



## **JAMAICA STOCK EXCHANGE GROUP EMPLOYEES' CODE OF CONDUCT AND ETHICS**

### **INTRODUCTION**

The Management of JSE Group has adopted the following Employees' Code of Conduct and Ethics (the "Code"). Each employee of the JSE Group must comply with the letter and spirit of this Code. No code or policy can anticipate every situation that may arise. As the nation's sole public marketplace for equities securities, the JSE Group has an inviolable responsibility to ensure that its activities are conducted in accordance with the highest standards of business and personal integrity.

This Code also reflects the fact that the JSE Group is comprised of the Jamaica Stock Exchange and the Jamaica Central Securities Depository and the JCS D Trustee Services all public *'for-profit'* companies but cloaked with the public interest. The Group is **'peculiar'** as it hosts the activities of its members and regulates the diverse users of the Exchange. Accordingly, this Code is intended to serve as a set of guiding principles for employees. Employees must conduct themselves accordingly and seek to avoid even the appearance of improper behavior. Employees are encouraged to bring questions about particular circumstances that may involve one or more of the provisions of this Code to the attention of their Managers.

All employees of the JSE Group must comply with the Officers' and Employees' Statement of Business Conduct and Ethics and Guidelines on Gifts and Entertainment.

### **1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS**

Obedying the law, and behaving in a manner consistent with the JSE Group values is the foundation on which the JSE's Group ethical standards are built. All employees are expected to conduct all their business and affairs in full compliance with applicable laws, rules and regulations, and shall encourage and promote such behavior for themselves, officers and employees.

## 2. CONFLICTS OF INTEREST

Employees must avoid any conflicts of interest between himself/herself and the Group. A "conflict of interest" exists when an employee's personal or professional interest is adverse to the interests of the JSE Group. Conflicts of interest may also arise when an employee, or members of his or her family, or an organization with which the employee is affiliated receives improper personal benefits as a result of the employee's position as such. Any situation that involves, or may involve, a conflict of interest with the JSE Group, should be promptly disclosed to the General Manager, who may consult with inside or outside legal counsel, as appropriate.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are examples of situations where the rules are clear. No employee, when acting for the JSE Group, may directly or indirectly (such as through a family member):

- Accept any benefit, gift or entertainment that would be illegal or result in any violation of law;
- Accept any gift of cash or cash equivalent (such as gift certificates, loans, stock);
- Accept or request anything as a "quid pro quo," or as part of an agreement to do anything in return for the benefit, gift or entertainment;
- Participate in any activity that he or she knows would cause the person giving the benefit, gift or entertainment to violate his or her own employer's standards.

The following are examples of situations that may constitute a conflict of interest. Situations such as these should be brought to the attention of the General Manager for review and clearance before any action is taken:

- Competing with the JSE Group for the purchase or sale of property, services or other Interests.
- Having an interest in a transaction involving the JSE Group, a customer or supplier (other than as an employee of the JSE Group and not including routine investments in publicly traded companies).
- Receiving a loan or guarantee of an obligation as a result of an employee's position with the JSE Group.

- Engaging in any conduct or activities that disrupt or impair the JSE Group's relationship with any person or entity with which the Group has or proposes to enter into a business or contractual relationship.
- Accepting compensation, in any form, for services performed for the Group from any source other than the Group.
- Either an employee or a member of an employee's family receiving benefits, gifts or entertainment from persons or entities who deal with the JSE Group where a benefit, gift or entertainment is intended to influence the director's actions as a member of the Board, or where the acceptance could create the appearance of a conflict of interest.

### **3. INSIDER TRADING**

The securities laws impose severe sanctions upon any individual who uses "inside information" for his or her own benefit or discloses it to others for their use. Employees who have access to confidential information as a result of their position are not permitted to use or share that information for securities trading purposes or for any other purpose except the conduct of the JSE Group's business. All non-public information about the Group or its member firms or listed companies should be considered confidential information. To use non-public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal.

### **4. CORPORATE OPPORTUNITIES**

Employees are prohibited from taking for themselves personally, or for the organizations with which they are affiliated, opportunities that are discovered through the use of JSE Group's property, information or position without consent. No employee may use JSE Group's property, information, or position for improper personal gain. Employees owe a duty to the Group to advance its legitimate interests when the opportunity to do so arises.

### **5. COMPETITION AND FAIR DEALING**

The Group adheres to a policy of fair dealing in all its activities. Employees shall endeavor to deal fairly with the JSE Group's customers, suppliers, competitors and fellow employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create goodwill and sound working relationships, not to gain unfair advantage with customers. Employees and members of their immediate families may not accept gifts from persons or entities where any such gift is being made in order to influence the employee's actions as a member of staff or where acceptance of the gifts could create the appearance of such influence.

