Boards will approve their own list of matters reserved.

The Company has the powers of a sole or majority shareholder to appoint or remove directors, and exercises indirect control over the activities of its subsidiaries by the retention of certain powers, subject to the legal rights of minority shareholders.

The operations of associates and joint ventures will normally be governed by the provisions of detailed agreements or constitutional documents, the terms of which should determine the powers of the Board of the associate or joint venture, and the procedures for creating and approving business plans for the associate or joint venture.

ANNEX II

POLICY REGARDING INDEPENDENT EXTERNAL AUDITOR

The policy set out below was adopted by the Board on [date], on a proposal of the Audit Committee.

1. Policy

The Company and its subsidiaries shall use the services of the external auditor only to the extent that this does not prejudice the independence of the external auditor.

2. Terms of Reference

The external auditor must be independent. These regulations are based on the principles that:

- the external auditor must be independent from the client audited, both in mind and in appearance; and
- an external auditor is someone who is able, in light of all relevant facts and circumstances, to form an objective and impartial opinion on all matters that fall within the scope of the assignment.

Under the Companies Act 2004, an external auditor is not allowed to perform a statutory audit if there is financial, commercial, employment or other ties with the client that in the opinion of a reasonable and properly informed third party expert would compromise the auditor's independence. The company may require from the external auditor that s/he maintains the right balance between effectiveness and efficiency, e.g. audit costs, risk management, independence and reliability. The Audit Committee sees to it that the external auditor complies with the relevant provisions of the Companies Act 2004, Section 155 and the above terms of reference, and may request more detailed explanations and written confirmations from the external auditor that these provisions are followed. In addition to the audit work, the external auditor of the Company may also carry out non-audit work, to the extent allowed under applicable legisla-

tion and regulations and the internal procedures of the company.

The non-audit work shall not jeopardize the independence of the external auditor. In no event shall the individuals employed to the company as internal auditors to undertake audit work engage in any non-audit work. All audit and non-audit work (including fees and conditions) carried out by the external auditor for the company must be approved in advance by the Board on a proposal of the Audit Committee. The Board may, within the framework set by the Board, delegate this duty to the Audit Committee that in turn, in exceptional circumstances only, may delegate this power to its chairman, on the understanding that a decision by the chairman of the Audit Committee to give approval will be presented to the full Audit Committee at its next meeting.

3. Work

3.1 AUDIT WORK

Audit work comprises:

- the audit of the annual financial reports of the company,
- the assessment of interim financial reports that are disclosed,
- services that are traditionally provided by the external auditor and that are related to filings and obligations under legislation or regulations, and
- services that only the external auditor can reasonably provide.

The external auditor does not need to go through a tender process for each individual engagement.



3.2 NON-AUDIT WORK

Non-audit work of the external auditor comprises:

- services that can only be provided by the external auditor;
- services that are an extension of the work performed as part of the audit of the company, or rely on work performed as a part of the audit, such that the quality and timeliness of the services can most effectively be provided by the external auditor or;
- services that enhance the effectiveness of the external auditor's examination of the Company's financial statements.

For non-audit work of the external auditor other than those listed in points one and three above, the Board shall, on the proposal of the audit committee, set one or more financial thresholds.

For non-audit work by the external auditor that is expected to exceed these thresholds, a very strong rationale must be presented to support the selection of the external auditor and alternative service providers should be considered.

For further explanation, whether certain activities should be considered audit work or non-audit work and whether certain non-audit activities fall under any of the categories listed above, the head of the internal audit department should be contacted who, when in doubt, will consult the chairman of the audit committee.

4. Rotation of Partners Responsible for Audit Work

- In order to prevent the external auditor and the company becoming too close, the number of years a person may be part of the audit team of the external auditor, is capped, with the maximum not exceeding ___ years.
- Partners of the audit team of the company who are

charged with essential audit tasks must be replaced at most every three (3) years after the start of their involvement. The partners of the audit team of the company, charged with essential tasks, who have been replaced are not allowed to work on a new assignment for the company until at least three years have expired from the date of their replacement.

- The audit committee shall also supervise the risks of dependency of other members of the audit team of the company who are involved with the audit for a significant period. The audit committee shall consult the responsible partner of the external auditor regularly on safeguards set up by the external auditor to assess the risk of dependency and to reduce it to an acceptable minimum level.

5. Appointment of the External Auditor

The external auditor shall be appointed in accordance with Section 3.7 (Duties Regarding Nomination and Assessment of External Auditor) of the charter of the Board. If the decision is taken to call in the services of another external auditor, the tender process approved by the audit committee shall be followed.

6. Staff Transfer Restrictions

The Company and the external auditor shall agree on a policy regarding the restriction of staff transfers from the company and its group to the organisation of the external auditor and vice versa, taking into account all relevant legislation and regulations. This policy is subject to the approval of the Board. In no event, however, shall the Company hire an audit partner or other senior member of the audit staff of the external auditor if such person audited, conducted a review of, or prepared the Company's financial statements during the prior year, in particular as the company's Chief Financial Officer.

MODEL CHARTER FOR THE AUDIT COMMITTEE

This model charter, originally published by the IFC, has been adapted for Jamaica. This model is provided as guidance on some of the standard terms regulating this committee and should be used with Principle 4 of the Jamaica Corporate Governance Code, 2021. It is for the Board to define the terms necessary to meet its particular needs. Professional advice should be sought in developing terms of reference that are appropriate for the company's size, industry and stage of development.

1. Constitution

The Board hereby resolves to establish a Board committee to be known as the Audit Committee (the Committee).

2. Membership

The Committee shall be appointed by the Board. The Committee shall consist of not less than three members. The majority of Committee members shall be independent non-executive directors of the company with at least one member of the Committee having recent and relevant financial experience. A quorum shall be a minimum of two members with at least one being a director.

The Committee chairman shall be appointed by the Board from among the independent non-executive directors.

3. Attendance at Meetings

The Finance Director, Head of Internal Audit and a representative of the external auditors shall attend meetings at the invitation of the Committee.

The Board chairman, the CEO, and other Board members shall attend if invited by the Committee.

There should be at least one meeting a year, or part thereof, where the external auditors attend without management present.

The Company Secretary shall be the secretary of the Committee.

4. Frequency of Meetings

Meetings shall be held not less than three times a year, and where appropriate, should coincide with key dates in the company's financial reporting cycle.

External auditors or internal auditors may request a meeting if they consider that one is necessary.

5. Authority

The Committee is authorised by the Board to:

- investigate any activity within its terms of reference;
- seek any information that it requires from any employee of the company and all employees are directed to cooperate with any request made by the Committee; and

- obtain outside legal or independent professional advice, and such advisors may attend meetings as necessary.

6. Responsibilities

The Committee's responsibilities shall be:

- to consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key partners are rotated at appropriate intervals;
- to recommend the audit fee to the Board and pre-approve any fees in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity;
- to discuss with the external auditor, before the audit commences, the nature and scope of the audit and to review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements;
- to oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the shareholders to consider at the AGM;
- to review the external auditor's management letter and management's response;
- to review the internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the company; to consider management's response to any major external or internal audit recommendations;
- to approve the appointment or dismissal of the head of internal audit;
- to review the company's procedures for handling allegations from whistleblowers;
- to review management's and the internal auditor's reports on the effectiveness of systems for internal financial control, financial reporting and risk management;
- to review and monitor the integrity of the financial statements, and challenge, where necessary, the actions and judgments of management, in relation to the interim and annual financial statements before submission to the Board, paying particular attention to:
 - o critical accounting policies and practices, and any changes in them;
 - o decisions requiring a major element of judgment;



- o the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
- o the clarity of disclosures;
- o significant adjustments resulting from the audit;
- o the going concern assumption;
- o compliance with accounting standards;
- o compliance with stock exchange and other legal requirements;
- o reviewing the company's statement on internal control systems prior to endorsement by the Board and to review the policies and process for identifying and assessing business risks and the management of those risks by the company; and,
- o consider other topics, as defined by the Board.

7. Reporting Procedures

The secretary shall circulate the minutes of meetings of the Committee to all members of the Board, and the Committee chairman or, as a minimum, another member of the Committee, shall attend the Board meeting at which the minutes and accounts are presented.

The Committee members shall conduct an annual review of their work.

The Committee's duties and activities during the year shall be disclosed in the annual report.

The Committee chairman shall attend the Annual General Meeting and shall answer questions, through the chairman of the Board, on the Audit Committee's activities and their responsibilities.

8. Remuneration

The company will make provision for remuneration of Committee members and this will be in line with the Board of directors' remuneration policy.

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 company without prior approval of the Board.

The decisions or recommendations of the Committee are to be presented to the board of directors for approval.

10. 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 Committee 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.

11. Review of Charter

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

MODEL CHARTER FOR THE CORPORATE GOVERNANCE AND NOMINATION COMMITTEE

This model charter, originally published by the IFC, has been adapted for Jamaica. The Jamaica Corporate Governance Code 2021 (Principle 2.A.1) refers to the Corporate Governance Committee as one of the tools to achieve governing body effectiveness.

The model below is provided as guidance on some of the standard terms regulating this committee. It is for the Board to define the terms necessary to meet its particular needs. Professional advice should be sought in developing terms of reference that are appropriate for the company's size, industry and stage of development.

1. Establishment

The Board of _____ [company name] ("the Company") hereby establishes the Corporate Governance and Nomination Committee of the Board ("the Committee"), with all the powers and duties set forth in this charter and subsequent resolutions of the Board. Certain capitalised or uncapitalised terms used, but not defined, in these regulations have the meanings given to them in the charter of the Board.

2. The Committee's Purpose

The Committee's purpose is:

- to assist the Board in ensuring that its composition, structure, policies and processes meet all relevant legal and regulatory requirements,
- to strive to achieve global corporate governance best practice standards, and
- to facilitate the Board and management's objective of increasing the sustainability and long-term value of the company.

3. Committee Membership

The Corporate Governance and Nomination Committee shall consist of at least three members of the Board. Members of the Committee shall be appointed by the Board. All members of the Committee shall be non-executive directors chosen for their competence and experience and the majority shall be independent directors as so defined in the Board Charter. Members of the Committee shall be appointed by the Board for (period to be determined) but can be reappointed for an unlimited number of times, provided that the member being re-appointed is still considered independent.

4. Committee Authority and Responsibilities

In order to fulfil its purpose, the Committee shall have the authorities and responsibilities set out below:

4.1 CORPORATE GOVERNANCE

The Committee shall:

- develop for the Board's approval and annually review, the Company's corporate governance code and/ or policy;
- develop for the Board's approval and annually review, the chart of authorities and delegation of authorities to management;
- consider possible conflicts of interests of directors and any related party transactions of directors and make relevant proposals to the Board in accordance with the Company's corporate governance code/ or policy;
- review any change in status (including fulfilment of independence requirements) and professional affiliation of current directors and make relevant proposals to the Board in accordance with the Company's corporate governance code;
- oversee the development and implementation of a Board induction process for new directors and a programme of continuing director development as needed;
- develop a process for evaluating Board effectiveness and coordinate the annual Board effectiveness evaluation;
- review corporate governance policies and practices in company and major subsidiaries and make relevant proposals to the Board;
- monitor trends and best practices in corporate governance and nomination practices in order to properly discharge its duties; and
- perform any other activities relevant to this charter, at the request of the Board, or as required by the Company's corporate governance code.

4.2 NOMINATION

The Committee shall:

- prepare the criteria and procedure for selecting Board members and by which the Board makes nominations for members;
- assess, at least once a year, the size and composition of the Board;
- assess, at least once a year, the performance of individual Board members and report their findings to the Board;
- make proposals for the re-election or termination of Board members and, if required, the appointment of replacement members;

- report to the Board on the advisability of permitting a member of the Board to become a member of another company's Board and develop a policy on whether and how to cap the number of directorships a director may hold; and
- report to the Board on any conflicts of interest that may arise if a member of the Board accepts a position on another company's Board.

4.3 REPORTING TASKS OF THE COMMITTEE

- The Committee shall review annually the corporate governance framework and submit the relevant report to the Board. On the basis of this review, it will make recommendations to the Board for amendments to the Company's Articles of Incorporation, corporate governance policy, chart of authorities and management delegation, and committee charters and practices.
- The Committee shall present to the Board a brief annual report of its own work.
- The Committee shall present its approved governance report in the annual report of the company and should ensure that the report is posted on the Company's website.

4.4 THE FUNCTIONING OF THE COMMITTEE

- The Committee shall meet as often as required and at least twice a year, keep minutes of its proceedings and report regularly to the Board. Meetings shall be scheduled in advance. Minutes will be circulated to each member of the Committee at least five working days prior to the next meeting of the Committee.
- The Committee may opt to meet in a virtual-only meeting²⁹, or by telephone conference call, if its members so decide.
- The quorum necessary for the transaction of business shall consist of more than half of its members being present (including its chairman). A duly convened meeting of the Committee, at which a quorum is present, shall be competent to exercise all or any of the authorities and responsibilities of the Committee. A member's participation in a meeting by video link or audio link shall be regarded as valid for these purposes. Decisions are taken by simple majority. In the event of equality of voting, the chairman's vote is decisive.
- The Company Secretary, at the request of the chairman, shall summon meetings of the Committee. Notice shall be given to each member of the venue, time and date of each meeting. The agenda of items to be considered at each meeting, together with supporting papers, will normally be furnished to each member at least five working days in advance of the meeting. Circulation of documents may be effectuated by email.
- The Committee may invite to its meetings any director or such other person, as it deems appropriate, to assist it in performing its responsibilities. All persons have an obligation to appear before the Committee once an invitation has

been issued. Any member of the Board may attend meetings of the Committee but are not entitled to vote thereat. In fulfilling its tasks, the Committee may regularly consult with the company chairman. The chairman of the Committee will report to the Board after each meeting of the Committee on its findings and on any actions taken by it. Board members shall have access to all records of the Committee.

- The Committee has the authority to retain independent legal or other consultants in its sole discretion and to approve related fees and retention terms in accordance with the Company's corporate governance policy. The Committee shall also receive any funding it deems necessary or appropriate for ordinary administrative expenses.
- In carrying out its activities, the Committee will be supported by a committee secretary, which should be the Company Secretary.

This charter will come into force upon its adoption by the Board of Directors, except where expressly mentioned otherwise. It can be amended at any time by a decision of the Board of Directors.

5. Remuneration

The Company will make provision for remuneration of Committee Members, and this will be in line with the Board of Directors' remuneration policy.

6. 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 organisation without prior approval of the Board.

The decisions or recommendations of the Committee are to be presented to the Board of Directors for approval.

7. 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 Committee 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.

8. Review of Charter

The Committee will at least every 2 years conduct a review and assessment of this Charter to ensure its adequacy and recommend any changes that it deems appropriate to the Board for approval.

29. "Virtual-only meeting" means a meeting in which the attendees participate from numerous physical locations, whether inside or outside of Jamaica, through the facility of the internet or intranet by use of integrated audio and video, chat and messaging tools, and application-sharing software, by electronic means." (The Companies Act of Jamaica)

MODEL CHARTER FOR THE REMUNERATION COMMITTEE

This model charter originally published by the IFC, has been adapted for Jamaica. This model is prepared in accordance with Principle 3 of the Jamaica Corporate Governance Code, 2021 and is provided as guidance on some of the standard terms regulating this committee. It is for the Board to define the terms necessary to meet its particular needs. Professional advice should be sought in developing terms of reference that are appropriate for the company's size, industry and stage of development.

1. Purpose

The Remuneration Committee of the Board of Directors is organised pursuant to the Articles of Incorporation/By-laws of the Company, and shall have a solid understanding of the role of compensation in attracting, motivating and retaining senior executives, in particular, and all employees in general. The Committee will assist the Board in fulfilling its fiduciary responsibilities relating to the fair and competitive remuneration of the nonemployee directors, executives and other key employees of the Company, and in connection with the administration of the general employee welfare plans of the Company.

2. Organisation

The Remuneration Committee is comprised of a minimum of three (3) directors, as determined by the Board of Directors, the majority of whom shall be "Independent Directors" (as defined in the Company's Corporate Governance Guidelines).

In addition to the Committee members, the Chief Executive Officer and/or the Company's senior Human Resources executive will function as Management Representatives, and will attend all meetings, except those during voting and deliberations dealing with their own or the Chief Executive Officer's remuneration, and except those when the Committee determines their attendance is not appropriate.

The Committee members and its Chairman will be recommended by the Nomination and Governance Committee of the Board and will be appointed by the Board. The Board may fill vacancies on the Committee and may remove a Committee member from the membership of the Committee at any time with or without cause.

The Committee shall have authority to retain consultants of its selection to advise it with respect to the Company's salary and incentive compensation and benefits programmes. The Committee members will be indemnified by the Company to the maximum extent provided under the law.

3. Meetings

The Remuneration Committee shall meet when scheduled by the Committee Chairman and/or the Chief Executive Officer and/or as circumstances dictate. A majority of the members of the Remuneration Committee shall constitute a quorum for any meeting. Any action:

- Of a majority of the members of the Remuneration Committee present at any meeting at which a quorum is present, or
- Any action of the committee if all of the Committee members have executed a written action, in which the action is filed with the Company Secretary, shall be an action of the Remuneration Committee.

4. Responsibilities

The responsibilities of the Remuneration Committee are:

4.1. EVALUATIONS AND REMUNERATION FOR CEO AND OTHER EXECUTIVE OFFICERS

- Review and recommend to the board goals and objectives for the Chief Executive Officer ("CEO") and consider the evaluations of the CEO conducted by the Board of Directors against such goals and objectives.
- Consider the evaluations of the other executive officers conducted by the CEO.
- Review and recommend the annual compensation philosophy for the CEO and the other executive officers.
- Set the remuneration programme, including salary, target bonus, short and long term incentive awards, equity awards, deferred compensation, perquisite / fringe benefits, and other forms of compensation. In setting such compensation programmes, review the compensation practices of comparable companies, coordinate such programmes with the goal of on-going effectiveness, and seek to set the appropriate financial performance measures, targets and goals for each programme.
- Report to the Board on the foregoing annual compensation philosophy and compensation programmes.

4.2. BOARD OF DIRECTORS REMUNERATION

Review and recommend to the Board any changes to the components and amount of remuneration for the Board of Directors. The Committee's recommendations regarding director remuneration shall be reviewed by the Company's human resources department or outside consultants, prior to presentation and Board approval.

4.3. COMPARATIVE LIST OF COMPANIES

Select and review comparative list of companies to be used in Executive and Board of Directors compensation review.

4.4. EMPLOYEE PLANS

Review, approve and report to the Board when materially modifying any compensation programmes that yield payments and benefits that are not reasonably related to the employees' performance and that have a material cost impact to the Company or, to the extent required by law, have a significant impact on employees, including: a) fringe benefit programmes and profit share), b) employee equity plans and c) employee Stock Purchase Plan.

4.5. EXECUTIVE AGREEMENTS

Review, approve and report to the Board, with input from the CEO, all newly hired executives' offer packages and new and existing executives' employment, severance, change in-control and indemnity agreements.

4.6. EQUITY AWARDS

Review and recommend to the board grants of stock options, restricted stock, and other forms of stock that are issued under all stock plans, and set grant timing and practices for approving grants.

