



PAN JAMAICA
GROUP LIMITED

Corporate Governance Policy





CORPORATE GOVERNANCE POLICY

1 INTRODUCTION

The Board of Directors (“the Board” or “Directors”) of Pan Jamaica Group Limited (“the Company”) represents the owners’ interest in the Company, its subsidiaries and associated companies (the “Group”) in maintaining and growing a successful business, including by optimizing long-term shareholders’ financial returns and adhering to the best practices in corporate governance. This is an active and engaged responsibility that requires the Board to regularly monitor the effectiveness of management policies, decisions and strategies and supervise the capable execution of management’s duties.

The Board of the Company accepts that its primary objective of creating shareholder value must be supported by the Group’s corporate responsibilities towards its customers, employees, suppliers and the communities where it operates. In all actions taken by the Board, the Directors are expected to exercise independent business judgement in what they reasonably believe to be in the best interests of the Group. In discharging that obligation, Directors rely on the honesty and integrity of the Group’s senior management, its outside advisors and auditors.

2 FUNCTIONS OF THE BOARD

The Board makes its decisions directly or through its established Sub-Committees, and reviews and approves key policies and supervises the management of the Group particularly in relation to:

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





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The Board has assigned specific responsibilities for the Chairman, all Directors and the Company Secretary.

The Chairman of the Board is principally responsible for chairing the Board, overseeing its effective operation, and for ensuring that information that Directors receive is sufficient to make informed judgements. The Chairman shall, in consultation with the CEO and the Company Secretary, establish the agenda for each Board meeting.

Directors are expected to regularly attend meetings of the Group's shareholders, Board and meetings of Board Committees on which they serve, and to spend the time needed to prepare for and to meet as frequently as necessary to properly discharge their responsibilities. Prior to a Board or Committee meeting, Directors are entitled to receive information and materials that are important to the Board's understanding of the business to be conducted in order to provide adequate time for review.

During each financial year, there will be a minimum of four regular meetings of the Board. Special Board meetings may occur at such other times as any member of the Board may reasonably request. Each Board member is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for a meeting.

Directors shall be knowledgeable and informed about the business of the Group and their duties and responsibilities. The Group shall assist Directors in their education about the Group and their duties and responsibilities as Directors. The Directors' education programme will include a periodic review of the vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices of the Group and will provide for meetings with Executive Management. New Directors are provided with written information about the Group to assist them in their education. All Directors have access to presentations on aspects of the Group's business and operations and management has a duty to regularly update the Board on changing regulation and practices related to corporate governance.

The Directors shall conduct a periodic review of the Board's performance in accordance with applicable standards of corporate governance.





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The Company Secretary is responsible for recording Board decisions and for administering the Board's agreed policies and procedures in order to support effective decision-making and governance. The Company Secretary is appointed by, and can only be removed by the Board. 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.

3 SELECTION/COMPOSITION OF THE BOARD

Directors are required to apply a diversity of skill and expert knowledge in the execution of their responsibilities. This is taken into account in the selection and composition of the Board.

The Board of the Company will have a minimum of four (4) and a maximum of twelve (12) Directors. The number of Independent Directors of the Company should equal or exceed thirty per cent of the total number of Directors. At any time, the number of Executive directors should not exceed 50% of the total number of Directors. "**Independent**" with respect to a Director, means a Director who is **not related** to the Company by virtue of the following circumstances i.e. a Director who:

- a. Has been an employee of the Group within the last three (3) years;
- b. Has or has had within the last three (3) years, a material business relationship with the Group either directly, or as a partner, shareholder, director or senior officer of a body that has such a relationship with the Group;
- c. Is an immediate family member of any Non- Independent Director or Senior Officer of the Company; or
- d. Is employed as a senior officer of another company where any of the Company's Directors or Senior Officers serve on that company's board of directors.

"**Senior Officers**" of the Company are those persons named as such in quarterly and annual reports of the Company to the Jamaica Stock Exchange.

