

WISYNCO GROUP LIMITED



Corporate Governance Policy (“Policy”)

1. **Introduction:**

The Board of Directors (“the Board” or “the Directors”) of Wisynco Group Limited (“Wisynco” or “the Company”) is tasked with creating and improving shareholder value, including the responsibility to create strategic objectives and to develop and monitor the frameworks that will guide the Company towards achieving these objectives. The Board monitors and evaluates financial reporting, and facilitates the monitoring of operations that have the potential to impact profit trends. Board meetings also address the goals and strategies for the operations, significant acquisitions and investments, as well as matters relating to the capital structure.

Senior executives report business plans and strategic issues to the Board on an ongoing basis. The Board, with the assistance of its Audit & Risk and Compensation & Corporate Governance Committees, is continuously reviewing and developing internal policies and guidance to ensure that the Company is following both local and international best practices.

2. **Overall Role & Functions of the Board:**

2.1 The Board’s general roles and functions, include, but are not limited to:

- i. Business strategy, including annual operating plans and budgets;
- ii. Business development initiatives including major investments and disposals;
- iii. Corporate governance;
- iv. Compliance with applicable laws, regulations and codes of ethical business conduct;
- v. Corporate citizenship and sustainable environmental practices;
- vi. Corporate financing and treasury related activities;
- vii. Directors’ compensation, executive compensation and overall remuneration policies and practices (including employee benefit plans);
- viii. Risk management and the adequacy of financial controls;
- ix. Organizational structure and succession planning;
- x. Financial reporting;
- xi. Timely, accurate and balanced disclosure of material information about the Company to appropriate stakeholders, including the shareholders and the Jamaica Stock Exchange; and
- xii. The identification, evaluation and selection of candidates for the Board.

2.2 The Chairman of the Board:

- i. The Chairman of the Board (“the Chairman”) and the Chief Executive Officer (“CEO”) should retain clearly defined and separated responsibilities, but work together to achieve targets and goals set by the Company.
- ii. The Chairman is responsible for leading the Board and chairing Board meetings, including ensuring overall Board effectiveness. The Chairman shall, in consultation with the CEO and the Company Secretary, set meeting dates and agendas. Additionally, the Chairman will ensure that Directors receive accurate, timely and clear information and ensure effective communication with the company’s management and shareholders. The Chairman should also facilitate the effective contribution of non-executive directors and ensure constructive relations between executive and non-executive directors.
- iii. The Board may appoint a Chairman who is independent of the Company (a non-executive).
- iv. Where the Chairman is not independent, the Board shall be entitled to nominate a ‘lead independent director’ from amongst the existing independent Directors whose role shall be defined by the Board.

- v. A person who is independent of the Company is someone who is free of any interest, position, association or relationship and who is not an employee of the Company or any affiliated entity. Such a person should
 - (a) not be a recent employee of the Company (within the preceding three (3) years);
 - (b) not be a close family member of any non-independent Director or senior executive of the company;
 - (c) not have directly or indirectly had a material commercial or business relationship with the Company within the preceding three (3) years; or
 - (d) not be employed or serve as a senior executive of any other company where any of the Company's other Directors or senior executives serve or are employed.

2.3 The Company Secretary is appointed by the Board and shall attend each Board meeting. The Company Secretary is responsible for recording and minuting Board decisions and for administering the Board's agreed policies and procedures so as to support effective decision-making and governance. Additionally, the Company Secretary is responsible to ensure that the Board's procedures are adequately followed. All Directors have access to the Company Secretary's advice and services in respect of the administration of the functions of the Board. Directors may obtain independent professional advice in the course of their duties, if necessary, at the Company's expense.

2.4 The Directors:

- i. Shall prepare for, attend and actively participate in Board meetings;
- ii. Carry out their duties and functions to the best of their ability;
- iii. Act honestly and in good faith, taking decisions objectively in the best interest of the company;

3. **Meetings:**

- 3.1 The Board shall meet at least once per quarter.
- 3.2 Additional Board meetings shall be determined and scheduled as necessary by the Chairman.
- 3.3 Quorum at a Board Meeting shall be three (3) Directors.
- 3.4 Meetings shall be held at the Company's head office in Lakes Pen, St. Catherine but may be held at any other location.
- 3.5 Meetings may be held by conference call, video conference, web-based service and any other available method.

4. **Competency, Composition & Selection of the Board:**

- 4.1 The Board shall be made up of a combination of independent and non-independent Directors.
- 4.2 Unless otherwise determined by a general meeting, the number of directors shall not be less than seven (7) or more than fifteen (15).
- 4.3 Every Director must possess and maintain a diversity of skill and expert knowledge in the execution of their responsibilities.
- 4.4 Every Director should bring sound judgment to the Board and effectively contribute to all matters considered.
- 4.5 The Board should in each annual report identify which Director is independent.