4.7. REMUNERATION, DISCUSSION AND ANALYSIS (CD&A)

Prepare an annual Committee report to be included in the company's Annual Report.

4.8. COMMITTEE EVALUATIONS

Conduct an annual performance evaluation of the Committee.

4.9. MINUTES

Prepare minutes of the Committee meetings containing information regarding actions, discussions and decisions taken at the meeting and submit to the Board of Directors at their next Board meeting for approval.

5. Remuneration

The Company will make provision for remuneration of Committee Members, and this will be in line with the Board of directors' remuneration policy.

6. 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 Company without prior approval of the Board.

The decisions or recommendations of the Committee are to be presented to the board of directors for approval.

7. 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 Committee 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.

8. Review of Charter

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

MODEL CHARTER FOR THE RISK MANAGEMENT COMMITTEE

The G20 / OECD Principles of Corporate Governance were endorsed by G20 Leaders in September 2023. In relation to Risk Management it states:

“Establishing a company’s risk appetite and culture, and overseeing its risk management, including internal control, are of major importance for boards and are closely related to corporate strategy. It involves oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it will manage the risks it creates through its operations and relationships. The board’s oversight thus provides crucial guidance to management in handling risks to meet the company’s desired risk profile.”

This model charter, drafted in accordance with Principle 4 of the Jamaica Corporate Governance Code, 2021 is intended to be used as guidance on some of the standard terms regulating this committee. It is for the Board to define the terms that are necessary to meet its particular needs.

1. Introduction

This is the Risk Management Committee Charter for [insert name of company] (“Company”).

The charter governs the processes of the Risk Management Committee and outlines the procedures and guidelines in relation to the role of directors and senior executives of the Company.

2. Aim

The Board of Directors has ultimate responsibility for risk oversight and risk management. As a subcommittee of the Board, the Risk Management Committee (RMC) is responsible to the Board for:

- a) leading the Group’s strategic direction in the management of material business risks;
- b) overseeing the establishment and implementation of a risk management framework which works both ex ante (in the event of a crisis) and ex post; and
- c) reviewing the effectiveness of that risk management framework in identifying and managing risks and controlling internal processes.

The objectives of the framework are to ensure the provision of safe, quality services and direct the culture, processes and reporting structures in all aspects of the Company’s operations to take advantage of opportunities while managing and monitoring risks that may adversely affect the achievement of the company’s business objectives. These risks include:

- material sustainability matters, environmental and social risks and impacts stemming from their operations and supply chains,
- health crises,
- supply chain disruptions,
- geopolitical tensions,
- digital security risks, including data security and privacy and
- tax management and tax compliance risks.

Together with the Audit Committee, which is responsible for oversight of management of material financial risks of the Company, the RMC is a key governance committee.

3. Goals

To encourage a culture based on the Company’s principles to foster continuous improvement and the minimisation 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” (including but not limited to operational, financial, sustainability, compliance, strategic, ethical, reputational, service quality, human resource, industry, legislative or regulatory and market-related risks) and disclose a summary of these policies.

3.1. COMPOSITION

The Committee will comprise at least three members, with a minimum of two being non executive directors, with at least one being a member of the Audit Committee. The Board will appoint one of these members as the Chairman of the Committee. The RMC may also consist of the following members: Chief Executive Officer; Finance Director; Chief Operating Officer; Chief Risk Officer and Company Secretary or Legal Officer.

The Board may also appoint, to the Committee, an external member who has specialist risk management experience. Other members of the senior management team may attend meetings of the RMC by invitation. The Board will appoint the members of the Committee with due regard to the provisions in any applicable legislation.

3.1.1. Removal or Resignation

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



3.1.2. Committee May Invite

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

3.1.3. Secretary

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

3.2. MEETINGS

3.2.1. Frequency

The Committee shall meet at least quarterly. The Committee shall meet when scheduled by the Committee Chairman and/ the Secretary / or at the request of a Committee member and/or as circumstances dictate.

3.2.2. 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 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.

3.2.3. 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.

3.2.4. Report to Board

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

The Committee will prepare for approval by the Board 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 annual report.

3.2.5. Minutes

Minutes of proceedings and resolutions of Committee meetings will be kept by the secretary.

Minutes will be distributed to all Committee members and the chairman of the Committee, after the Committee chairman has given the preliminary approval. Minutes, agenda and supporting papers will be made available to any director upon request to the secretary, providing no conflict of interest exists.

3.2.6. Quorum and Voting

A quorum will comprise at least one half of the members of the Committee, of which one must be a Board member. In the absence of the Committee chairman or appointed delegate, the members will elect one of their number as chairman for that meeting. Each member will have one vote and the chairman of the Committee will also have a casting vote.

4. Duties and Responsibilities

In order to fulfil its responsibilities to the Board, the Committee will:

- oversee and approve the risk management, internal compliance and control policies and procedures of the company;
- oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems, to manage the company's material business risks;
- set reporting guidelines for management to report to the RMC on the effectiveness of the company's management of its material business, health and safety risks and disclose to the Board the content of management reports;
- recommend for approval a risk management, strategic approach that optimises company's risk appetite and risk tolerance;
- ensure that the management of risk is integrated into the development of the company's strategic and business plans;
- review with management categories of risk the company faces and the likelihood of occurrence, potential impact and mitigating risk;
- establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of those systems in minimising risks that may impact adversely on the business objectives of the Company;
- establish policies to monitor and evaluate risk management systems that identify and manage health and safety risks to maintain the wellbeing of all employees, contractors and visitors;
- oversee internal systems to evaluate compliance with corporate policies and to assess whether such policies can be expected to assist the company to provide consistent, safe and efficient services;
- oversee management in the monitoring and evaluation of continuous quality improvement systems that are designed to improve performance in the delivery of services;
- provide guidance to the Board on making the company's risk management policies and procedures publicly available and, if appropriate, liaise with the General Counsel/ Company Secretary and/or the Disclosure Committee on announcements to the market where material business risks or changes to those risks are likely to have a material impact on the price or value of the company's securities;
- approve and update as necessary a summary of the company's policies on risk oversight and management of material business risks, to be made publicly available;
- contribute to the corporate governance statement in the Company's annual report, as appropriate given RMC policies, reports and results in the reporting period.

5. Remuneration

The Company will make provision for remuneration of Committee Members and this will be in line with the Board of Directors' remuneration policy.

6. 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 organisation without prior approval of the Board.

The decisions or recommendations of the Committee are to be presented to the Board of Directors for approval.

7. Conflict of Interest

Where there is a conflict of interest, the Committee Member so affected shall declare his or her interest to the Chairman 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 himself or herself from the discussions in respect of those interests during the period of discussion of the matter.

8. Review

The Committee will conduct an annual review of this Charter to ensure that it continues to reflect the current processes and guidance utilised when assessing the appropriate risk management of the directors and the senior executives. The Board must approve any amendments to the Charter that stem from the review.

MODELS / SAMPLE POLICIES

MODEL CORPORATE GOVERNANCE POLICY

This model policy is intended to be used as guidance. It is for the Board to define the terms that are necessary to meet its particular needs and to determine the targets which the Company will aim to achieve.

1. Introduction

The Board of [insert company name] ("the Board"), in accordance with the company's commitment to good corporate governance, hereby implements this Corporate Governance Policy (hereinafter referred to as "this Policy"), which seeks to promote transparency, accountability and integrity in all its relations. This Policy is consistent with the Jamaica Corporate Governance Code, 2021.

2. Purpose

This Policy summarizes the corporate governance policies and practices adopted by the company and is designed to ensure the independence and transparency of the Board and its ability to effectively supervise management's operations. It is aimed at delineating the roles and functions of directors and other key participants within the company while safeguarding the interests of all stakeholders and shareholders. It will also govern how decisions are made and will shape the company's approach to the various interests of stakeholders, shareholders, customers, employees and the wider community.

3. Definitions of Corporate Governance Terms

Definitions for significant terms used in corporate governance are provided in Table 1 below.

Table 1: Definitions of Corporate Governance Terms

TERM	DEFINITION
Affiliate	Any person with a direct or indirect proprietary interest in the company.
Confidential Information	All private communication or material which is obtained by/or entrusted to an executive or non-executive director, by reason of his or her directorship. It includes any private information which may be detrimental to the interest of the company or its customers if it is disclosed to the public. Confidential information includes, but is not limited to: <ol style="list-style-type: none"> private information relating to the company's financial position, marketing and sales programmes or information relating to mergers and acquisitions; private information in relation to the company's customers, suppliers or partners, and which the company is under an obligation to keep confidential; or private information concerning Board or Committee discussions and deliberations relating to business issues and decisions between and among directors, officers and Committee members. Information which is within the public domain will not be deemed to be "confidential information".
Corporate Governance	The process by which organisations are directed, controlled and held accountable (Sir Adrian Cadbury, 1992).
Disclosure	Information that is made available to the public regardless of whether the information is deliberately or inadvertently revealed, and notwithstanding the medium used to reveal the information.
Senior Management	The first layer of management below the board level.
Stakeholders	Any group affected by and affecting the company's operations.

4. Scope of Policy

This Policy is applicable to all directors, officers and employees of [name of company]. Exceptions to this Policy shall only be granted, in writing, by the Board, on the recommendation of the Corporate Governance and/or Nomination Committee. All exceptions will be recorded and the reason for the exception clearly stated.

5. Guiding Principles

Good corporate governance is aimed at augmenting shareholder value on a sustainable basis, while ensuring transparency and fairness to all parties with a legitimate interest in the affairs of the company and those who are impacted by its operations. Therefore, this Policy will establish and follow a transparent and consistent governance strategy with clear and appropriate communication to all the company's stakeholders and shareholders.

This Corporate Governance Policy is intended to fit the culture and business of the company in light of its industry, ownership structure and the requirements of its key stakeholders. Additionally, this Policy will highlight the practices and principles of good business ethics which the Board seeks to engender in all the company's operations.

There will be a clear division of responsibilities at the helm of the company with established principles relating to the roles and functions of the Board and that of Senior Management.

6. Roles in Promoting Good Corporate Governance

6.1. THE ROLE OF THE BOARD OF DIRECTORS IN PROMOTING GOOD CORPORATE GOVERNANCE

The Board shall operate within the confines of the company's Board Charter and will be responsible to shareholders and all stakeholders for strategically developing and operating a sustainable and successful business while maximising shareholder value. The following principles will apply to the Board, as a whole, and shall bind each director individually:

- The Board will serve as the ultimate decision-making body of the company, except for those matters specifically reserved to or shared with the shareholders.
- The Board will be responsible for overseeing the performance of the CEO, who is given the responsibility of managing the day to day business operations of the company.
- All members of the Board have a duty to carry out their functions in good faith, acting always in the best interest of the company.
- The board will always aim to maintain a diverse composition of directors taking into consideration, but not limited to, a mix of experience, competence, gender and age.
- The Board will be responsible for promoting the core values of the company, including integrity, fairness, trust

and responsibility in its dealings with all shareholders, stakeholders, customers, competitors and suppliers, and shall encourage the development of policies to safeguard the interests of the communities within which the company operates and those which are impacted by the company's operations.

- The Board shall develop and implement policies with the aim of protecting the environment and the society as a whole.
- The Board shall meet regularly to discharge its duties effectively.
- The Board shall exercise its powers, as a whole, in accordance with the Board Charter, the formal schedule of matters annexed to the Board Charter which are specifically reserved for its decision, all other company strategic policies and established best practices and within its own terms of reference.
- Directors shall refrain from engaging in conduct which is likely to bring the company's name into disrepute.
- The Board will undertake a formal and rigorous annual evaluation of its own performance and that of its committees.
- The Board will be responsible for establishing a system of continuous disclosure of all significant facts, policies and procedures to all shareholders and stakeholders.
- The Board has an obligation, at all times, to comply with the spirit, as well as the letter of the law, and with the principles stipulated in this Policy.
- The Board will maintain the highest standard of ethical behaviour in all of its dealings and each member will always be mindful of his or her fiduciary responsibilities.
- The Board will formally constitute sub-committees which will assist the board in effectively carrying out its function. Each committee will have its own terms of reference.

6.2. THE ROLE OF SENIOR MANAGEMENT IN PROMOTING GOOD CORPORATE GOVERNANCE

Senior Management, under the guidance of the Board of Directors, is responsible for establishing an effective system of internal controls, aimed at promoting and maintaining good corporate governance. In light of this, Senior Management must comply with the following guidelines:

- effectively implement the board's decisions;
- direct the day to day operations of the company;
- ensure operational procedures are in place to support the corporate governance policy of this company;
- conduct ongoing stakeholder analysis and address stakeholder concerns;
- report urgent concerns of stakeholders to the Board and suggest possible solutions;
- refrain from engaging in conduct which is likely to bring the company's name into disrepute;
- must possess the required skills to manage the company's business, as well as to oversee individuals who are under their supervision; and
- meet with the Board whenever such attendance is required.

7. Disclosure

Directors are required to promptly disclose to the Board, all conflicts of interest which interfere with their duty to act in the best interests of the company.

Such disclosure must be made in writing to the Chairman to be submitted to the Board, or, at the earliest opportunity presented for disclosure at a Board meeting; in which case, the disclosure shall be recorded in the minutes of the Board meeting. The director will be required to recuse himself or herself from the Board's deliberations in relation to the conflict of interest, and shall be barred from voting on the issue.

The disclosure of a director's interest shall include but is not limited to any interests of his or her family and affiliates. An immediate family member is spouse, children, parents and siblings³⁰.

8. Confidentiality

In accordance with their duty to act in the best interest of the Company, all directors are expected to protect from disclosure, whether deliberate or in advertent, all confidential information obtained as a result of their position as directors of the company. Disclosure of confidential information will only be permitted where any of the following circumstances exists:

- the director who is seeking to disclose the information has obtained the written consent of the Board; or
- disclosure is reasonably required to carry out the duties and functions of the director.
- Court order

9. Communication

The board is committed to providing timely, accurate and balanced disclosure of all material information to all relevant stakeholders.

10. Reporting

A detailed compliance report on Corporate Governance must be included in the Annual Report of the company. Any failure to comply with any mandatory requirements should be clearly stated and the reasons for such failure must also be specifically highlighted in the Report.

A report must be made of all substantive issues, changes, and developments in corporate governance practices at the Company that could affect shareholder or stakeholder interests.

The Board shall take all reasonable steps to ensure that the integrity and effectiveness of the company's internal control, risk management and management information systems are maintained, and that the financial performance of the company is accurately, timely and regularly reported to all shareholders and stakeholders of the company. This must be done in line with all regulatory requirements.

11. Review and Publication

This Policy shall be reviewed at least every two years by the Corporate Governance and/or Nomination Committee, or as regularly as is required, for the purpose of updating the Policy to reflect changes in best practices in the industry and to enhance its effectiveness. Any amendments to the provisions of this Policy must be submitted to the Board for its consideration and approval.

The Board shall ensure that the Policy, including subsequent amendments, is available to all stakeholders, shareholders, and the public, through the company's website, and shall indicate in the Company's Annual Report, that the Policy is available for viewing on the company's website.

MODEL CORPORATE SOCIAL RESPONSIBILITY POLICY

This model policy drafted in accordance with Principle 7 of the Jamaica Corporate Governance Code, 2021 is intended to be used as guidance. It is for the Board to define the terms that are necessary to meet its particular needs and to determine the targets which the Company will aim to achieve.

1. Introduction

The Board of [insert name of company] (hereinafter referred to as "the Board") recognises that promoting long-term shareholder value, by embracing opportunities and effectively managing risks, is crucial to operating a successful business. The Board also appreciates that the business activities of [insert company name] (hereinafter referred to as "the Company") have both direct and indirect social and environmental implications on the community. We are committed to minimizing all detrimental implications through the adoption of best practices aligned with our corporate social responsibility and sustainability principles and practices. The Board is committed to fostering corporate socially responsible activities in all its operations by targeting four key areas-responsible business, people, community and the environment.

Therefore, the Board, in accordance with its commitment to promoting social and environmental responsibility while safeguarding the interests of the Company's stakeholders, hereby implements this Corporate Social Responsibility (CSR) Policy, (hereinafter referred to as "this Policy").

2. Purpose

Through the implementation of this Policy, the Board demonstrates the Company's commitment to remain as a socially responsible corporate citizen and expresses its intention to strive for continued economic development and sustainability.

3. Scope

The provisions of this Policy shall apply to all directors, officers and employees of the Company. The Company also encourages all stakeholders and suppliers to act in accordance with this Policy's provisions where it is reasonably possible to do so.

4. Definitions

In this Policy, unless the context otherwise specifies, the following definitions in Table 1 apply:

Table 1: Definition of Terms

TERM	DEFINITION
Affiliate	Any person with a direct or indirect proprietary interest in the company.
Corporate Social Responsibility	Corporate social responsibility (CSR) is defined as the Company's commitment to recognise and manage its impact on the society, particularly the community within which it operates and to ensure that its business, and where reasonably practicable, the business of its affiliates and suppliers are being conducted in a socially and environmentally responsible manner.
Stakeholders	Individuals and groups with a legitimate interest in the Company and who are affected by its actions, whether directly or indirectly. The term "stakeholders" includes employees, shareholders, suppliers and contractors of the Company.
Sustainability	"Development which meets the needs of the present without compromising the ability of future generations to meet their own needs". (Crowther & Aras, 2008)

5. Commitment and Approach

All directors, officers and employees of [insert company name] will strive to adopt the corporate social responsibility principles outlined in this Policy and will incorporate them into their daily activities. The Board will lead by example and will endeavour to integrate these principles into their decision-making process. This Policy is built on principles that reflect existing and emerging standards of corporate social responsibility and sustainability, such as those stated here.

5.1. MAINTAINING BUSINESS ETHICS AND TRANSPARENCY

[Insert name of company] will maintain the highest standards of integrity, transparency and accountability in all its operations and will act in accordance with its Corporate Governance Policy, Whistleblowing Policy, Occupational Health and Safety Policy and all other subsequent policies so as to promote public confidence in the management of the Company. [insert name of company] will take all reasonable steps to inform all its affiliates and suppliers of the object of this Policy and will work with them to achieve full compliance with its provisions.

5.2. DEVELOPING EMPLOYEE RELATIONS

[Insert name of company] will treat all employees with dignity, respect and fairness and will encourage and embrace diversity in the workplace. The Company will operate within the ambit of all labour laws and regulations and will conform to best practices within the industry.

5.3. PROTECTING THE ENVIRONMENT

[Insert name of company] is intent on conducting its business in accordance with all environmental laws and regulatory requirements which govern the country in which it operates. It is understood that biodiversity, resource conservation and the prevention of pollution are critical to maintaining a sustainable environment, therefore the Company will effectively incorporate these concepts into its business operations. The Company will maintain a viable long-term balance between achieving economic growth and the preservation of the environment. All directors, officers and employees are therefore encouraged to take all reasonable steps to maintain a safe working environment and operate in an environmentally responsible manner. The Company will insist on the same standard of environmental care from all its suppliers and business associates.

5.4. PROMOTING GOOD STAKEHOLDER RELATIONS

The Company will maintain timely and meaningful dialogue with all employees, stakeholders, customers and governmental agencies that are empowered to oversee environmental protection. The Company will continue to build strong relations with its stakeholders by providing them with a range of opportunities and mediums through which they can express their interests and concerns. All parties will be dealt with honestly and fairly and the Company will endeavour to maintain transparency and accountability in all its relations.

