

# Corporate Governance Policy

## INTRODUCTION

The Board of Directors (“the Board”, “the Directors”) of JFP Limited (“JFP”, “the Company”) formerly Jamaica Fibreglass Products Limited) is established and tasked with the responsibility of ensuring that the Company sets and maintains a strategic plan and direction, establishes ethical standards and values, complies with applicable laws and regulations, operates in a manner that provides sustainable financial stability and builds community relationships within the environment in which it operates. The mission statement which drives JFP’s existence is the tool used by the board and senior management to ensure growth and financial value for our shareholders. The Board is tasked with the responsibility of maintaining high standards of integrity, good financial management and effective corporate governance in accordance with the Rules of the Jamaica Stock Exchange, the Jamaica Corporate Governance Code and international best practices.

## BOARD COMPOSITION

The Board consists of a total of seven (7) members: two (2) Non-Independent Executive Directors, four (4) Independent Non-Executive Directors and one (1) Non-Independent Non-Executive Director. Independent Non-executive directors are not employees of the company and hence have no executive management responsibilities. They are primarily concerned with corporate policy and strategy. Their duties include the monitoring of the performance of management in meeting the company’s goals and objectives. Creating a balanced board allows for fair decision making. Board decisions are made directly or indirectly through its sub-committees - the Audit Committee and Corporate Governance, Remuneration and Nomination Committee. The board has responsibility for effectively promoting the success of JFP by its review and approval process in relation to key policies, business strategies and business development initiatives involving the Company’ affairs.

## BOARD FUNCTIONS

The main functions of the Board are:

- Risk management and internal accounting control measures to mitigate against fraud;
- Financial Reporting;
- Compliance with applicable laws and regulations and codes of ethical business practices;

- Corporate social responsibility;
- Compensation (to include directors, executives and employee remuneration and benefits);
- Succession planning and organizational structure;
- Timely, accurate and balanced disclosure of material information to shareholders, stakeholders, and regulatory agencies;
- Identification, selection and assessment of suitable candidates for the Board;
- Asset acquisition, expansion plane and mergers.

## **CHAIRMAN**

The Chairman is the presiding head of the Board and chairs Board meetings, drives the strategic/foundational plans and ensures that adequate resource material is provided to steer board decisions. In conjunction with the Chief Executive Officer and the Company Secretary, the Chairman collaborates on setting the agenda for board meetings.

## **BOARD OF DIRECTORS**

Directors are required to attend Board meetings, Annual General meetings and Committee meetings

There is a minimum of five Board meetings per year during which all pertinent information relating to the meetings must be shared and ample time given to allow for the review of said documents. However, if the need arises outside of the established schedule, then a request can be made to convene for discussion.

It is the responsibility of the Directors to familiarize themselves with the operations of JFP and their duties based on their areas of expertise to provide the management team with efficient support.

The directors are required to conduct reviews of the Board's performance and committees' performance at least once per year. The Chairman shall act on the presented results of the evaluation by acknowledging the strengths and addressing the weaknesses of the Board.

## **COMPANY SECRETARY**

The Company Secretary has direct responsibility for recording the minutes of the Board and sub-committee meetings and for managing agreed policies to support the decisions made to ensure good corporate governance.

## **CEO SUCCESSION PLANNING AND PERFORMANCE EVALUATION**

### **DISCLOSURES**

The sale or purchase of shares in JFP by any Director must be immediately communicated to the Company Secretary who is required to disclose such information to the JSE. No Director should trade in company shares during "black-out" periods which include:

- 30 days before the quarterly financials are published
- 60 days before the audited financials are published
- 30 days immediately preceding any dividends or distribution to be paid or where the Directors may be in possession of sensitive information not yet available to the public.

## CONFLICTS OF INTEREST

Any Director who has a personal interest in any transaction with JFP that could create or appear to create a conflict of interest must declare such interests in writing to either the Company Secretary or the Chairman. Transactions to be disclosed include but are not restricted to:

- Interest in contracts or proposed contracts with JFP or in a company that does business with JFP.
- Transactions involving securities held in JFP.
- Loan/s or guarantees granted by JFP to/for any Director
- Charitable donations to any company of which the JFP Director is also a Director

## BOARD COMMITTEES

The Board of Directors has established two (2) committees with clearly defined responsibilities.