Election, terms, re-election and retirement of each Board member shall be consistent with the Articles of Incorporation ("Articles") of the Company. The Corporate Governance and Nomination Committee is responsible for keeping under review the composition of the Board and succession to it.





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4 COMPENSATION OF DIRECTORS

The determination of compensation of Directors is subject to ratification or modification under the Company's Articles of Incorporation. 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.

5 CONFLICTS OF INTEREST

Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information on a regular basis to the Jamaica Stock Exchange. No Director should trade in the Company's shares during "black-out" periods which include:

- a period two (2) weeks prior to the end of a reporting period-end and the date of release of its financial results to the Jamaica Stock Exchange.
- any period in which the Directors are in possession of price-sensitive information not available to the public or its shareholders.

A Director who has a personal interest in any transactions with the Group which could create or appear to create a conflict of interest must disclose such interests. These transactions include but are not limited to:

- Any interest in contracts or proposed contracts with the Group or in a firm, which does business with the Group;
- A transaction involving securities held in the Group;
- Emoluments received from the Group;
- Loans or guarantees granted by the Group to/for the Director.

Disclosure shall be made in writing to the Chairman for disclosure to the Board or at the first opportunity at a Board Meeting in which case such disclosure shall be recorded in the minutes of the Board Meeting. The Director shall then offer to recuse himself or herself from the Board's deliberations over any such contract and shall not vote on any such issue. The disclosure of a Director's interest shall include interests of his/her family and affiliates.

6 CODE OF CONDUCT

The Board expects all Directors, as well as officers and team members to act ethically at all times and to adhere to all Group policies, particularly the Code of Ethics & Business Conduct.





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7 BOARD COMMITTEES

The Board has established four (4) Committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

a. Audit Committee

On behalf of the Board, as set out in the Audit Committee's Charter, the Audit Committee shall:

- a. Review the Company's annual and interim financial statements and determine whether they are complete and consistent with the information known to Committee members. The Committee shall assess whether the financial statements reflect appropriate accounting principles. All financial statements and matters which are of significant import to the investing public shall be reviewed by the Committee;
- b. Assess the fairness of the preliminary and interim statements and disclosures, and obtain explanations from Management and internal and external auditors on whether:
 - i. Actual financial results for the interim period varied significantly from budgeted or projected results;
 - ii. Generally accepted accounting principles have been consistently applied;
 - iii. There are any actual or proposed changes in accounting or financial reporting practices;
 - iv. There are any significant or unusual events or transactions;
 - v. The Company's financial and operating controls are functioning effectively;
 - vi. The preliminary announcements and interim financial statements contain adequate and appropriate disclosures.;
- c. Recommend the appointment of internal and external auditors;
- d. Monitor and review the effectiveness, independence and objectivity of the Company's internal audit function ;
- e. Develop and implement policy on the engagement of the external auditor to supply non-audit services;
- f. Approve the Company's risk management policy which defines the Company's risk appetite and level of risk tolerance;
- g. Monitor the adequacy and effectiveness of the Company's systems of risk management and control;
- h. Review and approve related party transactions;
- i. Ensure the Board is aware of matters which may significantly impact the financial condition or affairs of the business;
- j. Perform other oversight functions as requested by the full Board.





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The Chairman of the Audit Committee shall be appointed by the Board. The Board Chairman shall not be appointed Chairman of the Audit Committee. The Audit Committee shall consist of not less than three (3) members, the majority of whom should be Independent¹ Directors. The Audit Committee shall meet at least four (4) times a year.

¹ This update to require a majority of Independent rather than Non-Executive Directors, is to bring the Policy in line with a recent amendment to the JSE Listing Agreement (Appendix A, Section 14 (a) which requires the Audit Committee of a Listed Company to be comprised of at least 3 Independent directors, one of whom should be the Chairman.