5.5. PROMOTING CORPORATE SUSTAINABILITY

While it is recognised that corporate growth and profitability are critical to any company's survival, the Company acknowledges that encouraging sustainable development is vital to its continued success. Therefore, an approach that integrates adequate risk management practices and sustainability principles into the Company's daily operations will be adopted.

5.6. ENCOURAGING COMMUNITY INVOLVEMENT

The Company is committed to improving the quality of life enjoyed by the citizens who reside in the community within which it operates and all surrounding communities. This will be done by supporting programmes and initiatives in health, education, environment, and culture (add other initiatives as required). The Company will endeavour to provide employment and economic activities and will integrate community investment considerations into all decision-making and business practices.

5.7. PROVIDING VALUE TO CUSTOMERS

The company will provide excellent value in all products and services offered to its customers. This will be achieved by obtaining information relating to customer concerns and expectations and implementing practices which are aimed at resolving all reasonable concerns.

6. Reporting and Publication of This Policy

The Board shall include a detailed report of the Company's CSR activities in its Annual Report. This Policy and all CSR activities of the Company must be published on the Company's website.

7. Review

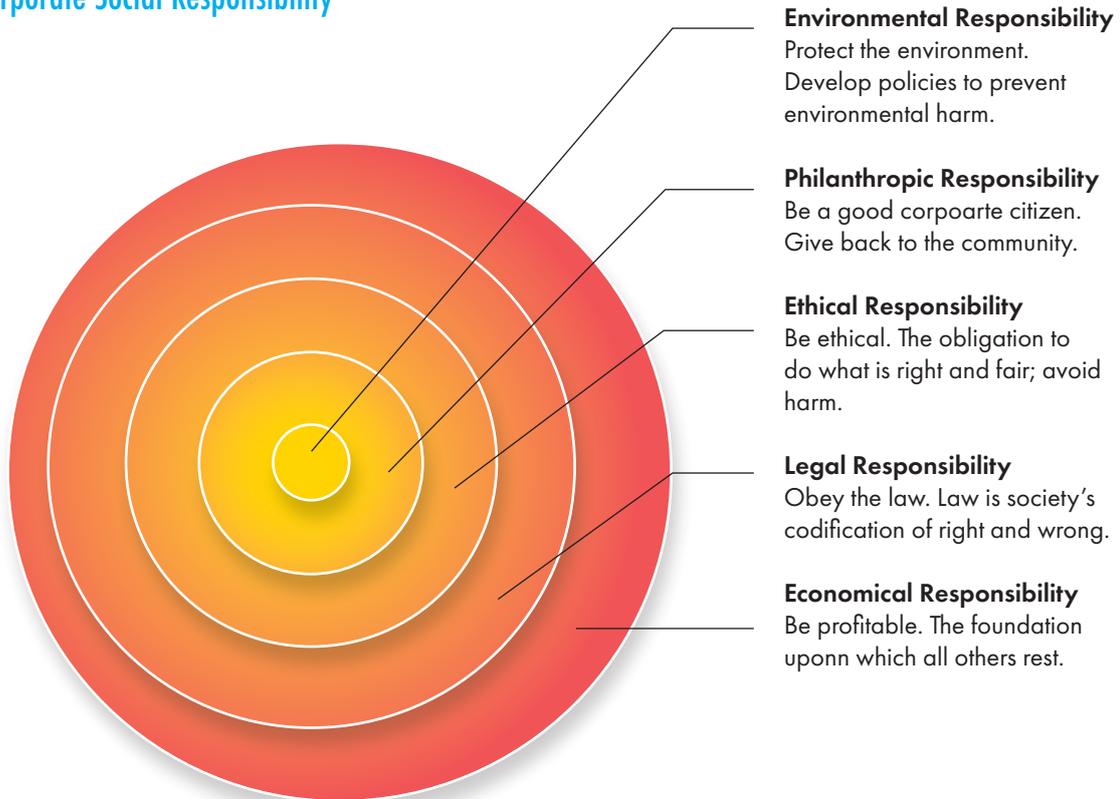
This Policy shall be reviewed at least every two years by the Corporate Governance and Nomination Committee, or as regularly as is required, for the purpose of updating the Policy to reflect changes in best practices in the industry and to enhance its effectiveness. Any amendments to the provisions of this Policy must be submitted to the Board for its consideration and approval.

The section below provides information that gives some guidance on Corporate Social Activities.

GUIDELINES FOR CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

The following is taken in part from the study, *Corporate Social Responsibility: An Implementation Guide for Business*³¹ (Hohnen, 2007), and published by the International Institute for Sustainable Development and *The Pyramid of Corporate Social Responsibility: Toward the Moral Management of Organizational Stakeholders, Business Horizons*³² (Carroll, 1991).

Corporate Social Responsibility



Corporate Social Responsibility (CSR) is defined as "the responsibility of an organisation for the impacts of its decisions and activities on society and the environment through transparent and ethical behaviour that is consistent with sustainable development and the welfare of society; it takes into account the expectations of stakeholders; is in compliance with applicable laws and consistent with international norms of behaviour; and is integrated throughout the organisation". (ISO 26000 Working Group on Social Responsibility, February 2007)

CSR involves more than conforming to legal commitments but includes activities focused on facilitating:

- corporate governance and ethics;
- health and safety;
- environmental stewardship;
- human rights (including core labour rights);
- sustainable development;
- industrial relations;
- community involvement, development and investment;
- accountability, transparency and performance reporting;
- corporate philanthropy and employee volunteering; and
- customer satisfaction and adherence to principles of fair competition.

31. http://www.iisd.org/pdf/2007/csr_guide.pdf

32. <http://faculty.wvu.edu/dunnc3/rprnts/pyramidofcsr.pdf>

BASIC CSR POLICY

To ensure that the Company performs its social responsibilities, the organisation should establish an internal CSR Committee consisting of members of the relevant departments. The CSR Committee is responsible for activities such as setting out corporate philosophy, actively implementing CSR-related training programmes and achieving aims regarding specific issues. As a complementary measure, the Committee should deepen employees' understanding of CSR and ensure a consistently CSR-oriented approach in the course of day-to-day business activities by compiling a CSR Guidebook and printing the key precepts on cards, and then distribute these to corporate officers and employees. The Committee should also be responsible for conducting presentations explaining the CSR Guidebook.

By establishing a framework which promotes CSR activities, the Company aims to reflect the opinions of stakeholders in future activities, in individual departments and premises and on a company-wide scale so that the Company is established as a company on which the public can depend.

APPROACH TO CSR

The business environment is constantly changing; economic development and globalisation often result in negative impacts on the natural environment. It is therefore no longer sufficient for companies to merely abide by the law and provide good quality products. It is now essential for companies to consider their corporate social responsibility, that is, the corporate activities that contribute to society and help make the world a better place.

BASIC CSR POLICIES

Basic CSR policies should be formulated to clearly map out the Company's social responsibilities and ensure that they are fulfilled. Each employee is required to abide by the basic policies and fulfill the CSR requirements in the workplace as a part of their everyday duties. Employee conduct guidelines should be formulated in line with the Company's basic CSR policies to ensure that all employees and management personnel have the right attitude.

THE GUIDELINES

Establishing the CSR Promotion Framework and Taking Action

If resources allow, establish a CSR Department to oversee full scale CSR activities. This function is often carried out by the Company's Corporate Affairs, Marketing Department or through a charitable Foundation and should be tasked with reinforcing and promoting additional CSR initiatives.

Compliance and Activity Policy

In addition to complying with and acting in the spirit of laws and regulations, carry out business activities fairly and in good faith.

Customers

Strive to develop new technology and products and provide the Company's customers with safe, highly reliable products.

Suppliers

Engage in fair and free competition, build up strong relationships with the Company's suppliers and handle all transactions in an appropriate manner.

Shareholders and Disclosure

Work to develop a sustainable company to ensure that profits are returned to the shareholders and the Company maintains wide-ranging communication with the general public and actively discloses information.

Employees

Make every effort to respect employee individuality and diversity and create safe, pleasant work places to enable more relaxed working environments.

The Environment

Take environmental preservation and the protection of natural habitats into full consideration as part of the Company's efforts to help create a sustainable society.

Society

Get involved with local communities and actively participate in social contribution activities as a good corporate citizen.

International Activities

Comply with all applicable international rules and local laws. Make every effort to respect immediate community sub-cultures and customs and contribute to the development of local areas.

SAMPLE OCCUPATIONAL HEALTH AND SAFETY POLICY

This sample policy is intended to be used as guidance. It is for the Board to define the terms that are necessary to meet its particular needs and to determine the targets which the Company will aim to achieve.

1. Introduction

The Management of [insert name of company] (hereinafter also referred to as the "Company") is committed to implementing this Occupational Health and Safety Policy (hereinafter referred to as "the Policy") to promote the development of safe work practices and procedures and to eliminate or minimise all risks to the health, safety and welfare of employees, authorised visitors and any other person who may be affected by our operations.

Therefore, all stakeholders and employees are encouraged to work closely with the Management of the Company by reporting unsafe conditions and observing the provisions of this Policy and all other regulations pertaining to work safety practices and procedures.

2. Aim

The object of this Policy is to prevent discrimination, accidents, and injuries to the health of Employees and authorised visitors which occur in the workplace through the elimination or minimization, so far as is reasonably practicable, of work-related hazards. This Policy is also aimed at fostering a system of advice, information, education, and training in relation to the health and safety of the Employees of the Company.

3. Publication of This Policy

The Management of [insert company name] shall ensure that each Employee and authorised visitor is aware of their duties and rights under this Policy by:

- displaying the Policy in a public and conspicuous area of the organisation which is frequently visited by the aforesaid individuals; and
- furnishing each Employee with a copy of the Policy, whether an electronic or printed copy.

4. Key Roles & Responsibilities

MANAGEMENT

The Management will, so far as is reasonably practicable, continue to take steps to improve the occupational health and safety of the employees of this company by paying particular attention to the provision and maintenance of:

- a safe working environment with adequate welfare facilities;
- a safe plant and system of work;
- training sessions to provide instruction which is reasonably required to inform employees of the best practices to prevent injury and risks to health; and
- a safe place of work with safe access and exit points.

The Management of the Company shall also undertake to:

- continually improve the Company's performance through effective safety management;
- establish and improve safety programs and procedures to encourage compliance with this Policy and applicable laws;
- promote training sessions relating to safety practices and procedures for employees of the Company;
- provide each Employee and authorised visitor, where necessary, with appropriate safety and emergency equipment;
- take remedial measures to rectify hazards or conditions that endanger the health and safety of Employees and authorised visitors;
- conduct periodic evaluations to facilitate Employee feedback on safety measures which have been implemented;
- consult and cooperate with Employees in all matters relating to health and safety in the workplace; and
- refrain from employing underage workers.

HEALTH AND SAFETY SUPERVISORS

The Management of this Company shall appoint Health and Safety Supervisors who will:

- handle all complaints relating to breaches of this Policy;
- initiate appropriate disciplinary actions against Employees who fail to comply with established safety practices and procedures;
- present reports of defects within the workplace to the Management team for consideration;
- keep abreast of the latest developments in health and safety procedures in the industry and distribute all relevant information to Employees and authorised visitors of the Company; and
- oversee the provision and use of personal protective equipment and clothing.



EMPLOYEES

Each Employee has a duty to ensure that the provisions of this Policy are adhered to, by:

- complying with safe work practices, with the intent of preventing injury to themselves and others and damage to plant and equipment;
- taking reasonable care to safeguard his personal health and safety and that of his fellow employees;
- utilizing all personal protective equipment and clothing in accordance with established procedures or in any circumstance where their use is required;
- complying with all directions given by the Board or Management in relation to health and safety;
- not misusing any protective equipment or clothing which is provided by the employer or a third party;
- reporting all accidents and injury to the appointed Supervisor immediately, whether the accident or injury is deemed to be minor;
- promptly reporting all observed safety hazards or breaches of this Policy to a Health and Safety Supervisor who is empowered to deal with such issues.

The term "Employee" includes contractors, employees of a contractor, apprentices or trainees and volunteers.

All visitors who are authorised to enter the premises of [insert name of company] shall take all reasonable steps to:

- ensure the health and safety of his person as well as those who may reasonably be affected by his actions or omissions;

- adhere to safety instructions given by company personnel;
- wear protective equipment or clothing which is provided for safety purposes;
- immediately report all accidents or injuries to the Health and Safety Supervisor who is on duty at the time of the incident.

5. Reporting Incidents

All incidents, accidents and injuries shall be promptly reported in writing, where reasonably practicable, to an appointed Health and Safety Supervisor who will be responsible for investigating the circumstances of the incident. Where the incident, accident or injury is of such severity that a prompt report cannot reasonably be made, the Health and Safety Supervisor shall ensure that the Employee or authorised visitor lodges a report as soon as it is reasonably possible to do so.

The report must contain the following information:

- the date and time of the incident;
- details relating to the activities of the Employee or authorised visitor at the time of the incident;
- particulars of the circumstances surrounding the incident including, but not limited to, the type of incident and the nature of the injury;
- a list of the safety equipment available to the Employee or authorised visitor and whether the equipment was being utilised at the time of the incident; and
- recommendations of appropriate remedial measures to prevent the occurrence of similar accidents in the future.

The Report must be signed by the complainant and the Health and Safety Supervisor who receives the information.

Where medical attention is required by an Employee or authorised visitor because of a work-related injury, a Health and Safety Supervisor shall arrange for such medical assistance to be provided immediately.

Any Employee who breaches any of the provisions of this Policy will be subject to the imposition of a sanction in accordance with the company's disciplinary procedures.

A Health and Safety Supervisor will be required to issue a report to the Managing Director (or officer identified) where:

- an Employee dies as a result of work-related injuries, or, in the case of an authorised visitor, as a result of injuries incurred on the premises of the Company;
- an Employee or authorised visitor is seriously injured so that he is required to have immediate treatment as an in-patient in a hospital, receives treatment for the loss of a limb or other related injuries; or
- there is an emission of a dangerous substance, the collapse or partial collapse of a structure or other related issues which pose a threat to the health and safety of Employees.

The report must be made immediately after the occurrence of any of the aforementioned incidents.

6. Reports of Violence

[insert name of company] prohibits all acts of violence committed within the workplace by or against its Employees or authorised visitors. Employees are prohibited from engaging in any of the following acts or related acts:

- use of threatening remarks or gestures,
- intentional destruction of the property of another Employee or an authorised visitor,
- acts which result in physical injury to another person,
- any other displays of aggressive or hostile behaviour that creates a reasonable fear of injury to an Employee or authorised visitor or directly results in emotional distress.

Any acts of violence or threatened acts of violence must be reported, in writing, to a Health and Safety Supervisor immediately. All reports shall be investigated and handled discretely and an account of the findings of the investigation presented to the Senior Manager, who is appointed by the Company to handle such complaints, for consideration.

Where an Employee is found to have committed an act of violence or has threatened to use violence against another employee or an authorised visitor, such actions will be deemed to be a breach of this Policy and will result in the imposition of a sanction in accordance with the company's grievance policy and procedure.

The Company will inform the Police of any incident involving physical attack or serious cases of verbal abuse.

7. Record of Incidents

A record of all incidents, accidents or injuries which have been reported must be maintained and kept in duplicate by the Health and Safety Supervisor and shall be presented to the Senior Manager of the company upon request.

8. Amendment and Modification

This Policy may be amended or modified at any time by the Board, on the recommendation of the Management of this Company, to reflect developments in practices and procedures relating to occupational health and safety.

9. General

Words denoting any gender include all genders and words denoting the singular only include the plural and vice versa.

10. Review

This Policy shall be reviewed at least every two years by the Occupational Health and Safety Committee (or any other committee empowered by the Board to review this Policy), or as regularly as is required, for the purpose of updating this Policy to reflect changes in the law, best practices in the industry or to enhance its effectiveness. Any amendments to the provisions of this Policy must be submitted to the Board for its consideration and approval.

SAMPLE SEXUAL HARASSMENT (PROTECTION AND PREVENTION) Policy and Procedures

This sample policy is intended to be used as guidance. It is for the Board to define the terms that are necessary to meet its particular needs and to determine the targets which the Company will aim to achieve.

1. Introduction

The Board of Management ("the Board") of the COMPANY NAME hereinafter referred to as "THE COMPANY") considers the physical, emotional and mental wellbeing of all persons associated with THE COMPANY's operations to be of paramount importance. The Board is committed to achieving and maintaining a safe work environment, free from Sexual Harassment, where safety is ensured and human dignity is valued and protected. The Board of COMPANY NAME takes a zero-tolerance approach towards sexual harassment of men or women and is committed to ensuring that its environment is free of any behaviour which constitutes sexual harassment. To achieve this objective, the Board has relied on The Sexual Harassment (Protection and Prevention) Act, 2021 to bring into effect this Prevention of Sexual Harassment Policy and Procedures (hereinafter referred to as "this Policy").

2. Definitions

In this Policy, unless the context otherwise specifies, the following definitions in Table 1 apply:

Table 1: Definition of Terms

TERM	DEFINITION
Client	Any person who conducts business with an employer.
Complainant	Any person who makes a complaint pursuant to the provisions within the Policy. The Complainant may be either female or male.
Complaint	A formal report concerning allegations of Sexual Harassment which is made to either of the Responsible Officers, appointed pursuant to the provisions of this Policy, or to the Tribunal as the case may be.
Employer	Any person or company that provides a job paying wages or a salary to one or multiple people; one who engages, in any form, a Worker.
External Investigator	Any qualified individual / organisation which is not a Worker of THE COMPANY, and has been approved by the Board of Directors to investigate Sexual Harassment Complaints.
Responsible Officers (ROs)	The ROs may be the Human Resources Manager and the Corporate Secretary of the company. They are the individuals appointed by the Board to receive Sexual Harassment Complaints, and undertake investigations. Individually, each is referred to in the Policy as an RO.
Sexual Advance	Sexual advance means any one or more of the following forms of conduct or behaviour: <ol style="list-style-type: none"> i. physical contact of a sexual nature; ii. a demand or request for sex, or favours of a sexual nature; iii. the making of sexually-coloured remarks, or Sexual Advances, sexual suggestions or sexual innuendos; iv. the showing of pornography, or the display of images or objects of a sexual nature; & v. any other physical, gestural, verbal, non-verbal or visual conduct of a sexual nature.