No one acting for the JSE Group may offer or give anything that is:

- Illegal;
- Known to be in violation of the rules of the recipient's organization;
- Cash or monetary instruments (such as bank cheques, traveler's cheques, money orders, investment securities or negotiable instruments);
- Unsavory, sexually oriented, or otherwise violates our commitment to mutual respect; A quid pro quo (offered for something in return); or
- Not recorded properly on the company books.

Practices that are acceptable in commercial business environments may be against the law or the policies governing the JSE Group employees. Therefore, no gifts or business entertainment of any kind may be given to any employee without prior agreement of Management.

## **6. COMPETITION LAWS**

The JSE Group believes that vigorous competition is in the best interest of the Group, its employees, and the public. The Fair Competition Act was conceived and enacted to help preserve private enterprise capitalism in Jamaica by promoting fair and healthy competition. It is the firm policy of the Group to comply fully with the spirit and letter of these laws.

Essentially, the competition laws prohibit activities which constitute unreasonable restraint of trade, unfair trade practices and other anti-competitive practices which restrict or lessen competition, including:

- Attempts to create a monopoly.

- Agreements among competitors to increase, decrease or stabilize prices; to divide territories or markets; to allocate customers; to limit the quality of products; or to limit production; or
- Price discrimination and other predatory trade practices.

Any failure to comply with the antitrust laws can have grave consequences not only for the JSE Group but for any employee who may be involved in a violation. Any employee having any question concerning compliance with the antitrust laws should seek the advice of the General Manager.

## **7. CONFIDENTIALITY**

Employees must maintain the confidentiality of confidential information entrusted to them by the JSE Group or its customers, except when disclosure is required by law or regulation. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Group or its members or listed companies, if disclosed. It also includes information that vendors, listed companies, prospects and members have entrusted to the JSE Group.

## **8. PROTECTION AND PROPER USE OF JSE GROUP ASSETS**

Employees may not use Group assets, labor or information for personal use, unless approved by Management, or as part of a compensation or expense reimbursement available to all.

## **9. WAIVERS OF THE CODE OF BUSINESS CONDUCT AND ETHICS**

Any waiver of this Code may be made only by the Board and will be promptly disclosed.

## **10. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOR**

Managers should promote ethical behavior and encourage an environment in which the Group encourages employees to talk to supervisors, or other appropriate personnel about observed illegal or unethical behavior and, when in doubt, about the best course of action in a particular situation. It is the policy of the JSE Group not to allow retaliation for reports of misconduct by others made in good faith.

## **11. ENFORCEMENT OF THE CODE OF BUSINESS CONDUCT AND ETHICS**

The Management shall determine appropriate actions to be taken in the event of violations of this Code. Such actions shall be reasonably designed to deter wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the Management shall take into account all relevant information, including the nature and severity of the violation, whether the violation appears to have been intentional or inadvertent, and whether the individual in question had been advised prior to the violation as to the proper course of action.

## **12. POLITICAL CONTRIBUTIONS AND ACTIVITIES**

Any political contributions made by or on behalf of the JSE Group and any solicitations for political contributions of any kind must be lawful and in compliance with Group's policies. This restriction applies solely to the use of Group's assets and is not intended to discourage or prevent individual directors from making political contributions or engaging in political activities on their own behalf. No one may be reimbursed directly or indirectly by the JSE Group for personal political contributions.

## **13. FOREIGN PAYMENTS**

Except in certain limited circumstances, certain laws in countries in which contract may be negotiated prohibit giving anything of value directly or indirectly to any "foreign official" for the purpose of obtaining or retaining business or other improper purposes such as reducing taxes. The meaning of "foreign official" can be surprisingly broad - UN officials, candidates for political office, employees of state owned businesses, etc. When in doubt as to whether a possible arrangement, payment or gift may violate these laws, seek appropriate clarification.

## **14. OTHER LEGAL STANDARDS**

There are many legal and ethical standards that apply to those who act for the JSE Group. Among these are the following:

- We are fully committed to mutual respect among all those who act for the Group. We do not discriminate against anyone based on race, color, religion, sex, age, national

origin, sexual orientation, citizenship status, marital status, parental status, political affiliation or disability. We do not tolerate any form of illegal harassment, including sexual harassment.

- We respect and are diligent in protecting the privacy of employees and JSE Group members and investors.
- All records (including email and computer records) that may be relevant in the event of litigation or governmental inquiries must be carefully preserved. In any dealings with the government, honesty is required of anyone acting for the Group.
- We will also not accept or use anyone else's proprietary information that is improperly obtained, and we will not copy or otherwise misappropriate others' copyrighted materials.

## **15. ANNUAL REVIEW**

The Management shall review and reassess the Code annually and make any amendments to the Code that deems appropriate.

*Adapted from NYSE Code of Ethics  
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