4.6 Compensation:

The level of compensation of the Non-Executive Directors reflects the time, commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The compensation is competitive and subject to regular review against what is paid in comparable situations elsewhere.

4.7 Selection:

- a) The Compensation & Corporate Governance Committee should lead the process for Board selection and appointments and make recommendations to the Board.
- b) The search for Board candidates should be conducted, and appointments made, on merit, against objective criteria and with due regard for the benefits of diversity on the Board, including gender.

- c) Before making a recommendation for appointment, the Compensation & Corporate Governance Committee should evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepare a description of the role and capabilities required.
- d) Factors to be considered when reviewing and recommending prospective candidates include, but are not limited to:
 - i. Strategic management and financial literacy and/or industry knowledge aligned with business and strategic objectives of the Company.
 - ii. The ability to devote sufficient time to Board and committee duties.
 - iii. Accomplished and experienced in business or professions.
 - iv. Familiarity with the geographic regions where the Company carries on business.
 - v. Integrity, honesty and the ability to generate public confidence.
 - vi. Demonstrated sound and independent business judgment.
 - vii. Knowledge and appreciation of public issues, changing macro- economic environment and familiarity with local, national and international affairs.
 - viii. Other important factors which are aligned to the strategic direction of the Company.
- e) In addition, the Compensation & Corporate Governance Committee will review existing directorships.
- f) The Board recognizes the right of shareholders to confirm the election of Directors at the Annual General Meeting (“AGM”) each year, however between AGMs the Board may appoint additional Directors.

5. Retirement & Rotation of Directors:

- 5.1 At every AGM (subsequent to the Company’s very first AGM) one-third of the Directors for the time being, (who are subject to retirement by rotation) or if their number is not three or a multiple of three then the number nearest to one-third shall retire from office, (who are subject to retirement by rotation) being those who have been longest in office since their last appointment or reappointment but as between persons who become Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election.
- 5.2 If there is only one Director who is subject to retirement by rotation, he shall retire.

6. Board Sub-Committees & Risk Management and Internal Controls:

- 6.1 There are two (2) sub-committees of the Board, being the Audit & Risk Committee and the Compensation and Corporate Governance Committee. These Committees are comprised of a mix of Non-Executive (Independent) Directors and Executive Directors who meet to discuss and review the key matters that fall within the scope of their responsibilities.
- 6.2 Each sub-committee has its own Charter which can be accessed at www.wisynco.com through the Investor Relations tab.
- 6.3 The Audit & Risk Committee:
 - i. This Committee is chaired by an Independent, Non-Executive Director.
 - ii. The Audit & Risk Committee is established for the primary purpose of assisting the Board with the oversight of the Company’s internal audit functions, the financial reporting processes, the qualification and independence of external auditors and compliance with legal and regulatory requirements.
 - iii. The Audit & Risk Committee is scheduled to meet at least four (4) times per year and its meetings are scheduled to coincide with key events or dates in the Company’s financial reporting calendar. The Audit & Risk Committee will agree on an annual schedule of meetings and the principal items to be discussed at these meetings.
 - iv. In summary, the responsibilities of the Audit Committee include:

- (a) Financial Reporting: overseeing the integrity of the Company’s financial statements and other documents relating to the Company’s financial performance and overseeing the Company’s internal controls, related party transactions and statutory and regulatory filing compliance;
- (b) External Auditors: reviewing the annual appointment of the external auditor and recommending subsequent approval by the Board, overseeing and reviewing the services the external auditor is to provide to the Company, as well as monitoring their independence, objectivity and effectiveness, and fees.
- (c) Internal Audit: examining and overseeing the Company’s Internal Audit plans for the year, reviewing the performance of the Internal Audit department, reviewing recommendations for improvements and implementation thereof and overseeing the resolution of any matters raised in relation to internal audit.
- v. For the Company’s Audit & Risk Committee Charter, please visit www.wisynco.com and click on the Investor Relations tab.

6.4 The Compensation & Corporate Governance Committee:

- i. This Committee is chaired by an Independent, Non-Executive Director.
- ii. Tasked with reviewing and developing the Company’s corporate governance code, sub-committee charters, internal policies and governance guidance on an ongoing basis, the Compensation and Corporate Governance Committee is always at work to ensure that the Company is following best practices at both an industry and a commercial level, in the context of the social, regulatory and consumer environment. The Chairman of the Compensation and Corporate Governance Committee liaises with the Company Secretary to determine the timing and frequency of meetings. The Committee is charged with meeting at least once per calendar year, but as often as necessary to fulfil its mandate.
- iii. In summary, the responsibilities of the Compensation and Corporate Governance Committee include:
 - (a) Compensation of Non-Executive Directors;
 - (b) Annual review of the remuneration policies for Executive directors and senior officers, including material benefits;
 - (c) Review of the organization structure and succession plan;
 - (d) Review of the systems and processes, by which the operations of the Company are directed; and
 - (e) Monitor and report on the policies, practices and decisions of the company, and their effects on its customers, employees and stakeholders.
- iv. For the Company’s Compensation & Corporate Governance Committee Charter, please visit www.wisynco.com and click on the Investor Relations tab.