TERM	DEFINITION
Sexual Harassment	<p>Sexual Harassment refers to the making of any Sexual Advance by one person towards another person. Such advance is:</p> <ul style="list-style-type: none"> (a) reasonably regarded as unwelcome, offensive or humiliating by the person towards whom the Sexual Advance is made; or (b) has the effect of – <ul style="list-style-type: none"> I. interfering with the work performance of the person to whom the sexual advance is made; or II. creating an intimidating, offensive or a hostile work environment.
Sexual Harassment	<p>Sexual Harassment may involve one or more incidents and actions constituting harassment and may be physical, verbal and / or non-verbal.</p> <p>In order to determine whether any act, conduct or behaviour constitutes Sexual Harassment, all of the circumstances surrounding the aforesaid action shall be taken into consideration. This includes, but is not limited to, whether the act, conduct or behaviour amounted to a course of conduct, or was a single occurrence, and the seriousness of the offence.</p>
Sexual Harassment	<p>The Board identifies the different forms in which Sexual Harassment may be manifest and has adopted the definitions as set out in the First Schedule of The Sexual Harassment (Protection and Prevention) Act, 2021. The forms of Sexual Harassment include:</p> <ul style="list-style-type: none"> i. Physical harassment — includes unwanted pinching, patting, touching, kissing, groping, and hugging which has clear sexual undertones; ii. Verbal harassment — unwelcomed comments on appearance / physical attributes private / personal life, sexually suggestive or explicit jokes, insults and ‘put-downs’ based on a person’s sex. It is important to note that harassers often hide behind the argument that comments are “compliments”. This does not mean that the behaviour is acceptable. iii. Non-verbal / Gestural harassment — sexually suggestive gestures e.g. winks, licking of lips, gestures with hands, fingers, legs; iv. Psychological / Emotional harassment — persistent proposals and unwelcome requests, unwanted invitations to go out on dates, insults, taunts or innuendos of a sexual nature; v. Written / Graphic / Visual / Audio harassment — via internet communication (including electronic messages and attachments), letters, landline telephones, cellular telephones, distribution and display of pornographic materials (visual and audio), obscene and sexually explicit language; vi. Quid Pro Quo — where harassers use a position of power and authority to negotiate job benefits (employment, re-employment, continued employment, individual favourable compensation, terms, conditions, promotions, privileges). This also applies to public goods (social services, security, social benefits, natural resources); socially and economically valued goods (housing, school admission, scholarships, security) which are conditional on an exchange of sex or physical contact, and for which refusal leads to failure to access any of the above; vii. Stalking / Cyber stalking — obsessively following, besetting, contacting and watching a person, either in person or using the internet, telephone, mail, and other media, which is motivated by what the perpetrator believes are feelings of desire and love; viii. Voyeurism (“Peeping Tom”) — the act of watching, taping, recording, photographing a person without their knowledge, in a clandestine manner or otherwise, while the person uses or inhabits a space where they have an expectation of privacy such as their domicile, a public bathroom, changing room etc.; ix. Intimidation / Bullying / Retaliation — Persons often use non-sexual behaviour to accommodate Sexual Harassment. Therefore, any act of intimidation meant to prevent someone from reporting sexually harassing behaviour, or to punish someone for reporting sexually harassing behaviour must be considered as a type of Sexual Harassment; and, x. Toxic environment — A combination of the above, can create a toxic and oppressive environment for the direct target, but also for other persons who are not targeted. Even if a person is not the direct target of Sexual Harassment, but is made uncomfortable and is offended by the creation of a Toxic environment, a report of Sexual Harassment can be made.

TERM	DEFINITION
Tribunal	This refers to the Sexual Harassment Tribunal established under Part V of the Sexual Harassment (Protection and Prevention) Act .
Worker	Worker refers to any person who carries out work in any capacity for an employer including work as: <ol style="list-style-type: none"> i. An employee, whether in the private or public sector; ii. A domestic helper; iii. A person engaged under a contract for services, or a subcontractor of that person; iv. An employee of a person or subcontractor referred to in paragraph "c"; v. A person whose service is procured or arranged by a company which is in the business of supplying workers for other businesses, and who has been assigned to work in the business or undertaking; vi. An apprentice, a trainee or an intern; vii. A student gaining work experience; viii. A volunteer; ix. A person of a class prescribed by the Minister for the purpose of this definition, after consultation with the Minister with responsibility for labour.

3. Aim

This Policy sets out THE COMPANY's procedures for:

- preventing Sexual Harassment in the workplace;
- ensuring prompt and full investigations into Complaints of Sexual Harassment that are made in accordance with this Policy;
- resolving, in a timely manner, allegations of Sexual Harassment; and
- providing support to victims of Sexual Harassment.

All Board members, Workers and Clients of the company are required to adhere to this Policy's procedures and guidelines for reporting allegations of Sexual Harassment, as such conduct is not tolerated.

4. Scope

The provisions of this Policy are applicable to all Workers and Clients of this Company.

POLICY EXCLUSION:

This Policy DOES NOT revoke or change the policies and procedures for reporting individual employee grievances or complaints relating to job performance, terms and conditions of employment or other related issues. The company's grievance procedures will be applicable in those circumstances.

5. Publication of This Policy

This Policy is available to Workers, Clients and all members of the public on COMPANY NAME's website.

6. Training

Information and training shall be provided to Workers at the onset of employment, and throughout their tenure refresher courses shall be offered biannually. Training, guidance and awareness-raising shall also be provided for members of the Board. The aim of the training will be to ensure that everyone understands the risks of violence and harassment, knows how to combat it, and is equipped with the necessary prevention and protection information / measures. Simultaneously everyone's rights, responsibilities, duties and roles will be clearly defined so as to not only minimize, but also eradicate Sexual Harassment in the workplace. Ultimately, the goal of such training will be to enhance the knowledge and understanding of Sexual Harassment as a whole, and the effects that it may have on its victims.

In order to assist the company to determine whether the Workers deem it to be a safe and comfortable working environment, anonymous surveys shall be distributed and tabulated annually, so that any changes in the workplace environment may be observed early. The surveys shall include questions about the working environment, peer interactions and other meaningful data on the views of Workers.

7. Confidentiality

Confidentiality will be strictly observed. Information related to a Complaint, and the identities of persons who make Complaints in accordance with this Policy shall remain confidential. Exceptions to this are where disclosure is necessary for the purposes of investigating the Complaint, taking disciplinary actions in relation to the Complaint, or in compliance with direction(s) from the Tribunal, an Order from any Court of Judicature for the Island of Jamaica, or where a person or entity is empowered to request such information.

Provided that none of the abovementioned exceptions apply, a Complaint which is made on a confidential basis will be investigated and handled carefully by the Responsible Officer to whom the Complaint is made, without disclosing the Complainant's identity or the circumstances of the Complaint.

Any breach of confidentiality will be considered a serious contravention of this Policy which may result in the imposition of a sanction proportionate to the breach. Such sanction shall be determined by the Board. Reckless disclosure of information contained in the Register of Complaints required under the Sexual Harassment (Protection and Prevention) Act 2021, is a convictable offense in a Parish Court. Additionally, if a Complainant is aggrieved, he or she may make a Complaint to the Tribunal in keeping with Section 12 of this Policy (Right to Lodge a Complaint to the Tribunal). Persons making a Complaint on a confidential basis or anonymously, may at any time choose to change the status of the Complaint.

The foregoing applies to all Complaints that are made to either of the Responsible Officers, or the Chairman of the Board in accordance with the provisions of this Policy.

8. Reporting Complaints

REPORTS TO THE RESPONSIBLE OFFICERS

Any Worker or Client who is the victim of Sexual Harassment in the company's work environment or knows of any instances of Sexual Harassment shall make a Complaint directly to either of the ROs. The ROs are appointed by the Board to receive and investigate reports of Sexual Harassment. Their particulars are outlined in the Appendix I which is attached hereto.

All Complaints of Sexual Harassment, where reasonably practicable, shall be made in writing. However, where a Complaint has been made orally, the information disclosed must be reproduced in writing by the RO to whom the Complaint was made, no later than twenty-four (24) hours after the Complaint was made. The RO must acknowledge receipt of the report in writing or electronically, within forty-eight (48) hours of receipt of the claim. A guide for the content of the report is provided in Section 13 (Documenting Complaints and Storage) below.

REPORTS TO THE CHAIRMAN OF THE BOARD OF DIRECTORS

Where a Worker or Client of the company has been sexually harassed by either of the ROs appointed pursuant to this Policy, the Worker or Client is permitted to make a Complaint to the Chairman of the Board. While this Complaint may initially be made orally, it must thereafter be transcribed in writing either by the Complainant or by the Chairman of the Board. The Chairman of the Board shall bring the Complaint to the attention of the Board of Directors at the next Board meeting or as soon as is practicable. The Board of Directors will identify the person who shall conduct the investigation(s) and undertake other actions as required by this Policy. A guide for the content of the report is provided in Section 14 (Documenting Complaints and Storage) below.

EXCEPTION TO THE NORMAL COMPLAINT PROCESS

In the extreme circumstance where a Worker or Client of the company has been sexually harassed by both the ROs appointed pursuant to this Policy, as well as the Chairman of the Board, that Board member, Worker or Client may make a Complaint directly to the Tribunal to seek redress. Section 12 (Right to Lodge a Complaint to the Tribunal) below provides more information. In all other instances the Complaint process set out in paragraphs 1 and 2 in this Section 8, must be adhered to.

9. Investigating Complaints

The RO, the party to whom a Complaint is made, shall investigate all Complaints promptly and may, if he or she so decides, engage an External Investigator to undertake the investigation. The investigating party shall carry out his or her duties impartially and fairly notwithstanding the position or length of service of the suspected wrongdoer.

After the Complaint is received, the RO shall take all reasonable steps to ensure that:

ORAL COMPLAINTS

Within one (1) day of receiving an oral Complaint, same shall be reduced into writing. The written version of the Complaint shall then be signed by the Complainant affirming it to be a true version of what was relayed orally. It shall also be signed by the officer who documented the Complaint to provide a formal written acknowledgement of receipt of the Complaint;

WRITTEN COMPLAINTS

Within forty-eight (48) hours of receiving a Complaint, the said Complaint shall be formally acknowledged in writing.

NOTIFICATION OF ALLEGED PERPETRATORS

The alleged perpetrator of any Complaint (whether a Worker or Client) shall be informed of the allegations against him or her in writing or electronically within forty-eight hours of receipt of the claim. He or she shall then be given forty-eight (48) hours to respond to the Complaint himself or herself, or through representation. In the event that there are difficulties contacting the Client, additional appropriate actions should be taken to ensure that he or she is notified of the claim.

PRELIMINARY INVESTIGATIONS

Within fourteen (14) days of receiving the Complaint, preliminary investigations are to be conducted. This shall include:

- conducting further interviews with the Complainant, the alleged perpetrator, any relevant witness(es), and/or any other person(s) who may have knowledge of the circumstances surrounding the Complaint; and,
- reviewing any and all document(s) related to the Complaint and the alleged perpetrator's history at the company.

FURTHER INVESTIGATIONS

Additional investigations shall be conducted into the allegations contained in the Complaint within thirty (30) days of receiving the Complaint, or within such further time as is reasonably required to thoroughly investigate the matter. If the investigation is not completed by the 30-day mark, the RO shall provide the Chairman of a specially established committee of the the company's Board – the Prevention of Sexual Harassment Sub-Committee - with an update, inclusive of the expected date of the investigation's completion. It should however be noted, that no investigation shall exceed sixty (60) days from the time that the Complaint was received. On completion of the investigation a Sexual Harassment Complaint Report shall be prepared and presented to the Sub-Committee.

10. Adjudicating The Complaints

All complaints shall be adjudicated by the specially appointed Sexual Harassment Sub-Committee of COMPANY NAME's Board of Directors, except in the cases where the alleged perpetrator may be a Responsible Officer. The Sub-Committee's membership shall include the Chief Executive Officer and at least, two members of the Board. The Board may also appoint an independent person proficient in handling sexual harassment cases to the Sub-Committee. The Responsible Officer (RO) shall report to the Sub-Committee.

Where the alleged perpetrator is a RO, the report will be received by the Chairman of the Board of Directors; and the Board of Directors will be the adjudicating body. The Board will appoint an investigator, review the report and evidence, make a decision regarding the validity of the claim, and determine any sanctions deemed necessary.

The Sub-Committee shall be required to:

- receive and review the report prepared by the RO or External Investigator;
- hear the evidence, and make a decision regarding the claim;
- determine sanctions as required, and inform the Board of the decision. Once approved by the Board, the RO will inform the alleged perpetrator of the decision.

Where the alleged perpetrator is found to be culpable, the sanctions will be decided on by the Sub-Committee in keeping with Section 11 (Sanctions) of this Policy.

If after investigation the parties are able to come to an agreed position, it shall be documented and a copy of the consensus signed by both parties as well as the Chair of the Sub-Committee. This document shall be filed along with the company's Complaints Register records.

All employees will be mandated to fully support and cooperate with any investigation conducted in accordance with this Policy.

Where the Complaint was given on a confidential basis, the RO and / or External Investigator to whom the information was reported shall not disclose the identity of the person who made the Complaint, unless the Complainant expressly consents, or where any of the circumstances listed in Section 7 (Confidentiality) apply.

11. Sanctions

Each Sexual Harassment case will be assessed based on its own merit and the following will be taken into consideration when determining the appropriate sanction to be imposed:

- the severity, frequency and form of the harassment;
- the extent to which the harasser should have anticipated that such behaviour was unacceptable or unwanted;
- the level of remorse shown by the perpetrator;
- whether there have been any prior incidents or warnings; and,
- any damage done to the reputation of the company.

Depending on the issues, the sanctions to be applied by the company may include, but are not limited to the following:

- an oral warning;
- training or counselling of the respondent as necessary, to ensure that he/she understands why his or her conduct violated this Policy and why such behaviour cannot be exercised in the future;
- a written warning or reprimand;
- a disciplinary hearing;
- a transfer, or reassignment of the duties of the respondent (where this can be facilitated);
- in serious cases, suspension or termination of employment.

Any previous record of wrongdoing by the accused person, whether related to Sexual Harassment or not, will also be taken into consideration and the appropriate sanction(s) applied in keeping with the company's disciplinary procedures noted in the Employee Manual.

12. Right to Lodge a Complaint to The Tribunal

The Complaint process must be adhered to by all Workers and Clients. Complainants shall exhaust the use of all internal mechanisms and procedures to have their Complaints handled. However, if the alleged perpetrator of the Sexual Harassment is against the head of COMPANY NAME (i.e. Chairman or Chief Executive Officer) the Complainant may take the Complaint directly to the Tribunal. Additionally, if an individual deems that there has been no action on a Complaint; or is dissatisfied with the company's procedures for investigating Complaints, or the actions taken by the company after following the procedures set out in this Policy, he or she may lodge a complaint or claim with the Tribunal.

In accordance with the law,

- this Complaint must be made within twelve (12) months from the date of the alleged failure or violation which led to dissatisfaction with how the Complaint was handled; or
- where the Complaint concerns a course of conduct comprised of a series of alleged acts, it must be made within a period of twelve (12) months from the date of the last alleged act.

13. Documenting Complaints and Storage

CONTENT OF THE REPORT

Any individual who lodges a Complaint with a Responsible Officer or Chairman of the Board of Directors will be required to give the following information:

- his or her name and position (unless the report is being given anonymously);
- the name of the person who allegedly committed acts of Sexual Harassment;
- details of the acts of Sexual Harassment which are being alleged and the related dates;
- particulars of any witnesses to the alleged conduct;
- details of any previous Complaints made in relation to the same offender and the particulars of the person to whom the Complaint was made; and,
- any other information which is relevant for the purposes of investigating and determining the matter.

REGISTER OF COMPLAINTS

The Human Resources Manager will maintain a record of each Complaint made in a Register of Complaints as required by the Sexual Harassment (Protection and Prevention) Act 2021. Each record will contain the following details:

- the name of the parties to the Sexual Harassment claim;
- the particulars of the Sexual Harassment claim;
- the date on which the Sexual Harassment claim was lodged;
- any action taken by the company in relation to the Sexual Harassment claim;
- a statement of satisfaction or rejection from the Complainant of the investigation;
- such other particulars as may be prescribed by law.

STORAGE

The Human Resources Manager shall ensure that the register and all documents related to Sexual Harassment claims are securely stored so as to avoid any unauthorized access, use or disclosure. Each record within the register shall be kept for a period of eight (8) years and this register shall be kept in a safe place, with limited access.

14. Protection From Retaliation

Any Board member, Worker or Client of COMPANY NAME who makes a Complaint in accordance with the provisions of this Policy shall be protected from punishment, unfair treatment, bullying, intimidation, threats and other acts of reprisal.

15. Improper Complaints

Where a person is found guilty of wilfully and knowingly

bringing forth a false or improper claim of Sexual Harassment against another individual, he or she shall be liable for breach of Policy. COMPANY NAME's Policy is to ensure that those who fall victim to Sexual Harassment have a form of recourse against the perpetrators of the act in question. It is not intended to be used to make frivolous or malicious Complaints against an individual. A person who makes a Complaint that is later found to be frivolous or malicious, will be subject to disciplinary action. Possible disciplinary action is outlined in the Section 11 (Sanctions) in this Policy.

16. Counselling

Counselling shall be put in place by the company for those who fall victim to acts of Sexual Harassment. This will be in the form of sessions with an outside counsellor to be arranged by the Human Resources Department. Further actions regarding the impact of the Complaint on the victim shall be based on the recommendations of the counsellor.

As Counselling is also a possible sanction for perpetrators of acts of Sexual Harassment, counsellors should be on stand-by for sessions to be held with the perpetrators of these acts.

17. Amendment and Modification

This Policy must be submitted to the Board of Directors for the purpose of reviewing the company's Sexual Harassment (Protection and Prevention) Policy every two years, or as often as is required to ensure its effectiveness.

The Senior Leadership Team and the Sexual Harassment Sub-Committee shall be empowered to recommend amendments to the provisions of this Policy, to the Board as a whole for its consideration and approval. All recommended amendments to this Policy shall be made in writing to the Board of Directors.

An amendment or modification of this Policy shall not have retrospective effect, however this Policy must be updated in keeping with best practice standards both locally and internationally, to ensure that a safe working environment exists for all Workers, Board members and Clients of the company.

18. Effective Date of Policy

This policy shall be effective as of [insert date here once approved by the Board].

APPENDIX I

Parties to which Complaints Should Be Made

1. Responsible Officers for Sexual Harassment Complaints

Complaints of Sexual Harassment which are made by a Board member, Worker or Client of THE COMPANY, in accordance with Clause 8 (Reports to Responsible Officers) of the Policy shall be directed to either of the following persons:

a) Human Resources Manager, COMPANY NAME

[Insert particulars for the Human Resources Manager]

OR

b) Company Secretary, COMPANY NAME

[Insert particulars for the Company Secretary]

2. Chairman of the Board

Complaints of Sexual Harassment which are made by a Board member, Worker or Client of THE COMPANY, in accordance with Clause 8 (Reports to the Chairman) of the Policy shall be directed to:

The Chairman, COMPANY NAME

[Insert particulars for the Chairman of the Board]

MODEL WHISTLEBLOWING POLICY AND PROCEDURES

1. Introduction

The Board of Directors (“the Board”) of (insert name of company) is committed to maintaining good corporate governance and best practices by implementing policies to engender the highest levels of integrity, transparency, and accountability in all operations of [insert name of company] and its directors, officers, employees and contractors. To achieve these objectives, the Board has relied on The Protected Disclosures Act, 2011 (“the Act”), to bring into effect this **Whistleblowing Policy and Procedures** (hereinafter referred to as “this Policy”).

2. Aim

The Board has implemented this Policy to encourage all directors, officers, employees, and contractors of [insert name of company] to report and disclose, in good faith, all improper or illegal conduct which adversely affects the company or is contrary to the public interest, without fear of punishment or reprisal.