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b. Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee (“CG Committee”) shall be appointed by the Board and shall be comprised of no more than five (5) and no fewer than three (3) members, a majority of whom shall be non-executive members of the Board. The Chairman of the CG Committee shall be appointed by the members of the CG Committee. The duties of the CG Committee as set out in the CG Committee Charter shall be to:

- a. address corporate governance issues;
- b. review the corporate governance practices and policies of the Company and to ensure that they are up to date and in compliance with the Board’s Corporate Governance Policy, the law and best practices, and to make recommendations to the Board on any changes as necessary to such practices and policies;
- c. nominate potential candidates and evaluate the suitability of those candidates for future Board membership;
- d. propose suitable candidates to the Board for approval prior to approaching the candidate;
- e. approach the future candidate and, upon positive response, introduce the future Board member to the Board;
- f. make recommendations to the Board in consultation with the Company’s Chairman and CEO, concerning potential appointments to the Board, having regard to the balance and structure of the Board and the required blend of skills and experience;
- g. oversee the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed;
- h. establish and facilitate an effective process for the annual evaluation of Board members, committees, committee chairs and the Chairman of the Board and to make recommendations to the Board arising from the results of the annual evaluation processes as appropriate; and
- i. review other corporate governance matters when necessary or required by the Board.

The CG Committee shall meet at least two (2) times per year, and as often as required.

c. Investment and Risk Committee

The Investment and Risk Committee (“IRC”) comprises a mix of Executive and Non-Executive Directors and shall have no less than six (6) Directors. As set out in the IRC Charter, the IRC is responsible for reviewing at short notice, potential investments, acquisitions and disposals in line with the Group’s strategy. The IRC shall meet as may be required for the expedient evaluation of investments.

d. Human Resources and Compensation Committee

The Board shall appoint a Compensation and Human Resources Committee (“HRCC”) which shall consist of no more than four members and no fewer than two members, the majority of whom shall be Non-Executive Directors.





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As set out in the HRCC Charter, the HRCC serves inter alia to:

- review the performance of the Executive Directors and the Senior Officers of the Company on at least an annual basis;
- report its findings during a regular Board meeting annually;
- determine, in executive session at which the Chief Executive Officer of the Company (the “CEO”) is not present, the compensation for the Company’s CEO;
- review and determine the compensation of the executive officers of the Company other than the CEO based upon the recommendation of the CEO and such other customary factors that the Committee deems necessary or appropriate;
- determine awards and/or bonuses to be granted to the employees of the Company under the Company’s compensation or benefit plans or policies as approved by the Board or the Committee;
- approve the overall amount or percentage of plan and/or bonus awards to be granted to all Company employees and delegate to the Company’s executive management the right and power to specifically grant such awards to each Company employee within the limits and parameters set by the Committee; and

The HRCC shall also conduct an annual review of the remuneration policies for Executive Directors and Senior Officers of the Group as well as material employee benefits and compensation plans and programmes. This review will include an assessment of whether the Group’s compensation plans are consistent with the sustainable achievement of its business objectives, the prudent management of its operations and the risks to which it is exposed, and will look for adherence to the Group’s processes, policies, procedures and controls. The HRCC shall review the Group’s senior level organisation structure and management succession plan at least annually.

8 BOARD PERFORMANCE EVALUATION

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 recognising its strengths and addressing any weaknesses identified.

9 INDUCTION PROGRAMME AND ONGOING TRAINING

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.

The Company should provide the necessary resources to ensure that Directors continually update the skills and knowledge required to fulfil their role both on the Board and Board Committees.





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10 REVIEW OF CORPORATE GOVERNANCE POLICY

The Corporate Governance Policy should be reviewed at least every two years and the outcome of the review advised to the Jamaica Stock Exchange.

11 PUBLICATION OF THE CORPORATE GOVERNANCE POLICY

The Corporate Governance Policy shall be made available to the public on the Company's website. The Company's annual report shall indicate that this Policy is available on the Company's website.

BY ORDER OF THE BOARD

Stephen Facey
Chairman of the Board
Date: 23 February, 2024

Version #	Board Approval Date	Date of Next Review
1	February 23, 2024	February 23, 2026