### AUDIT COMMITTEE

The Audit Committee was appointed by the Board of Directors and consists of two (2) non-executive, independent members and one (1) executive, non-independent member. The Chairperson of the audit committee shall be appointed by the Board. The functions of the audit committee include:

- Review and approve quarterly and annual financial statements of the company and any other financial information prepared by or on its behalf.
- Review of internal accounting policies/manuals and financial control systems.
- Make recommendations to the Board regarding the appointment of an external auditor and approve the compensation and terms of engagement of said auditor. Monitor and review auditors' independence and effectiveness and review for discussion the auditors' Management Letter to the company.
- Develop and implement policy on the engagement of external auditors to provide non-audit services.
- Ensure that the recommendations noted in the management letter prepared by the external auditors are addressed by management in a timely manner.
- Review and approve related party transactions.
- Report to the Board any matters that may require action or improvement and make recommendations on next steps to be taken.
- The audit committee has direct responsibility for making recommendations to the Board on the appointment or termination of the external auditors.

The committee is required to meet four (5) times per year and must also review the annual financial budget of the company and recommend its acceptance by the Board.

#### CORPORATE GOVERNANCE, REMUNERATION AND NOMINATION COMMITTEE ('CGR&N Committee')

The Corporate Governance, Remuneration and Nomination Committee was appointed by the Board of Directors and consists of two (2) non-executive, independent members and one (1) executive, non-independent member. The Chairperson of the committee shall be appointed by the Board. The functions of the committee include:

- Develop and review for the Boards approval a Corporate Governance Policy for JFP.
- Monitor trends and best practices in corporate governance and nomination practices to ensure compliance.
- Propose suitable candidates and assess their capabilities for Board appointment.
- With due process, recommend to the Board potential candidates who would provide balance and structure with their blended skills and expertise to ensure a diverse Board. Board diversity in terms of age, gender, industry knowledge, qualifications and technical expertise is believed to support the company's success.
- The names of Directors submitted for election or re-election must be supported by a biography and any other pertinent information to allow shareholders to make an informed decision on their election.
- The CGR&N committee will review annually the performance of all non-executive directors to determine if they effectively carried out their duties.
- The nomination committee will provide for inclusion in the Annual Report a document outlining the activities and processes used for selection of appointments.
- The Board must ensure that succession plans are in place for Directors and senior management to protect the interest of shareholders and to allow the company to continue operating efficiently and with continuity.
- The CGR&N committee will conduct an annual review of the remuneration policy for Executive Directors and senior management officials as well as material employee benefits and compensation plans. This review is to determine whether remuneration plans are consistent with the sustainable objectives of the business.
- Review and where necessary, make recommendations to the Board in respect to the Company's remuneration policy to ensure it is attractive to retain and motivate senior management and other key employees.
- Review and where necessary make recommendations to the Board in respect to the company's incentive compensation and equity-based plans. With respect to such plans, the committee will have responsibility for:
  - a) implementing and overseeing the plan
  - b) setting performance targets for all annual bonuses and long-term incentive plans
  - c) approving all amendments to and terminations of all compensation plans and rewards

- Review and recommend to the Board for approval compensation of directors for their service to the Board. Evaluate and recommend changes where necessary to the remuneration of directors.

### **ANNUAL GENERAL MEETING**

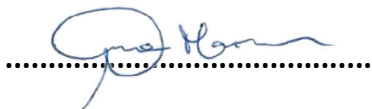
The Annual General Meeting (AGM) is the primary opportunity to inform shareholders and investors of the company's affairs. The directors will ensure that the information provided presents a balanced and comprehensive assessment of the company's financial and business position.

### **POLICY REVIEW**

This policy will be reviewed every two years and the revised publication disclosed to the Jamaica Stock Exchange. The Company Secretary will take the necessary steps to ensure that it is uploaded to the company's website and a copy placed in the Annual Report.

**APPROVED BY THE BOARD OF DIRECTORS**

**IN A DULY CONSTITUTED MEETING HELD ON AUGUST 8, 2022**



**Cristina Matalon  
Company Secretary**