This Policy is also aimed at facilitating prompt and full investigations into reports which are made in good faith and stipulates the procedure which must be complied with when addressing any complaints which allege acts or attempted acts of interference, intimidation or reprisal against directors, officers, employees and contractors who report, disclose or investigate such acts.

Therefore, all directors, officers, employees, and contractors are encouraged to adhere to the procedures and guidelines specified in this Policy for reporting all allegations of suspected improper or illegal acts.

3. Scope

This Policy governs the reporting and investigation of suspected improper or illegal conduct as well as the protection offered to persons who are entitled to lodge reports. The provisions of this Policy are applicable to all directors, officers, employees, and contractors of [insert name of company].

3.1. POLICY EXCLUSION

This Policy DOES NOT revoke or change [insert name of company] policies and procedures for reporting individual employee grievances or complaints relating to job performance, terms and conditions of employment or other related issues. The company’s grievance procedures will be applicable for those circumstances.

4. Publication of This Policy

This Policy is available to directors, officers, employees, contractors and the public on the company’s website and each employee shall be provided with an electronic or printed copy of the Policy.

4.1. STATEMENT OF COMPLIANCE

All directors, officers, employees, and contractors of [insert name of company] must certify that they understand their duties and rights under this Policy by affixing their signature to the end of this document. The signed Policy must be submitted to the Designated Officer to be kept and recorded.

5. Definitions

BAD FAITH

A report will be deemed to have been made in bad faith where it is found to be:

- malicious;
- made for the purpose of slander;
- based on unfounded allegations; or
- frivolous or vexatious.

DESIGNATED OFFICER

The individual who is appointed for the purposes of receiving and undertaking investigation and reporting findings to the Board and/or the Designated Authority which is empowered under the Act to receive such reports.

GOOD FAITH

Good faith shall be evident where the maker of the report has a reasonable basis to believe that the information which is disclosed is true and is made without malice or other improper motive.

IMPROPER/ ILLEGAL ACTS

Improper or illegal acts include, but are not limited to:

- criminal offences such as fraud, sexual harassment and misappropriation of company assets;
- violations of company policies;
- conduct which threatens the environment or the health and safety of a person;
- acts of reprisal against or victimization of an employee who makes a report in accordance with this Policy; or
- the deliberate concealment of any of the aforementioned acts.

WHISTLEBLOWING

Whistleblowing refers to the process whereby a director, officer, employee or contractor of [insert company name] reports actual or suspected improper or illegal acts or conduct, in accordance with the provisions of this Policy.

WHISTLEBLOWER

A Whistleblower is any director, officer, employee or contractor of [insert name of company] who makes a report relating to any improper or illegal activity, in accordance with the provisions of this Policy, to one or more of the individuals empowered to deal with such reports.

6. Confidentiality

Confidentiality will be strictly observed. The identities of persons who make reports in accordance with this Policy shall remain confidential except where disclosure is imperative in order to protect:

- the health, wellbeing or life of a director, officer, employee or contractor of [insert name of company] or any other person not affiliated with the company;
- the environment from substantial harm; or
- the public interest.

Provided that none of the abovementioned exceptions apply, a report which is made on a confidential basis will be investigated and handled responsibly by the Designated Officer without disclosing the reporter's identity.

Any breach of confidentiality will be considered a serious contravention of this Policy which may result in the imposition of a sanction proportionate to the breach. Such sanction shall be determined by the Board.

Where, however, the Designated Officer is unable to properly investigate the matter without breaching the maker's right to confidentiality, the Designated Officer shall make a report to the Board immediately, for a determination to be made concerning the matter.

Persons making a report on a confidential basis or anonymously may at any time choose to change the status of the report.

The foregoing applies to all reports whether made to the Designated Officer or the Hotline number if established by the organisation.

7. Protection From Retaliation

Any director, officer, employee, or contractor who makes a report in accordance with the provisions of this Policy shall be protected from punishment, unfair treatment and other acts of reprisal, provided that:

- the report is made in good faith, and
- the person making the report reasonably believes that the information provided in the report is true.

However, where a report is deemed to have been made in bad faith, the maker of the report shall be subject to disciplinary procedures and sanctions, as the Board considers appropriate.

The provisions of this Policy will not protect any person who makes a report from the consequences of being involved in any improper conduct which has been reported.

8. Procedure for Reporting and Investigating Misconduct of Improper Activities

8.1. REPORTS TO THE DESIGNATED OFFICER

Any director, officer, employee or contractor who knows or suspects that an improper or illegal act which adversely affects the company or is contrary to the public interest has been committed by a director, officer, employee or contractor of the company, shall make a report directly to the Designated Officer (optional -or to the Hotline number which is administered by an external service provider to facilitate anonymous reports.)

The particulars of the Designated Officer appointed by the Board are as follows:

[Insert Particulars of the Designated Officer]

All reports of suspected improper or illegal acts shall, where reasonably practicable, be made in writing. However, where disclosure has been made orally, the information disclosed must be reproduced in writing within [insert number of hours] hours after the disclosure is made.

The grounds on which the report is being made must be clearly stated to prove that the maker of the report is acting in good faith. Any individual who makes a report directly to the Designated Officer will be required to give the following information:

- his or her name and position,
- the name of the person who allegedly committed the improper act,
- details of the improper act which is being alleged,
- particulars of any witnesses to the alleged conduct,
- details of any previous reports made in relation to the same improper conduct and the particulars of the person to whom the report was made, and
- any other information which is relevant for the purposes of investigating and determining the matter.

8.2. HOTLINE SERVICE REPORTS (OPTIONAL)

The Whistleblowing Hotline, administered by [name of external service provider], will be available to any director, officer, employee or contractor who wants to make an anonymous or confidential report in relation to any suspected improper or illegal acts. The Hotline will be available to facilitate reports between the hours of [state hours] on all working days.

The Hotline Service contact information is as follows:

[Insert Hotline Service Information]

[Insert name of external service provider] will be responsible for receiving the calls and collecting all relevant information. Any individual who calls to make a report will be required to give the following information:

- details of the improper act which is being alleged,
- the name of the person who allegedly committed the improper act,
- particulars of any witnesses to the alleged act,
- details of any previous reports made in relation to the same improper conduct and the particulars of the person to whom the report was made, and
- any other information which is relevant for the purposes of investigating and determining the matter.

[Insert name of external service provider] shall reproduce the information received in writing and deposit same with the Designated Officer for investigation.

9. Investigating Reports

The Designated Officer shall investigate all reports promptly and shall carry out his or her duties impartially and fairly notwithstanding the position or length of service of the suspected wrongdoer.

After the report is received, the Designated Officer shall take all reasonable steps to expedite the investigation by:

- formally acknowledging receipt of the report within two working days;
- commencing preliminary investigations within 10 working days of receiving the report; and
- completing further investigations into the allegations contained in the report within 30 working days of receiving the report, or within such further time as is reasonably required to thoroughly investigate the matter; however, no investigation should exceed 60 working days from the time the report was received.

All employees will be required to fully support and cooperate with any investigation conducted in accordance with this Policy.

Following investigations, the Designated Officer shall prepare an account of his or her findings to be presented to the Board and/or the Designated Authority empowered under the Act. A report of the findings of the investigation shall only be made to the Designated Authority where the matter is one of public interest, or where the allegations within the report concerns the conduct of the Designated Officer.

Where the report was given on a confidential basis, the Designated Officer shall not disclose the identity of the maker of the report to the Board unless the maker of the report expressly consents.

A record of all reports made in accordance with this Policy shall be prepared and maintained by the Designated Officer.

10. Amendment and Modification

- This Policy must be submitted to the Corporate Governance and Nomination Committee for review every two years, or as often as is required to determine its effectiveness and shall submit its findings to the Board.
- The Corporate Governance and Nomination Committee shall be empowered to recommend amendments to the provisions of this Policy, to the Board of Directors for its consideration and approval.
- An amendment or modification of this Policy shall not have retrospective effect.

CODE OF ETHICS:

Set of Policies That May Be Included In a Code of Ethics Handbook For Directors and Employees

The following outlines a specific and comprehensive set of policies that a company may include in a handbook for Directors and employees as it seems fit, in accordance with Principle 7 – Corporate Sustainability and Ethics (Section D) of Jamaica Corporate Governance Code, 2021.

Further below is a Model Code of Business Conduct and Ethics.

PREAMBLE

The purpose of this Code of Ethics is to:

1. demonstrate the company's commitment to the highest standards of ethical behaviour;
2. encourage proper ethical conduct and sanctions for misconduct within the company; and
3. develop an ethical culture based on such standards and conduct, led by the company's shareholders, directors and management, and followed by all employees.

By adopting, following, and updating this Code of Ethics on a regular basis, together with the company's charters, the company confirms its desire to demonstrate, lead and promote good ethical behaviour and corporate governance. In order to foster the confidence of its shareholders, employees, investors and the general public, this Code of Ethics goes beyond the legal and regulatory framework that exists in Jamaica today, and embraces both national and internationally recognised principles and practices.

The company's Board and employees understand this Code of Ethics as their obligation and set forth to ensure that its spirit and provisions are respected and acted upon throughout the company and by its business partners. This Code of Ethics is reviewed and updated annually. It is published internally in booklet form and is available on the company's intranet and website.

1. The Company's Values

In all internal and external relationships, the company demonstrates its commitment to the company's core values.

2. The Company's Ethical Principles

The company is committed to acting ethically in all aspects of its business. The company's ethical standards are based on the following principles:

- Honesty,
- Integrity,
- Fairness, and
- Transparency.

Similarly, the company expects the same in its relationships with all those with whom it does business.

The company's ethical standards focus on the following areas: employees, customers, relations with its business partners, government, society and the wider community. These ethical standards shall also apply to all business areas (for all subsidiaries and dependent companies) both within and outside of Jamaica.

All of the company's ethical standards are based on:

- respecting the rule of law, Jamaican laws and regulations, and showing respect for human rights;
- managing the company's financial and operational performance to maximise the long-term value for its shareholders;
- conducting business with integrity and fairness, renouncing bribery and corruption or similar unacceptable business practices, and not giving or accepting gifts and entertainment unless they fall under business customs, are immaterial and infrequent;
- creating mutual advantage in all the company's relationships to build and foster trust;
- demonstrating respect for the community the company operates in, as well as for the natural environment. The company's business plan will include specific measurable targets for improving ethical behaviour; and
- taking into consideration the need for corporate and community sustainability, therefore making decisions which will not compromise the quality of life and prosperity potential of future generations.

3. Ethical Standards For The Company's Relationship With Its Stakeholders

EMPLOYEES, OFFICERS AND DIRECTORS

- The company values its employees, officers and directors as the keystone to success. The company is thus committed to treating all employees with dignity, trust, and respect, and to building a long-term relationship based on Jamaica's labour laws and the respect of human rights. The company will not employ child labour.

- The company fosters teamwork, believing that diversity in talent, perspectives and opinions stimulate new and creative business opportunities and innovation. Similarly, the company renounces all forms of bureaucracy and excessive hierarchical structures that impede operational efficiency. It is the company's policy to provide for and regularly improve upon a healthy, safe and secure working environment for its employees.
- Conflicts of interest can compromise, or appear to compromise the judgment or objectivity of the company's employees and officers. An appropriate policy, and disclosure thereof, has been developed which addresses this issue.
- The company is an equal opportunity employer. Its recruitment, promotion and compensation policy is based on merit and free of discrimination. Clear and transparent policies have been developed which puts this into practice.
- No kind of discrimination or harassment at the workplace is tolerated and contrary behaviour is properly investigated and dealt with through the company's ethics officer and/or the human resources manager. Employees are recognised and rewarded for their performance, based on performance objectives, and constructive and regular feedback through face-to-face meetings. Rewards are given both at the team and individual level.
- The company has in place a training programme, accessible to all employees, which encourages individuals to formulate personal development plans and provides for coaching, mentoring and formal skill-enhancing training.
- While employees are encouraged to become shareholders, the company does not sanction the illegal use of confidential and insider information by any officer or employee, and has developed a detailed procedure to effectively deal with this matter.
- A regular consultation process between the company's employees and managers has been put in place to effectively deal with employment conditions and other issues that affect the employees' work environment. These principles do not limit the right of the company to enforce discipline, or to terminate workers in accordance with Jamaica's legislation.

CUSTOMERS

Customer satisfaction is very important to the company. Safe and quality products and services, fair pricing and appropriate after-sales service shall define the company's relations with its customers. The company always seeks to deliver what it promises.

RELATIONS WITH ITS BUSINESS PARTNERS

The company believes that a long-term relationship with its business partners such as suppliers, contractors, participants in joint ventures and others founded on respect, trust, honesty, and fairness is vital to its success. The company will put forth its best effort to only do business with those business partners that share the company's ethical standards.

The company will respect the sanctity of contracts and business relations and will abide by the following principles:

- contractual negotiations shall be conducted on the basis of mutual advantage;
- business relations shall be based on high performance standards, delivered in a timely and efficient manner with prompt settling of bills; and
- in case of a commercial dispute, the company will strive to negotiate and compromise in good faith in order to reach an amicable solution.

The company is committed to complying fully with the Jamaican law on anti-money laundering. The company only conducts business with reputable suppliers, business customers and other partners who are involved in legitimate business activities and whose funds are derived from legitimate sources.

GOVERNMENT

The company will pay all taxes that are owed and due, fully and in a timely manner. The company abides by all regulations, including voluntary codes and guidelines, in both spirit and letter.

The company has also legally obtained all licences required to do business. The company seeks to build and manage a sound relationship with governmental authorities on an arm's length basis. No attempt to improperly influence governmental decisions shall be made, and the company will not offer, pay, solicit or accept bribes in any form or shape, either directly or indirectly, in its dealings with the government, administration or courts. Transparent procedures regarding transactions engaged in by the company with any government agency or official, or in dealings with any company owned or controlled by a government agency or official, shall be established to this end.

The company strictly adheres to its policy on making political contributions in cash or in kind.

COMMUNITY, SOCIETY, AND ENVIRONMENT

The company views itself as an integral part of the community in which it operates and is committed to a sound relationship built on respect, trust, honesty and fairness. The company is committed to creating jobs and developing local talent when this is economically sustainable.

The preservation of the environment is of the utmost importance to the company. The company thus strives to minimise any disruption to the environment arising from its activities by reducing waste, emissions and discharges, and by using energy efficiently.

All operations and activities will be carried out according to the highest standards of care and in-line with internationally recognised principles. Company employees are encouraged to engage and commit part of their time to help the local community through a variety of charities, foundations, educational organisations and similar institutions. Non-governmental organisations (NGOs) are a key element to any society and the company seeks to build constructive relationships with such organisations in building a better society and environment - in an economically sustainable manner. The company promises to engage and consider the specific developmental needs of communities in which it operates, through a process of regular and open dialogue.



4. Implementation

MEANS TO OBTAIN ADVICE

Many business decisions involve ethical dilemmas and require complex judgments to make the right choice. In cases of uncertainty, all officers and employees are expected to act responsibly and raise the ethical dilemma with their supervisors or managers. Should this not lead to a satisfactory solution, the ethical issue is to be raised with a designated officer to obtain clarification.

All officers and employees have the right to make confidential reports directly to the designated officer who in turn shall decide whether to report the matter to the audit committee, to recommend appropriate action against any director or employee who acts in a manner inconsistent with this Code of Ethics.

PROCESSES AND RESPONSIBILITY

Each individual is responsible for his/her own ethical behaviour. The company has implemented a procedure for all officers and employees to regularly state that they understand and apply the provisions of this Code of Ethics. Adherence to this Code is further made obligatory as it is referenced in all employee contracts and linked to disciplinary procedures.

A copy of this Code of Ethics is given to every employee on the first working day.

Department heads are accountable to the CEO and/or executives for implementing this Code of Ethics within their departments, ensuring that all officers and employees understand it, and for providing assurance on compliance. The CEO and/or executives are in turn accountable to the Board. The principles and provisions in this Code of Ethics have been integrated into the company's system of internal control. Rigorous and objective processes to measure performance, identify gaps and implement measures to address ethical gaps are regularly reviewed and modified.

Wilful or careless breach or neglect of this Code of Ethics will be treated as a serious disciplinary matter and can lead to the termination of employment. The Board's audit committee periodically reviews and updates compliance with these principles, and formulates proposals for the Board's approval.

TRAINING PROGRAMME

The company offers an introductory ethics training course once per year for all new officers and employees. This course offers practical examples of this Code of Ethics in action. Periodic and specialised training courses are further offered to the company's officers and employees, as well as to the company's other stakeholders such as suppliers and other business partners, as part of the company's continuous professional education programme.

MODEL CODE OF BUSINESS CONDUCT AND ETHICS

This model Code of Ethics, originally published by the IFC, has been modified and adapted for Jamaica to be used in accordance with Principle 7 - Corporate Sustainability and Ethics (Section D) of Jamaica Corporate Governance Code, 2021.

Ethical behaviour is required and expected of each employee of the Company, whether or not a formal policy governs the matter. This Code of Business Conduct and Ethics (this "Code") is designed to assist you in fulfilling your ethical obligations as an employee of NAME (the Company) by highlighting our policies on some of the more common ethical issues which you may face. Unless otherwise specified, this Code of Business Conduct and Ethics applies to all directors, officers and employees of the Company, collectively referred to in this Code as "employees".

Please read this Code of Business Conduct and Ethics carefully and retain it for future reference. Revisions to this Code may be made from time to time.

This Code of Business Conduct and Ethics includes policies, which every employee must know regarding the following topics:

- i. Compliance with Law
- ii. Equal Employment Opportunity Responsibility
- iii. Dishonesty
- iv. Fair Competition
- v. Conflicts of Interest
- vi. Extension of Credit to Family and Related Interests
- vii. Regulatory Filings/Public Communications
- viii. Investments
- ix. Acceptance
- x. Money Laundering
- xi. Contributions
- xii. Substance Abuse
- xiii. Personal Computers
- xiv. Protection of Assets and Information
- xv. Employee Protection
- xvi. Communications Systems
- xvii. Electronic Mail
- xviii. Internet Use
- xix. Administration of Standards

1. Introduction

An organisation's success is directly related to the talents, efforts, and personal behaviour of its employees. The Company is committed to the highest standards of honesty, integrity, and impartiality in both business and personal dealings, including the avoidance of situations that may lead to conflicts of interest.

As an employee, you are expected to understand the policies contained in this Code of Business Conduct and Ethics. These policies are intended to guide your actions and working relationships with customers, fellow employees, competitors, government representatives, media, and all others by whom you may be identified as an employee.

In addition, what you may be prohibited from doing under these policies shall not be done indirectly, either knowingly or unknowingly, through friends, acquaintances, relatives, or others. These policies are not an attempt to control your private affairs; rather, they are simply a means of ensuring the success and good name of the Company.

Each subsidiary company has adopted this code as its own. Therefore, all employees are subject to it. It is the responsibility of management/supervisory personnel to ensure adherence to this Code. It is also the responsibility of each employee to promptly report any violations of this Code to the Chairman of the Audit Committee, or to the Company's General Counsel. An Ethics Hotline and an Ethics E-mail Address, overseen by the Company's outside counsel, have been established at (insert phone #) and (email address) and you may report violations or other information, which you believe, should be reported under this Code using either method. Any concerns you may have regarding questionable accounting, internal accounting controls or auditing matters may also be reported to the Company's Ethics Hotline or Ethics E-mail Address and the Company's General Counsel will report such concerns to the Audit Committee. Information may be reported confidentially or anonymously to the Company's Ethics Hotline or Ethics E-mail Address should you feel the need to protect your identity. Non-compliance with the policies contained in this Code may result in disciplinary action, up to and including termination of employment and/or legal action.

