

**JAMAICA STOCK EXCHANGE
MODEL CODE FOR SECURITIES TRANSACTIONS
BY DIRECTORS AND SENIOR EXECUTIVES OF
LISTED COMPANIES**

1. It is highly desirable that directors and senior executives of listed companies should hold securities in their own companies. However, directors and executives who wish to buy and sell such securities must first have regards to the statutory provisions of the Securities Act 1993 (Section 51) on insider dealing.
2. **The Basic Principles**
 - (i) Directors should not deal in their companies' securities in considerations of a short-term nature.
 - (ii) Directors will always be thought to be in possession of more information than can at any particular time be published. Accordingly, they must accept that they cannot at all times feel free to deal in their companies' securities, even when the statutory provisions would not prohibit them from doing so.
 - (iii) Notwithstanding this general constraint, there must be periods in the year when directors and executives are in principle (but subject to the statutory provisions) to be regarded as free to deal in their companies' securities. The following model rules have been formulated on the basis that:
 - (a) Dealings should not normally take place for a minimum period prior the announcement of regularly recurring information, particularly profits, dividends and other distributions, whether or not the information is price sensitive.
 - (b) Dealings should not take place prior to the announcement of matters of an exceptional nature involving unpublished price-sensitive information in relation to the market price of the securities of the company (or where relevant any other listed company).
 - (iv) For the purpose of the model code, the grant to a director of an option to subscribe or purchase his company's securities is to be regarded as a dealing by him, if the price at which such option may

be exercised is fixed at the time of such grant. If however, an option is granted to a director on terms whereby the price at which such option may be exercised is to be fixed at the time of exercise, the dealing is to be regarded as taking place at the time of exercise.

- (v) When a director places investment funds under professional management, even where discretion is given, the managers should nonetheless be made subject to the same restrictions and procedures as the director himself in respect of proposed dealings in the company's securities.

Model Rules

- 1.1 A director should not deal in any of the securities of the company at any time when he is in possession of unpublished price-sensitive information in relation to those securities.
- 1.2 The same restrictions should apply to dealings by a director in the securities of any other listed company when by virtue of his position as a director of his own company, he is in possession of unpublished price-sensitive information in relation to those securities.

At other times, a director (executive) WHO IS NOT PROHIBITED FROM DOING SO by Section 51 of the Securities Act, can feel free to deal subject to the provisions of the rules which follow:

- 2.1 A director (executive) should not deal in any securities of his own company without first notifying the Chairman (or other directors appointed for the specific purpose) and receiving acknowledgement.
- 2.2 The procedure established within the company should, as a minimum, provide for there to be a written record maintained by the company that the appropriate notification was given and acknowledged and for the director concerned to have written confirmation to that effect.
- 3.1 During the periods of two months immediately preceding the preliminary announcement of the company's annual results and one month in the case of quarterly results together with dividends and distributions to be paid or passed, a director shall not purchase any securities of the company nor should he/she sell any such securities unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met. In any event, he must comply with the procedure in Rule 2 above.

- 4.1. The restrictions on dealings by a director contained in this code should be regarded as equally applicable to any dealings by the director's spouse or by or on behalf of any infant, child or connected persons. It is the duty of the director, to seek to avoid any such dealing at a time when he himself is not free to deal.
- 4.2 Any director of the company who acts as trustee of a trust should ensure that his co-trustees are aware of the identity of any company of which he is a director so as to enable them to anticipate possible difficulties. A director having funds under management should likewise advise the investment manager.
- 4.3 Any director who is a beneficiary, but not a trustee of a trust which deals in securities of the company should endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that the trustees are aware of the companies of which he is a director.
5. A list of directors' 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.
6. The directors of a company should as a board and individually, endeavour to ensure that any employee of the company or director or employee of a subsidiary company, who, because of his office or employment in the company or a subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the securities of any listed company, deals in those securities in accordance with the model code.

Source:

Adapted from "Admission of Securities to Listing" issued by authority of the Council of the London Stock Exchange.

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