6.5 Risk Management & Internal Controls:

- i. The Company recognizes that effective risk management is not about eliminating risk taking, which is a fundamental, driving force in business, entrepreneurship, and innovation, but instead uses an enterprise-wide risk management framework that serves to identify both the positive (opportunities) and negative risk (threats). The Company employs the “three lines of defence” risk management model to mitigate threats. Operational management is the first line of defence. They are responsible for maintaining effective internal controls, designed into the systems and processes under their guidance. The second line of defence includes various risk management, controller and compliance oversight functions, established to build and monitor the first line controls. Internal audit serves as the third line of defence, and provides the Board with assurances on the effectiveness of governance, risk management and internal controls.
- ii. This framework allows the Board to:
 - (a) Make informed decisions about the acceptable level of risk;
 - (b) Implement the necessary safeguards and controls to mitigate risk; and
 - (c) Align the Company’s strategic objectives with company policies and practices, thereby increasing shareholder value.

- iii. During the last financial year, the Company enhanced its risk management function with the addition of a Corporate Risk Officer. The Corporate Risk Officer monitors the Company's risk mitigation and works with Internal Audit to provide greater assurances to the Board's Audit & Risk Committee. Annually, the Audit & Risk Committee review and approve the Company's risk profile

7. Compensation of Directors:

7.1 Compensation for the Directors will be reviewed and approved by the Compensation & Corporate Governance Committee under the authority of the Board, who will review the total rewards of Directors, covering:

- (a) Annual Review of Salary;
- (b) Long term incentive plans;
- (c) Short term incentive plans;
- (d) Any other share-based plans; and
- (e) Benefits.

7.2 Confirmation of the compensation of Directors shall be voted on as an ordinary resolution at each AGM.

7.3 Director's compensation will be reflected in the Company's financial results.

8. Trading Wisynco Stock & Conflicts of Interest:

8.1 Trading in Wisynco's Stock:

- i. Any trading (buy, selling, or otherwise dealing) in Wisynco's stock must be promptly reported to the Company Secretary and subsequently reported to the Jamaica Stock Exchange ("JSE") in accordance with the JSE's requirements in place from time to time.
- ii. Reporting to the JSE includes black-out (prohibited trading periods) which are:
 - a) The period of thirty (30) days immediately preceding the announcement to the Jamaica Stock Exchange of the Company's quarterly financial results;
 - b) The period of sixty (60) days immediately preceding the announcement to the Jamaica Stock Exchange of the Company's annual financial results; and
 - c) Any period in which the Directors are in possession of price-sensitive information not available to the public or to the Company's shareholders.
- iii. For the Company's complete policy governing trading in Wisynco's stock, please visit www.wisynco.com and through the Investor Relations tab you will find the official 'Securities Trading Policy' passed by the Board.

8.2 Conflicts of Interest:

- i. A Director who has a personal interest in any transactions with Wisynco which could create or appear to create a conflict of interest must disclose such interests
- ii. Conflicts of interest, include but are not limited to:
 - (a) Any interest in contracts or proposed contracts with Wisynco or with an affiliated person or entity, which does business with the Wisynco;
 - (b) A transaction involving securities held in Wisynco;
 - (c) Emoluments received from Wisynco;
 - (d) Loans or guarantees granted by Wisynco to/for the Director involved.

9. Board Training & Evaluation:

9.1 Board Training:

- i. 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, its business activities, and the responsibilities of a Director.
- ii. The Company should provide the necessary resources to assist and ensure that Directors continually update the skills and knowledge required to fulfil their role both on the Board and Board Sub-Committees.

9.2 Board Evaluation:

- i. The Directors shall conduct an annual review of the Board's performance in accordance with applicable standards of corporate governance. The Chairman should ensure that the Board acts on the results of the performance evaluation by recognizing its strengths and addressing any areas for improvement which might be identified.

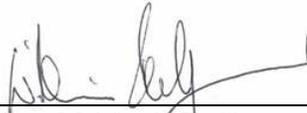
10. Publication & Review of this Policy:

10.1 This Policy will be made available on the Company's website, www.wisynco.com through the Investor Relations tab. The Annual Report will also make mention of this policy and its availability on the Company's website.

10.2 This Policy will be reviewed by the Board at least once every two (2) years or sooner if deemed necessary by the Board.

10.3 Date of next review: June 1, 2022

By Order of the Board:



William Mahfood, Chairman

Date: June 26, 2020