Because it is sometimes difficult to determine the correct course of action in situations involving ethical or moral judgments, you are encouraged to discuss any questions with your-supervisor, senior management, the Chairman of the Audit Committee or General Counsel. In most cases, complete and timely disclosure of all relevant facts with resulting approval from the appropriate authority will serve to meet your responsibilities with respect to this Code.

2. Definitions

The following definitions outlined in Table 1 apply to this Code:

Table 1: Definitions of Terms – Code of Ethics

TERM	DEFINITION
Senior management	Officers of the company and its subsidiary(ies), with the title of _____ or higher.
Immediate family	Any person who is a relative by blood, marriage or adoption, or having the same residence (including any child, spouse, parent, sibling, parent-in-law, brother-in-law, sister-in-law, grandparent or grandchild).
Insider information or Tipping off	Information not readily available to the public.
Material non-public information	Information about the company which has not been generally disclosed to the public through a news release, a communication to shareholders or widely reported media coverage; and significantly affects, or would reasonably be expected to have a significant effect on the market price or the value of any securities of the company or that could affect the decision of a reasonable investor.
Tied selling	Supplying a particular product or service to a customer, only if the customer also agrees to purchase another product.

3. Compliance with Law

It is the Company's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of each employee to adhere to the standards and restrictions imposed by those laws, rules and regulations. An employee who is unsure of whether a situation violates any applicable laws, rules or regulations should discuss the situation with his or her immediate supervisor, a senior manager, the Chairman of the Audit Committee or General Counsel. Inquiries may also be made via the Company's Ethics Hotline or Ethics E-mail Address to prevent possible misunderstandings and embarrassment at a later date. Any violation of applicable laws, rules and regulations, including any conflict of interest that rises to such a level, will be dealt with swiftly by the Company and will be promptly disclosed to the applicable law enforcement and/or regulatory authorities.

4. Equal Employment Opportunity Responsibility

As an employee, you are expected to perform all job duties and interact with other employees and customers without regard to colour, creed /religion or place of origin, gender or gender identity, marital status, age, political opinions, disability, health status (e.g. HIV positive person), pregnancy or maternity, social status or any other basis prohibited by law. Every employee of the Company who is engaged in the recruitment, hiring or supervision of personnel is responsible for seeing that the Company's policy of non-discrimination is carried out. Any employee found to have acted in violation of this policy shall be subject to appropriate disciplinary action, up to and including termination.

The Company's policy of non-discrimination must prevail throughout every aspect of the employment relationship including, but not limited to, recruitment, hiring, training, promotion, compensation, benefits, transfer, severance, termination and retirement.

5. Dishonesty

All employees are expected to be scrupulously honest in their work and dealings with others. Dishonest acts will result in disciplinary action, up to and including termination of employment and possible prosecution under the law. Examples of dishonest acts include, but are not limited to, theft of Company or customer funds, making false entries, cheque kiting, and/or removal of Company property without the express permission of management.

Certain laws prohibit the Company from hiring or retaining, as an employee, anyone who has been convicted of a criminal offence involving dishonesty, breach of trust or money laundering, including, but not limited to, embezzlement, tax evasion, perjury or forgery.

CREDIT AND CRIMINAL RECORD CHECKS/ FINGERPRINTING

The Company reserves the right to check the credit and criminal records of all prospective and current employees.

EMBEZZLEMENT AND FALSE ENTRY

Because a violation of laws generally results in severe penalties, you should be familiar with such laws and associated penalties.

REPORTING CRIMES

Anyone who “aids, abets, counsels, commands, induces or procures” the commission of an offense, or who “wilfully causes an act to be done which if directly performed by him or another” or conceals and fails to report as soon as possible an offence is liable to the same degree as the person who commits such offence. For your own protection and for the good of the Company, the observation or discovery of any occurrence which is illegal, whether committed by an employee or someone else, must be reported immediately to the Chairman of the Audit Committee, the Company’s General Counsel, the Company’s Ethics Hotline or to the Company’s Ethics E-mail Address.

Obviously, if every bookkeeping error or entry made by mistake were to become the subject of an investigation, it would cause enormous interference with normal business operations; and, since intent or knowledge must usually be shown in order to prove that a crime has occurred, inadvertent or negligent errors that result in false entry are not considered crimes. It is your duty to help determine whether criminal acts have occurred, but restraint and caution must be exercised so innocent parties will not be wrongfully accused. An accusation of a criminal act or criminal intent should be made only after it becomes clearly evident that someone has performed or attempted a criminal act. If you are reasonably certain a criminal act has occurred, contact the Chairman of the Audit Committee, the Company’s General Counsel, the Company’s Ethics Hotline or the Company’s Ethics E-mail address. Accusations or criminal complaints should be directed only to the above parties. Such information will be kept confidential and provided to others on a need-to-know basis only.

EMPLOYEE BENEFITS

You are trusted to provide true and accurate information when filing insurance claims and when requesting sick leave and personal leave. Any situation in which you intentionally violate these guidelines is considered to be a dishonest act.

EXPENSE REIMBURSEMENT

You will be reimbursed for personal funds you legitimately spent on behalf of the Company. A false expense claim is considered to be theft of Company funds. A supervisor who knowingly approves a false expense claim is considered to be an accomplice to the theft of Company funds.

EMPLOYEE ENTERTAINMENT

You should not entertain other employees at the Company’s expense unless authorised by senior management. Senior management may approve special social functions, such as Christmas parties, retirement and service anniversary receptions, and luncheons for business purposes (e.g., recognition of exceptional job performance, business meetings, etc.).

TRANSACTIONS

You are not permitted to personally process or post business transactions on your own behalf or that of immediate family members. These transactions must be received and processed by someone other than yourself, who is authorised to handle such transactions. Furthermore, adjustments and reversals require approval from management who has been granted authority to initiate such entries. Approval is indicated by the initials or signature of the approving officer on the entry document or electronic screen, as applicable.

Authorised company instruments for personal use, such as official cheques, cashier’s cheques, money orders, and travellers’ cheques, must be acquired through someone, other than yourself, who is authorised to handle such transactions.

INCENTIVE PAY

Some positions provide an opportunity for the employee to earn a bonus and/or commissions. Participation in any incentive plan requires strict adherence to plan guidelines, including true and accurate reporting. You are personally responsible for reviewing and understanding the terms and conditions of each incentive programme in which you participate. The submission of false or inaccurate reporting is considered to be a theft of Company funds.

6. Fair Competition

The Company succeeds through honest business competition and is committed to conducting its business in compliance with the Fair Competition Act (also called “antitrust laws”). The Fair Competition Act covers a wide range of business and competitive conduct and generally prohibits any agreement to restrain or injure competition in a significant way.

The Company does not seek to gain competitive advantages through illegal or unethical business practices. Each employee should endeavour to deal fairly with the Company’s customers, service providers, suppliers, competitors and other employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice.

The Company believes that open and honest competition in the marketplace is healthy and necessary. Collusion with competitors to unlawfully lessen competition is not permitted. It is important, when dealing with employees of other companies, that you say nothing that could be construed as an agreement to cooperate with other institutions in following a common course of action to the detriment of customers, or members of the public. Specifically, you are expected to comply with the following guidelines:

- Do not communicate with any competitor about prices or anything related to prices, costs, marketing plans, or any sensitive, competitive data.
- Do not communicate with any competitor regarding any division of markets. This includes any suggestion, proposal, discussion, or decision to enter, exit, or limit involvement: (1) in any geographic region; (2) in any product or service; or (3) with any particular customer or group of customers.

- Do not become involved in bid rigging or price fixing.
- Exercise caution when requested to complete surveys asking for sensitive data.
- Do not enter into exclusive agreements without review by the Company's General Counsel.
- Confer with the Company's General Counsel before discussing, negotiating, or entering into any joint venture.
- Do not enter into any agreement that ties any product or service with another separate product or service without review by the Company's Legal Counsel.
- Do not write memoranda or documents that do not accurately reflect the facts.

7. Conflicts of Interest

A "conflict of interest" occurs whenever an individual's private interest, real or perceived, interferes with the interests of the Company or its customers. Conflicts of interest are prohibited as a matter of Company policy, unless the Company has approved them. In particular, an employee must never use or attempt to use a position at the Company to obtain any improper personal benefit for himself or herself, for immediate family, or for any other person.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. The only prudent course of conduct in such a situation is to make sure that, in addition to any other approvals required by any applicable laws, rules or regulations, any use of Company property or services that is not solely for the benefit of the Company is approved beforehand by an executive officer of the Company (or, in situations involving an executive officer of the Company, by the CEO or by the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors).

Any employee who is aware of a material transaction, relationship or other situation which may constitute or give rise to a present or future conflict of interest should promptly discuss the matter with an executive officer of the Company (or, in situations involving an executive officer of the Company, by the CEO or by the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors). Since there are many ways conflicts of interest may arise, some of the most common are described below.

OUTSIDE EMPLOYMENT

You may not engage in paid employment outside the Company or any other outside activity (whether paid or not) that conflicts with your duties to the Company, and remain employed by the Company. As a precaution, any outside employment must be disclosed in writing to a member of senior management or, if you are a member of senior management, to the officer to whom you report or to the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors.

If the outside employment constitutes a series of unrelated transactions or activities, each must be separately and specifically disclosed. Employment at an unaffiliated firm in the same or significantly related industry will not be permitted. This policy is

not applicable to members of the Board of Directors.

Because of the potential liability to the Company, you are not allowed to engage in specific types of outside employment, whether or not you perform similar duties at the Company. Specifically, you may not: (state specific types of outside employment which the Company wishes to exclude).

OUTSIDE ACTIVITIES

While appropriate outside activities and memberships are encouraged, you may not become an officer or accept membership on the Board of directors of any outside entity without prior disclosure in writing to a member of senior management, or, if you are a member of senior management, to the officer to whom you report or to the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors. You may retain Director's fees received for service on an outside Board.

This policy is not intended to be a prohibition against directorships or participation in non-profit, charitable, religious, educational, civic or political activities that would not conflict with your normal business responsibilities to the Company.

The Company encourages you to volunteer your participation in non-profit, charitable, religious, educational, civic or political organisations. However, participation in any political organisation is on a personal basis, must be conducted on your own time, and cannot in any way be represented, directly or indirectly, as an expression of endorsement by the Company.

If you intend to become a candidate for any political office, you must first disclose and discuss the matter with senior management or, if you are a member of senior management, with the officer to whom you report or to the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors. Senior management, the CEO or the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors, as applicable, will determine on an individual basis, if and when the potential for a conflict of interest may result, should you be elected. Candidates must perform campaign activities outside working hours and off the Company's premises and may not use the Company's property or funds to support the campaign.

"EXTRA" COMPENSATION

You should not accept any form of compensation beyond compensation from the Company for performing your normal work duties. You will be reimbursed only for actual business expenses legitimately incurred in connection with Company business.

If you have been authorised by senior management to act as an officer, director, or employee of an outside entity or to engage in any other outside employment, you are permitted to retain all compensation paid to you.

If you have been subpoenaed to act as a witness on behalf of the Company, either for trial, or at a deposition, you must notify your department manager and obtain approval. You are not entitled to retain any compensation you receive for acting as a witness on behalf of the Company, unless your department manager approves it due to the complexity of the litigation or other extenuating circumstances.

If you are asked to serve as a consultant representing the Company in any capacity, approval from senior management or, if you are a member of senior management, from the officer to whom you report or from the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors must be obtained. Retention of any fees received also requires approval from senior management, or if you are a member of senior management, from the officer to whom you report or from the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors.

If acceptance of outside compensation is prohibited as described above, any funds you receive must be paid to the Company and processed as miscellaneous income for your cost centre. If otherwise reimbursable personal expenses are incurred, you may submit a claim for such expenses using regular business expense claim procedures.

PERSONAL FINANCIAL INTERESTS AND INVESTMENTS

Company and customer confidential and/or proprietary information must never be used in your personal financial affairs, either during or after employment with the Company. You should not directly invest in a customer's business or use non-public information with respect to any customer, except as permitted in the Investments section of this Code.

Ownership of securities issued by a company in which this company is engaged in acquisition discussions presents a real possibility of conflict of interest.

Any executive officer, director or other employee owning equity securities in a company that the Company is seeking to acquire, who also is involved in any way on this company's behalf in the pursuit of the acquisition, including participating in due diligence, negotiation, recommendation or approval, should promptly disclose to the CEO or CFO such equity interests.

You may not make an offer to or accept an offer from a customer of the Company to buy securities or anything else of value at terms more favourable than those available to the general public.

Since you are subject to public scrutiny in the handling of your personal financial affairs, it is your responsibility to manage your financial obligations so as not to reflect negatively on your integrity or the Company's public image.

BUSINESS VENTURES

You and members of your immediate family should not knowingly invest, either directly or indirectly, in business ventures with the Company's customers, vendors, or competitors without prior written disclosure to a member of senior management or, if you are a member of senior management, to the officer to whom you report or to the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors. However, this applies only where the investment is of such a type that would reasonably be expected to create a real or perceived conflict of interest. This policy is not intended to prohibit your personal investments; rather, it is to ensure that any ownership that could be a matter of concern is also a matter of record.

CORPORATE OPPORTUNITIES

Employees owe a duty to the Company to advance the Company's business interests when the opportunity to do so arises. Employees are prohibited from taking (or directing to a third party) a business opportunity that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. More generally, employees are prohibited from using corporate property, information or position for personal gain and for competing with the Company.

Sometimes the line between personal and Company benefits is difficult to draw, and sometimes there are both personal and Company benefits in certain activities. The only prudent course of conduct for our employees is to make sure that any use of Company property or services that is not solely for the benefit of the Company is approved beforehand by an executive officer of the Company (or, in situations involving an executive officer of the Company, by the CEO or by the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors), in addition to any other approvals required by any applicable laws, rules or regulations.

CONFIDENTIALITY

Except to the extent permitted by law or with the Company's consent, you may not disclose any confidential or proprietary information that you obtain in the course of your relationship with the Company, including, without limitation, information relating to its employees, customers, prospective customers, or vendors. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed. This policy applies both during and after your relationship with the Company.

Any such confidential and/or proprietary information shall not be used in any way for your personal gain or the personal gain of your family, friends, acquaintances or anyone else. Violations of this policy include the acquisition of property in which the Company has, or has had, an interest, as well as the purchase of securities based on non-public information obtained through your relationship with the Company, except as otherwise permitted in this Code.

INCLUSION IN CUSTOMERS' WILLS

Bequest, devise or gifts from the Company's customers or suppliers under wills, trust instruments or otherwise are not to be accepted by you or members of your immediate family. If such a situation occurs, the circumstances must be promptly reported to senior management or, if you are a member of senior management, to the officer to whom you report or to the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors, regardless of whether the Company is to act in a fiduciary capacity under the will or according to the provisions of a trust instrument held in the Company's Trust Division. You must take steps to have the will or trust instrument amended to remove your name. If unsuccessful in having your name removed, you should renounce the gift, or bequest. This

policy applies even if you were unaware that the bequest or gift was provided in the will or trust instrument. It does not apply to bequests or gifts from members of your family, from individuals with whom your relationship arose independent of your employment or position with the Company or from other persons not having a relationship with the Company.

FIDUCIARY APPOINTMENTS

Except with respect to the estates or trusts created by members of your immediate family, you may not seek or accept an appointment as executor, trustee, trust advisor, or fiduciary in any other capacity. It is recognised, however, that while it is generally inappropriate for employees to serve in these capacities, occasionally there may be cases where, for legal reasons or because of customer relations, you may be called on to serve as a fiduciary. Such an appointment may be accepted only with written approval from senior management or, if you are a member of senior management, the officer to whom you report or the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors.

Where acceptance of an appointment as a fiduciary, for you to act as a representative of the Company, has been approved by senior management or, if you are a member of senior management, the officer to whom you report or the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors, appropriate advice should be sought from the Company's Trust Division or Legal Counsel. The general indemnity will apply to you for any liability you may incur while acting in this capacity. Such indemnity shall not apply to your acts or omissions contrary to the advice furnished by the Company's Trust Division.

COMPANY LETTERHEAD

The use of Company letterhead for any personal or non-business purpose is prohibited.

PERSONAL BUSINESS

You are not permitted to engage in personal business on Company premises or during hours when you are expected to be engaged in Company business, with the exception of normal personal or family maintenance activities, such as telephone calls to doctors and childcare facilities, etc. Even then, such activities should be held to a minimum and conducted primarily during lunch/break time or before/after work hours.

REPOSSESSED OR RETIRED COMPANY PROPERTY

Notify your supervisor or, if you are a member of senior management, the officer to whom you report or the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors if you would like to purchase property in which the Company has, or has had, a security interest, whether under repossession provisions of a defaulted security agreement or under execution or foreclosure sale. This policy applies to auctions, but not private sales. If your supervisor, senior manager or the Chairman of the Nomination and Corporate Governance

Committee of the Board of Directors approves, you may make a bid on the property. Your bid will be considered along with all other bids submitted in the auction in determining the highest bid.

No Company employee can participate in a sale of property sold at foreclosure that is not a sale conducted as a public auction. Employees of a department responsible for selling any bank or foreclosure property cannot participate in any such sales.

You may purchase retired or obsolete Company equipment and furnishings, but only through the Purchasing Department, and only upon agreement that the items are intended for personal use and will not be resold.

ACCOUNT OWNERSHIP

Generally, you are not permitted to sign on a Company deposit account or Company safe deposit box rental agreement with someone who is not a relative, unless two or more signatures are required on the account or agreement. Exceptions to this policy may be granted for non-profit organisations if you are an officer of the organisation and the relationship will not result in a conflict of interest. Such exceptions require approval from senior management or, if you are a member of senior management, from the officer to whom you report.

RECOMMENDING OUTSIDE PROVIDERS

During the course of business negotiations or discussions, customers sometimes request the names of qualified providers of financial or legal services, such as attorneys, financial planners, and accountants. Similarly, customers may request the names of other service providers, such as health care professionals, insurance brokers, stockbrokers, real estate agents, real estate appraisers, and companies. When this occurs, you should give customers a list of several individuals or firms providing the service. The only exception is when there may be only one acceptable provider of a service in the community. Any subsidiary company that offers a needed service should be included on the list of providers.

ADVICE TO CUSTOMERS

During the normal course of business, you may be required to provide customers with business-related advice. It is important that you confine your advice to areas relating to your employment obligations, authority, and expertise. You should refer inquiries regarding trust functions, including those from persons who would like to designate the Company as an executor or trustee, to a representative of the Company's Trust Division.

DISCRIMINATION

It is the Company's policy that requirements and standards be consistent for all customers, regardless of race, colour, age (provided the applicant has the capacity to enter into a binding contract), origin, gender, religion, disability, or marital status. Consequently, there should be no discrimination based on the above features.

8. Extension of Credit to Family or Related Interests

You may not involve yourself in any decisions relating to extensions of credit involving yourself, your immediate family, relatives, or related interests.

BORROWING FROM VENDORS AND CUSTOMERS

Except for loans from financial institutions made in the ordinary course of business, borrowing from vendors, customers, and prospective customers is prohibited. The term "borrowing" does not include normal credit granted by merchants for purchases of their products, nor to family relationships where conflict of interest or discrimination is not a factor. It also does not include the purchase of real estate from vendors, customers, prospective customers, and other employees in the normal course of real estate transactions.

LENDING PERSONAL FUNDS

You may not lend your personal funds to customers, prospective customers, vendors, or other employees who are not members of your immediate family. This policy is not applicable to members of the Board of Directors of the Company or any of its subsidiary companies who are not employed by the Company.

SELLING PERSONALLY-OWNED REAL ESTATE

The sale of personally owned real estate to customers, prospective customers, vendors, or other employees in the normal course of real estate transactions is permitted.

DELINQUENCIES

If the Company extends you credit, it should be paid according to its terms. Delinquencies on company offered loans and revolving lines of credit, including credit cards, are not permitted except when they are inadvertent, promptly cured and subject to the same penalties normally imposed on customers for such delinquencies.

OVER CREDIT LIMIT

Being over-limit on Company-issued revolving lines of credit, including credit cards, is not permitted except when it is inadvertent, promptly cured, and subject to the same penalties normally imposed on customers for such an over-limit.

BUSINESS CREDIT CARDS

Business credit cards issued in the name of the Company, or its subsidiaries are only to be used by authorised employees to charge legitimate business expenses. The following rules apply to the use of such credit cards:

- You are prohibited from using a business credit card to charge personal expenses.
- Any amounts charged on a business credit card are to be

processed in accordance with the Company's established procedures.

- If you are personally responsible for the payment of outstanding balances (to be subsequently reimbursed through normal business reimbursement procedures), any outstanding balance on a business credit card account must be paid off on or before the current payment due date shown on the monthly account statement.
- You may not carry over all or part of an outstanding balance from one billing period to the next.
- Any interest or late fee assessed on a business credit card account, resulting from your failure to meet the payment due date or failure to follow the appropriate process, is your personal responsibility.

9. Regulatory Filings / Public Communications

In the sections that follow, we have outlined important laws, rules and regulations relating to regulatory filings and public communications, insider trading, bribery and money laundering with which every employee should be familiar.

The company is required to file reports with and submit other documents to certain regulatory bodies, including, among others, the Tax Administration and Audit Department, the Bank of Jamaica, the Financial Services Commission, the Jamaica Stock Exchange, the Jamaica Deposit Insurance Corporation, the Companies Office and various other regulatory bodies. It is the Company's policy that any report or other document that the Company files with, or submits to, any such regulatory body, or any other public communication made by the Company, comply in all material respects with all applicable laws, rules and regulations.

10. Investments

INSIDER TRADING

The following policy is applicable to all employees except for executive officers and directors:

It is both illegal and against Company policy for any individual to profit from material non-public information relating to the Company or any other company. Anyone who is aware of material non-public information relating to the Company may not purchase or sell any of the Company's securities. Also, it is against Company policy for any employee who has material non-public information about any of the Company's customers or any other company, to purchase or sell the securities of those companies.

A person found guilty of Insider Trading or "tipping off" may be subject to heavy fines or imprisonment. A public company may also be found guilty of Insider Trading because of the acts of its officers, in which case, the company would be subject to a fine. Directors, designated senior officers and other designated persons who generally have access to "insider information" of the company are specifically required to observe "Black-out" periods for trading, in keeping with the rules of the Jamaica Stock Exchange. "Black-out" periods can start fifteen (15) days after

the end of each quarter and end twenty-four (24) hours after the release of interim or financial results. All persons, who are in possession of Insider Information at whatever time, are required to comply with the law and refrain from trading in the company's securities no matter where you are placed in the organisation and how you come to learn about the information.

11. Acceptance of Gifts

In a number of instances, a Company official, without risk of corruption or breach of trust, may accept something of value from someone doing or seeking to do business with the Company. The most common examples are the business lunch or the holiday season gift from a vendor or customer. Also, there is generally no threat of a violation of the statute if the acceptance is based on a family or personal relationship existing independently of any business of the Company; the benefit is available to the general public under the same conditions on which it is available to the employee; or the benefit would be paid for by the Company as a reasonable business expense if not paid for by another party. Described below are guidelines for accepting gifts. Generally, employees may accept:

- Gifts, gratuities, amenities, or favours based on obvious family or personal relationships (such as those between the parents, children, or spouse of an employee) when the circumstances make it clear that such relationships, rather than the business of the Company, are the motive for the gift.
- Meals, refreshments, travel arrangements or accommodations, or entertainment (all of reasonable value and in the course of a meeting or other occasion, the purpose of which is to hold bona fide business discussions) provided that the expenses would be paid for by the Company, as a reasonable business expense, if not paid for by the other party.
- Loans from other banks or financial institutions, on customary terms, to finance proper and usual activities, such as residential mortgage loans, except where prohibited by law.
- Advertising or promotional material of reasonable value (a real or perceived value of \$____ or less) such as pens, pencils, note pads, key chains, calendars, and similar items.
- Discounts or rebates on merchandise or services that do not exceed those available to other customers.
- Gifts of reasonable value (a real or perceived value of \$ X or less [state sum]) that are related to commonly recognised events or occasions, such as promotion, new job, wedding, retirement, Christmas, etc. civic, charitable, educational, or religious organisation awards of reasonable value for recognition of service and accomplishment.

If you are given a gift in excess of the above guidelines, it should be disclosed in writing to senior management or, if you are a member of senior management, the officer to whom you report or the Chairman of the Nomination and Corporate Governance Committee of the Board of Directors.

On a case-by-case basis, the Company may approve other

circumstances not described above, in which an employee accepts something of value in connection with Company business, provided such approval is made in writing on the basis of a full, written disclosure of all of the relevant facts, and is consistent with the provisions of the relevant laws.

12. Money Laundering

WHAT IS MONEY LAUNDERING?

Generally, money laundering involves any financial transaction or series of transactions using funds derived from criminal activity which is conducted to facilitate or conceal criminal activity or the nature or source of proceeds derived from criminal activity.

In general, money laundering occurs in three stages. Cash first enters the financial system at the "placement" stage, where the cash profits from criminal activity are converted into monetary instruments (e.g., money orders or traveller's cheques) or deposited into accounts at financial institutions. At the "layering" stage, the funds are transferred or moved into other accounts or other financial institutions to separate further the proceeds from their criminal origin. At the "integration" stage, the funds are reintroduced into the economy and used to purchase legitimate assets or to fund further criminal or legitimate activities.

THE COMPANY'S POLICY ON MONEY LAUNDERING

The Company is committed to preventing the misuse of its personnel and facilities by persons who seek to launder money. Accordingly, the Company has strict procedures in place to detect, deter and prevent money laundering. The Company requires employees to bring suspicious activity to the attention of supervisors and compliance personnel immediately upon discovery. Any employee who knowingly fosters illegal conduct or who purposefully ignores plainly suspicious circumstances will be subject to inquiry and discipline, including termination of employment.

CRIMINAL LIABILITY FOR ASSISTING MONEY LAUNDERING

Anyone who assists another in money laundering, such as by executing a financial transaction with criminal funds, may be culpable. Culpability depends on the person's knowledge of criminal activity. Clearly, individuals who assist and know that the funds are criminally derived are culpable. "Willful blindness" can also result in a money laundering conviction. If you turn a blind eye to plainly suspicious conduct, you may be deemed just as guilty as a person who has been told explicitly that money laundering is being committed. "Willful blindness" occurs when an individual acts in such a way as to avoid knowledge of criminal activity intentionally. All employees are responsible for complying with all record keeping and reporting requirements under applicable law (e.g., Proceeds of Crime Act).

MONEY LAUNDERING PENALTIES

Each instance of money laundering carries a prison term and/or fines. Civil penalties include substantial fines and property forfeitures. There are also separate civil and criminal provisions

for violating the record keeping and/or reporting requirements under the law and for structuring or assisting in structuring any transaction to evade such reporting requirements. In addition to the criminal and civil penalties, money laundering prosecution or even an investigation can severely tarnish and even destroy the reputation of the employee(s) involved and the Company. Finally, violations of the Company's anti-money laundering policies may result in termination of employment.

13. Contributions

POLITICAL CONTRIBUTIONS

The Company encourages you to become involved in electing qualified candidates for public office. However, this policy does not permit using corporate funds, property, or resources, for running partisan political campaigns or raising campaign funds. The Company is not permitted to give corporate funds, property, or other resources to political parties or candidates unless authorisation to do so was obtained from senior management, the Directors or from the Chairman of the Board. Furthermore, the Company will not reimburse any employee for such contributions or expenditures.

An employee who makes a contribution to a political party or candidate from the Company's resources, without the authorisation of senior management, the Director or Chairman of the Board, will be deemed personally liable and will be required to reimburse the Company.

The Company cannot grant loans to candidates or parties, except when they are made in the ordinary course of business and in accordance with the applicable laws.

CIVIC/RELIGIOUS/CHARITABLE CONTRIBUTIONS

The Company is frequently asked by civic, religious, and charitable organisations for contributions. All such requests, in excess of \$___, must be in writing and forwarded to senior management for approval. If you request contributions for organisations to which you belong, you must disclose your affiliation with those organisations.

EMPLOYEE CONTRIBUTIONS

The Company does not restrict or discourage you from personally contributing to political parties or candidates or to civic, religious, or charitable causes. However, such contributions are not reimbursable by the Company in any way, either directly or indirectly.

EMPLOYEE RESPONSIBILITIES

Because of its visibility in the marketplace, the Company may be a traditional target for fund-raisers and, therefore employees must be scrupulous in adhering to the policies stated above. In addition to properly responding to requests for contributions, supervisors must also be certain that their employees, intentionally or not, do not provide Company funds or resources for illegal or unauthorised purposes. Supervisors should enforce this policy within their own areas of responsibility, with full accountability for their own and their employees' disregard or ignorance

of these policies. Employee questions regarding contributions should be directed to senior management.

14. Substance Abuse

The abuse of alcohol and other drugs creates a variety of problems in the workplace, such as increased injuries, increased absenteeism, increased financial burden on health insurance and other employee benefit programmes, increased workplace thefts, decreased employee morale, decreased productivity, and a decline in the quality of products and services. For this reason, the Company has established the following policies regarding substance abuse.

The Company prohibits employees from working under the influence of any type of drug (other than appropriately administered over-the-counter medications), including alcohol, unless that drug has been prescribed by a licensed physician and it has been determined that the drug does not cause side effects which could adversely affect job safety or performance.

The Company prohibits employees from using intoxicants on or off the Company's premises during working hours, including breaks and lunch periods.

Employees are prohibited from driving Company-owned vehicles while under the influence of alcohol or any other drug or medication that may impair safety.

To the extent permitted by applicable law, the Company reserves the right to test employees for illegal drugs or controlled substances, as well as to utilise any medical procedures necessary to determine if illegal drugs or controlled substances are present. If you refuse to provide a sample, or attempt to alter the sample, your employment may be terminated.

SUSPECTED DRUG ABUSE

You must promptly report to a supervisor any employee whom you believe might be in violation of the Company's drug and alcohol policy. You may also report suspected violations directly to Human Resources, to the Company's Ethics Hotline or to the Company's Ethics E-mail address.

RIGHT TO SEARCH

While you are on Company premises or conducting Company business, you are subject to search and surveillance at all times, at the sole discretion of the Company and without prior notification. Searches may include the search of your possessions and Company furniture, equipment, and containers.

CRIMINAL CONVICTIONS

If you are convicted of a criminal drug violation, you must report this conviction within five (5) calendar days to Human Resources.

TREATMENT

The Company recognises that drug and alcohol abuse may be a medical problem that can be successfully treated. Employees who believe that substance abuse is a problem for themselves or

a family member can obtain confidential help by contacting the Company's Human Resources Department.

15. Personal Computers

The Company has established explicit rules governing the use of its personal computers (i.e., PCs, laptops or desktop workstations), information systems and associated software. A summary of these rules is provided below.

PCs and associated software owned by the Company may be used for personal matters if such use is not excessive or inappropriate. Personal use is limited to:

- Assignments associated with work-related classes attended at a university, trade school, in-house course, etc.;
- Volunteer work associated with non-profit organisations, user groups, etc.;
- Self-directed education (i.e., the desire to learn more by on-the-job training);
- Managing personal financial affairs, such as Internet Banking, personal investment and retirement programmes;
- Managing employee benefits, e.g. retirement, health and similar plans.

USE OF COMPANY-OWNED PCS FOR PERSONAL GAIN IS STRICTLY PROHIBITED.

All information and files residing on Company-owned PCs and networks are the Company's property. You may not block access to any part of the Company's computers by using passwords not available to the Company. It is not appropriate to connect non-company owned computers to the Company's network, nor is it appropriate for company-owned equipment (such as laptop computers) to be connected to untrusted networks without the necessary security controls (i.e. firewall software, anti-virus software, etc.), Personal, home Internet connections are considered untrusted networks, whether via home cable modems, DSL lines, wireless cards or Internet dial-up accounts, etc.

You may not intentionally develop, use, or disseminate programmes that attempt to bypass system security mechanisms, steal passwords or data, or "crack" encrypted passwords. You should immediately report any suspicious activity on your computer workstation to your manager and respective Help Desk.

Personally-owned software may not be installed on the Company's equipment without the approval of the officer or department responsible for information systems. Company-owned software may not be copied for personal use. Company-owned software may not be copied for other Company use if prohibited by agreement with the vendor and/or applicable law.

Company-owned software may not be shared with anyone outside the Company, whether by loan or copy. Company-owned software may not be taken outside the Company for personal use and may not be retained at termination of employment or retirement.

You may not install unauthorised or unlicensed software on Company-owned PCs or networks. You may not use Company-owned PCs or networks to access pornographic, racist, sexist, or any other inappropriate websites or information. You

may not download any copyrighted materials, such as music, films, videos, photographs, or copyrighted writings, from the Internet to your personal computer. The Company may monitor, review, and inspect all information in the Company's computers. You should not assume any expectation of privacy with respect to your use of the Company's computers, networks, or communication systems. The Company reserves the discretion and right to determine whether personal use is excessive or inappropriate.

16. Protection of Assets and Information

All employees have a responsibility to protect the Company's assets and ensure their efficient use. Company assets should be used only for legitimate business purposes, except as otherwise provided in this Code.

Proprietary Company and customer information, computer-generated or otherwise, is the property of the Company and is only to be used for legitimate business purposes. It cannot be divulged to persons outside the Company without the express approval of an executive officer of the Company, except as is necessary for legitimate business purposes in accordance with the Company's purchasing and privacy protocols for dealing with outside vendors. Even if sensitive information is divulged accidentally or without malicious or criminal intent, the Company's business and reputation could be severely damaged. If you inappropriately divulge such information, you put the Company at risk and are in violation of this policy. Thus, great care should be taken to protect company and private customer information.

Furthermore, the unauthorised, malicious destruction of Company information, computer-generated or otherwise, is illegal since it is considered Company property. Even if you "created" the information, you do not have the right to sell or share it with others outside the Company or to destroy or erase it without prior approval of an executive officer of the Company. The intentional, malicious destruction or erasure of information is a violation of the law that can result in termination of employment and criminal prosecution.

For the protection of these resources, as well as the protection of the Company and its employees, the following rules of conduct must be adhered to by all personnel who access and use the Company's information and computer and microcomputer resources and facilities.

- The Company's information and computer programmes are the property of the Company. The Company's information, and computer resources and facilities shall be used only in conjunction with the performance of your specific job function or as otherwise permitted by this Code.
- If you are granted computer access, you must be authenticated by appropriate security procedures administered by the Company's Information Systems Division.
- You may not disclose your user or authentication password to another person. To do so is a violation of the Company's information protection policy. You are accountable for all activities involving your authentication password and user, whether internal or external to the Company's facilities.
- You are accountable for protecting all information you use or distribute, regardless of the medium on which it is transmitted and/or stored (e.g., paper, fax, diskette, or tape).

17. Employee Protection

You have a responsibility to report any statements and/or actions that are intimidating, harassing, or threatening, if it concerns you, a co-worker, or the Company in any way. Any such statements or incidents should be reported to a Human Resources Officer. The Company prohibits firearms, explosives, knives, or any other lethal weapons (or replicas of such weapons) or devices capable of causing bodily harm on any Company property.

You also may not carry on your person or have in your possession a firearm or other lethal weapon while performing any work-related duties for the Company, whether on the Company's premises or not. The Company reserves the right to inspect an employee when there is reason to believe such employee has a firearm or other weapon and reason to believe the employee may cause a violent or potentially violent situation.

The Company will not tolerate harassment of any employee that disrupts or interferes with the employee's work performance, or which creates an intimidating, hostile or offensive working environment. Harassment of any kind is not permitted.

18. Communication Systems

The Company provides you with access to its communication systems (e.g., electronic mail, interoffice mail, telephone, fax, Internet, etc.) in order to help you accomplish job-related duties. You are expected to use these communication systems in a professional manner.

The Company reserves the right to monitor, review, and inspect all aspects of its communications systems for training, security, customer service, and other purposes. Such activities may include the recording and/or monitoring of telephone calls, user access privileges and history logs. Your signature on the Statement of Compliance with the Employee Handbook indicates that you understand and acknowledge that the Company monitors and reviews its communication systems and that you consent to the Company monitoring and reviewing your personal and business communications. You should not assume any legitimate expectation of privacy in the Company's communication systems.

The Company reserves the discretion and right to determine whether any personal use is excessive or inappropriate.

The Company's e-mail system, remote e-mail, Internet access, or FTP privileges are subject to change at the sole discretion of the Company.

You are prohibited from altering any equipment configuration to gain access to services or information beyond that granted for your specific job function. Any illegal, unauthorised, or inappropriate use of the Company's communication systems by any employee is not permitted.

ELECTRONIC MAIL

In addition to the above prohibitions regarding the Company's communication systems, the following rules apply specifically to the Company's electronic mail (e-mail) and remote e-mail systems.

- The Company's e-mail system, as well as the information it contains, is the exclusive property of the Company.
- All messages on Company-provided e-mail systems become Company records. The Company reserves the right to access, monitor, review and disclose, for any purpose, all messages sent over its e-mail system. Views expressed in messages on the Company's e-mail system are not necessarily those of the Company.
 - In keeping with the Company's policies against unlawful harassment and discrimination, you may not send e-mail messages that are harassing, intimidating, offensive, obscene, or discriminatory toward anyone.
 - To protect against virus infection, you should not open e-mails or file attachments from unknown or untrusted sources. (File attachments are common sources of computer viruses, worms, and "Trojan Horses", especially attachments with .vbs, .exe, .sys, .scr or .com file-name extensions.)
 - You are prohibited from creating, using or disseminating any "malware", "spyware", or other code, script, or application designed to replicate itself, attach itself to other programmes, disrupt or deny services, or perform any other malicious activity inside or outside of the Company network.
 - Should you receive, via e-mail, inappropriate material such as messages containing harassing, intimidating, offensive, obscene, or discriminatory content from any source, you are obligated to report such messages to your immediate supervisor or the Human Resources Senior Manager. Forwarding of such messages is strictly prohibited.
 - You may not access someone else's e-mail unless authorised by a manager or department head. The Company, however, has the right to access any e-mail in its systems at any time for any reason, with or without prior notice.
 - You should have no expectation of privacy or confidentiality in your use of the Company's e-mail systems and also understand that security controls may log your e-mail activity.
 - You are prohibited from using e-mail to transmit customer information or confidential Company information outside of the Company network, without proper authorisation. Furthermore, confidential Company or customer information transmitted outside of the Company must be encrypted using the Secure E-mail application or another approved encrypted system.
 - You are prohibited from using e-mail accounts like Yahoo, Hotmail, etc. If you need to transmit such information outside of the Company network, you should use the Secure E-mail system or other acceptable software under the direction of the Information Security Department.
 - You are prohibited from using Company e-mail systems to transmit "junk mail" or other non-business-related advertising material to individuals within or outside of the network.



- o You are prohibited from using Company e-mail systems to create or forward “chain letters”, “Ponsi” or other “pyramid” schemes of any type.
- o Should you become aware of any misuse of the Company’s e-mail systems, you are obligated to report such misuse to your manager and to the Information Systems Department.
- o Use of Company’s remote e-mail systems is restricted to the support of legitimate business work. Such access is granted on a case-by-case basis.
- o You must receive prior written approval from executive management to obtain remote e-mail access. Remote e-mail access may be monitored or audited by the Information Systems Department.
- o You are prohibited from allowing an unauthorised user to gain access to the Company remote e-mail systems by use of your account and password.
- o Company files transferred during the remote e-mail viewing process should not be saved to non-Company owned computing devices.

19. Internet

The Internet serves the Company in many capacities and in certain instances, business critical functions. Overall, the internet can enable our business to be more productive. However, in addition to the benefits, accessing the Internet presents numerous significant risks to the Company (e.g. viruses, malicious web sites, potential theft of data, hacking, access to inappropriate content, spyware, etc.) and these risks increase daily. Employees with

Internet access are expected to ensure that their Internet activity serves as a business enabler, meets regulatory requirements and protects the corporate environment and customer information. Failure to do so can create unnecessary and unacceptable risk for the Company and its employees. Security controls may log your Internet use.

The following rules of conduct must be adhered to by all personnel who are granted Internet access:

- Use of Internet access should be restricted to business purposes, unless otherwise approved by your manager or supervisor.
- Your Company-provided Internet access shall not involve content, subject matter, or language that falls below standards of professionalism, respectability, and decency. Improper use or access of the Internet includes activity that disrupts work, wastes bandwidth, or may subject the Company to legal liability, including the viewing or downloading of images that might be deemed sexist, racist, vulgar, obscene, or are otherwise below the Company’s standards of professionalism and respectability. Any machine provided to you for the purpose of Internet access or any other type of Internet service should have company-installed virus-scanning software installed on it, with the most current virus data file. If the computer provided to you does not have virus-scanning software installed on it, you should contact the Information Systems Department immediately. Downloading files from the Internet to a Company machine or network without management authorisation is prohibited. Furthermore, downloading, installing, or participating in file-sharing application/website from Company computers is forbidden.

- You are prohibited from changing the configuration of Company computers to gain unauthorised Internet access.
- You are responsible at all times to use Company-provided Internet access in a manner that is ethical, legal, and not to the detriment of the Company or other Internet users.

20. Administration of Standards

The Nomination and Corporate Governance Committee has the ultimate authority to interpret these policies in any particular situation.

WAIVERS

From time to time, the Company may waive some provisions of this Code. Any employee who believes that a waiver may be called for should contact an executive officer of the Company, including the CEOs of any subsidiary company. Any waiver of this Code for executive officers or directors may be made only by the Board of Directors of the Company, or a committee of the Board of Directors, and must promptly be disclosed to shareholders. It is important to note that inaction on the part of the Company with respect to a reported or known violation of this Code may be deemed to be an implicit waiver.

ENFORCEMENT

The Company intends to enforce the provisions of this Code in a consistent manner, regardless of the status of the employee at the Company. Enforcement by the Company shall commence promptly following notice to the Company of any violation or alleged violation of this Code. The Chairman of the Audit Committee and the Company's General Counsel shall be responsible for receiving such notices and for applying the provisions of this Code to situations that violate or potentially violate this Code. An employee who is unsure of whether a situation violates this Code may discuss the situation with supervisor, senior manager, the Chairman of the Audit Committee, the Company's General Counsel, the Company's Ethics Hotline or the Company's Ethics E-mail Address to prevent possible misunderstandings and embarrassment at a later date. The responsibility of an employee to report any questionable behaviour promptly through any of the above channels is a clear and objective requirement of employment. A failure to observe this requirement will itself be a violation of this Code.

The Company wishes to encourage employees to report questionable behaviour, and the Company will, therefore, not tolerate any retaliatory actions toward employees that have made reports in good faith.

To determine whether a violation of this Code has occurred, an initial investigation will be made by or under the direction of the Chairman of the Audit Committee or General Counsel, and the result of such investigation shall be presented to the executive officer responsible for the applicable business unit or line of business. If deemed necessary, the Chairman of the Audit Committee, General Counsel or their representatives shall conduct interviews with all employees possessing relevant information.

The Chairman of the Audit Committee or General Counsel shall then present its findings in writing to the Board of Directors of the Company, or to a committee of such Board of Directors. The Board of Directors or such committee, as applicable, will take further action to enforce the provisions of this Code.

21. Employee Relationship

This Code of Business Conduct and Ethics is not an express or implied contract of employment and does not create any contractual rights of any kind between the Company and its respective employees. In addition, all employees should understand that this Code does not modify their employment relationship, whether at will or governed by contract.

The Company reserves the right to amend, alter, modify or terminate this Code at any time and for any reason.

STATEMENT OF COMPLIANCE WITH STANDARDS

You must review this Employee Handbook periodically and sign a Statement of Compliance with the Employee Handbook to certify that you:

- have read and understand the policies;
- are aware that not complying with the policies may result in disciplinary action, up to and including termination of employment; and
- are presently in compliance with the policies and have no exceptions (other than those reported on the Statement of Compliance with the Employee Handbook).

The Statement of Compliance with the Employee Handbook provides you with an opportunity to disclose any matters that may be exceptions to the policies. Your manager must review and sign your completed form. A permanent copy will be retained in your personnel file.

22. Employee Appeal Process

If your participation in any activity within this Handbook is abridged by virtue of a supervisory denial of permission to engage in such activity, or if disciplinary action is taken against you because of non-compliance with these policies, you have the right to appeal the decision.

BOARD PERFORMANCE EVALUATION

Framework for a Board Performance Evaluation

The Australia Institute of Company Directors 2018 publication *Reviewing Your Board: A Guide to Board and Director Evaluation*³³ purports that the framework for a board evaluation involves posing the following questions to guide the board in its approach to its performance. The following table is based on the article entitled Board Performance Evaluations that Add Value, it was posted by Kiel and Beck in the Harvard Law School Forum on Corporate Governance³⁴.

FRAMEWORK FOR A BOARD EVALUATION

WHAT ARE OUR OBJECTIVES?

- Is it conformance or value added, or both?
- Conformance is focused on complying with laws, regulations and standards
- Value added is focused on improving both organizational and board performance.
- It may be one of the two, or both objectives that are pursued.
- The identification of specific objectives helps to guide the scope of the review which often results in a focus on organizational leadership or problem resolution.

- Externally - shareholders, key stakeholders such as major clients and suppliers can be included.

WHAT TECHNIQUES WILL BE USED?

To collect quantitative and qualitative data, tools may include:

- Questionnaire based surveys
- Interviews
- Board meeting observations
- Document analysis

WHO WILL BE EVALUATED?

The evaluation often involves:

- the board,
- committees,
- individual directors including the Chair.
- as well as selected governance personnel such as the CEO and the Corporate Secretary.

WHO WILL DO THE EVALUATION?

- Internal facilitator – often the Corporate Secretary undertakes this.
- External facilitator – e.g. specialist consulting firms.
- The external facilitator brings insights into techniques, shares new ideas, and aids in transparency and objectivity. The external facilitator can also meditate sensitive issues.

WHAT WILL BE EVALUATED?

Establish the criteria:

- Is the goal general or specific performance improvements?
- The scope of the evaluation will have to be balanced with identifiable resources, including the time and availability of the directors, and key governance personnel.

WHAT WILL WE DO WITH THE RESULTS?

- Communicate the results to all directors and key governance personnel.
- Communicate to the senior management team where the board-to-management relationship is an issue.
- To build transparency the board may also opt to release information in a balanced way and therefore engage in a positive, focused board evaluation.
- The information release could include – how the evaluation was conducted, the focus of the review, and some of the major outcomes.
- Director confidentiality must always be protected.

WHO WILL BE EVALUATED?

- Internally - apart from the board members and CEO, the evaluation may include additional sources of feedback such as other management personnel, employees.

33. *Reviewing Your Board: A guide to Board and Director Evaluation* by Geoffrey Kiel, Gavin Nicholson, Jennifer Tunny and James Beck (2018)

34. *Harvard Law School Forum on Corporate Governance*, posted by Geoffrey Kiel and James Beck, Effective Governance Pty Ltd., on Friday, May 18, 2018

SAMPLE BOARD EVALUATION INSTRUMENT

The following instrument was sourced from the Institute of Corporate Directors and involves the use of a scale to which responses are noted from 1-5 as seen below:

Use this scale for your responses:

1 = Strongly Disagree; 2 = Disagree; 3 = Undecided; 4 = Agree; 5 = Strongly Agree

Model Board Evaluation

From: Institute of Corporate Directors

GENERAL	SCALE
1. The Board is firmly committed to being held accountable.	1 2 3 4 5
2. The Board has critiqued, questioned, and approved management's corporate strategy.	1 2 3 4 5
3. The Board can clearly articulate and communicate the company's strategic plan	1 2 3 4 5
4. The Board ensures outstanding operational execution by management.	1 2 3 4 5
5. The Board focuses on management succession and aligns CEO leadership with the company's strategic challenges.	1 2 3 4 5
6. The Board and the Corporate Governance Committee foster an aggressive value-driven and performance-oriented culture that aligns officer compensation with long term performance and innovation.	1 2 3 4 5
7. The Board is knowledgeable about competitive factors, including customer satisfaction.	1 2 3 4 5
8. The Board ensures that the management team is responsive to market forces.	1 2 3 4 5
9. The Board is strategically involved in merger and acquisition discussions, and ensures management's execution in those areas.	1 2 3 4 5

The Right People

10. The Board's independent directors have a wide range of talents, expertise, and occupational and personal backgrounds.	1 2 3 4 5
11. The company's non-executive directors are independent-minded in dealing with company issues.	1 2 3 4 5
12. The Board is intolerant of mediocrity in management and Board effectiveness.	1 2 3 4 5
13. Directors do what is best for the corporation and shareholders regardless of countervailing pressure.	1 2 3 4 5

The Right Culture

14. The Board encourages a culture that promotes candid communication and rigorous decision making.	1 2 3 4 5
15. Directors and managers work together to achieve "constructive interaction" - a healthy atmosphere of give and take.	1 2 3 4 5

SAMPLE BOARD EVALUATION INSTRUMENT

GENERAL	SCALE
The Right Issues	
16. The Board focuses on activities that help the company maximise shareholder value.	1 2 3 4 5
17. The Board consistently focuses on corporate strategy.	1 2 3 4 5
18. The Board and management act in concert, while showing commitment to their respective roles	1 2 3 4 5
19. Directors study and understand relevant information in order to spend their time effectively and make informed decisions.	1 2 3 4 5
20. Director requests for information are reasonable in amount and time frame, enabling thorough and prompt replies.	1 2 3 4 5
The Right Process	
21. The Board has composed a description of specific duties, goals, and objectives, and measures its performance against those responsibilities.	1 2 3 4 5
22. The Board has designated an independent committee to monitor Board composition and operations.	1 2 3 4 5
The Right Follow-Through	
23. The Board effectively follows through on its recommendations developed during the evaluation process.	1 2 3 4 5
24. Evaluation leads to a clearer understanding of what the Board must do to become a strategic asset.	1 2 3 4 5
25. The Board initiates action plans with specific time lines for implementation of recommendations and monitors progress.	1 2 3 4 5
26. The full Board agrees on and approves actions to address areas in need of improvement	1 2 3 4 5

*Adopted from the "Sample Board Self-Assessment Questionnaire" of the Institute of Corporate Directors

SAMPLE COMPANY SECRETARY TERMS OF REFERENCE

This sample Terms of Reference was the originally published by the IFC. It has been adapted for Jamaica. The model is provided as guidance on some of the standard duties of a company secretary. It is for the Board to define the terms necessary to meet its particular needs. Professional advice should be sought in developing terms of reference that are appropriate for the company's size, industry and stage of development.

1. General Provisions

1.1. COMPLEMENTARY TO LAW AND CHARTER

These terms of reference are complementary to the provisions contained in legislation and regulations and the company charter and rules.

1.2. WEBSITE

These terms of reference are posted on the company's website.

2. Election, Term, and Dismissal

2.1. APPOINTMENT

The Board shall appoint the Company Secretary.

2.2. SUFFICIENT QUALIFICATIONS

The Company Secretary must have the necessary qualifications to properly carry out his or her duties.

2.3. NOMINATIONS

A candidate nominated for the position of Company Secretary must disclose to the Board the following information:

- education and professional experience,
- personal references,
- such candidate's share ownership in the company,
- any relationship the candidate may have with affiliated parties and business partners of the company, and
- any other matters that may affect the independence or ability of the candidate to serve as Company Secretary.

2.4. CONTRACT WITH THE COMPANY SECRETARY

The terms of the contract with the Company Secretary shall be approved by the Board. The contract shall be signed by the chairman of the Board on behalf of the company. The Board may dismiss the Company Secretary in keeping with the terms of his or her contract of engagement.

3. Duties and Responsibilities

3.1. DUTIES GENERALLY

The Company Secretary shall:

- assist the Board, and the Board's other committees in the conduct of their meetings;
- keep minutes of all meetings of the company, the Board, and any committees;
- have possession of and keep current the company's records (including minute books, agendas, notices of meeting, proxies, filings with regulators, reports required by law and correspondence with external auditors);
- ensure the company's compliance with corporate and securities laws and regulations; and,
- develop and periodically review the company's corporate governance policies and practices.

3.2. CONTINUING EDUCATION

The Company Secretary will keep abreast of the latest legal and regulatory developments, as well as internationally recognised best practices, as they relate to corporate governance, and shall provide periodic updates to the company's directors and managers.

The Company Secretary shall work and coordinate closely with the company's legal department in this context.

3.3. ENSURE COMPLIANCE WITH PROCEDURE

The Company Secretary shall ensure that the Board and the Board's committees follow the company's rules and policies as determined by the Articles of Incorporation, charters, by-laws and other internal documents, including in the conduct of their meetings. The Company Secretary may recommend changes or additions to such rules and policies. The Company Secretary shall inform the chairman of the Board of any violations of corporate procedures in a timely manner.

3.4. GENERAL MEETINGS

The Company Secretary shall properly prepare and conduct shareholders meetings which may be annual general meetings or extraordinary general meetings, in accordance with law, Arti-

cles of Incorporation of the company, charters, by-laws and other internal documents of the company, following the decision on calling the meeting. In the course of preparing for and conducting the meeting, the Company Secretary shall:

- ensure that the list of the shareholders entitled to participate in the meeting is properly prepared;
- ensure that shareholders are given proper and timely notice of the meeting and that any required notices in the press are made;
- ensure all other persons who should attend the meeting are notified of it, including the CEO and other senior managers, Board members and the external auditor;
- prepare and ensure unrestricted and timely access for shareholders to all materials made available for the meeting and provide to shareholders, copies (certified, if requested) of such materials;
- assist the chairman of the meeting in determining the validity of any proxies presented at the meeting;
- take the minutes of the meeting;
- inform the shareholders of the results of any votes taken at the meeting; and,
- answer any questions regarding the procedural questions during the meeting, and take measures to resolve any conflicts arising when preparing for and conducting the meeting.

3.5. INFORMATION REQUESTS

The Company Secretary shall assist members of the Board and any committee in obtaining documents or information they request. The Company Secretary shall provide all members of the Board access to transcripts, minutes and any other documents of Board, and committee meetings, the opinion and management letter of the external auditor and the company's primary accounting documents and financial information.

3.6. TRAINING

The Company Secretary shall help organise induction training programmes for newly elected members of the Board to educate them on their duties and responsibilities, the procedures of the Board and other working bodies of the company, the company's organisational structure and officers of the company, internal documents of the company, decisions of shareholder meetings and the Board that affect their work as members of the Board and other information that may be required by members of the Board for the appropriate discharge of their duties.

3.7. ADVISE ON LEGAL AND CORPORATE REQUIREMENTS

The Company Secretary shall inform and advise members of the Board and any committee on legal requirements, charter and by-law provisions and other internal corporate regulations that regulate their rights and responsibilities.

3.8. COMMUNICATION

The Company Secretary shall assist in establishing and maintaining clear communication among the various governing bodies of the company. To this extent, the CEO, the chairman of the Board, and other relevant persons should promptly provide the Company Secretary with any information which is requested.

3.9. INFORMATION DISCLOSURE

The Company Secretary shall ensure the proper disclosure of information about the company. In particular, the Company Secretary shall:

- ensure compliance with the requirements of law, Articles of Incorporation, the charter, by-laws and other documents on disclosing information about the company, and
- ensure the timely disclosure, by the company, of information contained in any securities prospectuses, quarterly reports, annual report or other required reports or filings.

3.10. COMPANY RECORDS

The Company Secretary shall keep the company records and documents as specified under law, make these available to authorised parties, prevent unauthorised access, and make copies of such documents. If requested, the copies of documents shall be authenticated by the Company Secretary.

3.11. SHAREHOLDER REQUESTS

The Company Secretary shall ensure that all shareholder requests are properly processed by keeping records of all incoming shareholder requests, transferring the requests to the relevant governing bodies and departments and monitoring the timely and full response to such requests by the governing bodies and departments.

3.12. RESOLUTION OF CONFLICTS

The Company Secretary shall ensure that all conflicts arising from shareholder rights violations are properly examined and resolved by the company.

The Company Secretary shall have the right to request explanations from the company's stock registrar in connection with any shareholder complaints relating to share ownership.

3.13. RIGHT TO INFORMATION

The Company Secretary shall have the right to obtain any information necessary for the proper discharge of his or her duties.

4. Office of the Company Secretary

[NOTE: This provision is mainly of importance to larger companies.]

4.1. ESTABLISHMENT

To ensure that the Company Secretary is able to perform his or her duties efficiently and independently, the company shall establish the office of the Company Secretary ("the Office").

4.2. STAFF

The staff of the Office shall consist of ___ employees that report directly to the Company Secretary. The staff shall be appointed by the CEO, upon the recommendation of the Company Secretary. The staff must have the necessary qualifications to properly carry out their duties and responsibilities.

The staff may not, at the same time, be directors, managers or employees of any other company.

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We acknowledge the technical and financial contribution of IDB Invest to the development of this handbook.





Produced by The Private Sector Organisation of Jamaica (PSOJ)