



Corporate Governance Policy

JFP Limited



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1. INTRODUCTION

The Board of Directors (“the Board”, “the Directors”) of JFP Limited (“JFP”, “the Company”) is established and tasked with the responsibility of ensuring that the company sets and maintains a strategic direction, establishes ethical standards and values, complies with regulations, operates in a manner that provides sustainable financial stability, and builds community relationships within the environment it operates in. 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 and is responsible for maintaining high standards of integrity, good financial management, and good corporate governance frameworks.

2. BOARD OF DIRECTORS

The Board of Directors ("**the Board**") of JFP Limited ("**the Company**") is primarily responsible for corporate policy and strategy, including risk management, financial reporting, compliance, corporate social responsibility, compensation, succession planning, and organizational structure. Board decisions are made directly or indirectly through its sub-committees, including the Audit Committee and the Remuneration and Corporate Governance Committee.

2.1. Role of the Board

The main functions of the Board are:

- 2.1.1 Risk management and internal accounting control measures to mitigate against fraud.
- 2.1.2 Financial Reporting
- 2.1.3 Compliance with applicable laws and regulations and codes of ethical business practices.
- 2.1.4 Corporate social responsibility.
- 2.1.5 Compensation (to include directors, executives, and employee remuneration and benefits).
- 2.1.6 Succession planning and organizational structure.
- 2.1.7 Timely, accurate, and balanced disclosure of material information to shareholders, stakeholders, and regulatory agencies.
- 2.1.8 Identification, selection, and assessment of suitable candidates for the Board.
- 2.1.9 Asset acquisition, expansion planning, and mergers.
- 2.1.10 Corporate Governance.

2.2 DIVISION OF RESPONSIBILITIES

2.2.1 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.

2.2.2 Board Members

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. JFP shall assist Directors in their education about the company and their duties and responsibilities as Directors. There shall be an introductory education programme for Directors which will include the vision, strategic direction, core values, financial matters, corporate governance practices, and other key policies and practices of JFP. Directors shall periodically review the vision and strategic direction of the Company. 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.

2.2.3 Company Secretary

The Company Secretary has direct responsibility for recording the minutes of the Board and subcommittee meetings and for managing agreed policies to support the decisions made to ensure good corporate governance. The Company Secretary shall be appointed by, and shall only be removed by the Board of Directors. Directors have access to the Company Secretary for advice and services in respect of the administration of the functions of the Board.

2.2.4 Company Mentor

In keeping with the JSE's Junior Market Rule 505 (4) – Mentor Requirements: The Mentor has responsibility for oversight of procedures, systems, and controls for the purpose of compliance with good standards of corporate governance including but not limited to the holding of regular Board meetings, the establishment of appropriate committees of the Board including the Audit Committee and the Remuneration Committee, due diligence inquiries, good fiscal discipline, and adherence to junior market rules.

2.3 Board Composition

- 2.3.1 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 i.e. the Audit Committee and Remuneration and Corporate Governance 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's affairs.

2.4 Board Evaluations

- 2.4.1 The Directors recognize the importance of evaluating the effectiveness of the Board of Directors on an annual basis. This process will allow for the assessment of the organizational structure, operational efficiency, scope of responsibilities, information flow, and management support. By conducting thorough evaluations, the Board seeks to identify areas for improvement and reinforce commitment to best practices in corporate governance. This comprehensive process reviews key areas critical to the governance framework:
- 2.4.2 Appraising the Basic Organization of the Board of Directors: Assessing the composition, diversity, and structure of the Board to ensure it is well-equipped to fulfill its responsibilities effectively.
- 2.4.3 Surveying the Effectiveness and Efficiency of Board Operations: Evaluating the efficiency of the Board and committee meetings and decision-making processes.
- 2.4.4 Assessing the Board's Overall Scope of Responsibilities: Reviewing the Board's role in setting strategic direction, overseeing risk management, and monitoring performance against key objectives.
- 2.4.5 Evaluating the Flow of Information: Examine the quality, timeliness, and relevance of information provided to the Board to support informed decision-making.
- 2.4.6 Validating the Support and Information Provided by Management: Assess the effectiveness of management support in facilitating Board operations and decision-making processes.

2.5 Board Meetings

- 2.5.1 Throughout each financial year, there will be a minimum of five (5) regular Board meetings. Special Board meetings may be scheduled at alternate times as any member of the Board may deem necessary. Board meetings typically occur at the Company's offices but can also be conducted virtually, in a hybrid format, or at other locations and times as decided by the Board. Meetings may be held via conference call, video conference, or by any other electronic communication deemed necessary.

2.6 Annual General Meeting

- 2.6.1 Annual General Meetings (“AGMs”) are held to provide shareholders with the opportunity to engage with the Board and management, share their views, and participate in corporate decisions. Directors convene to discuss shareholder concerns and views, which are considered in decision-making processes and future planning. The minutes of AGMs are posted on the company's website to ensure transparency and accessibility of information for all stakeholders.

3. BOARD COMMITTEES

- 3.1 The Board has the authority to delegate responsibilities to specialized committees. This delegation is designed to enhance efficiency and focus on specific areas of governance. The Board appoints the Chairpersons for each committee. The Chairpersons are responsible for leading the committees and ensuring that they operate effectively.

The Board also approves the terms of reference for each committee. These terms outline the committee’s scope, authority, and responsibilities, providing clear guidelines for their operation

- 3.2 The Board has established two key committees:

- **Audit Committee**
- **Remuneration and Corporate Governance Committee**

3.3 AUDIT COMMITTEE

- 3.3.1 The Audit Committee shall be appointed by the Board. The committee shall consist of not less than three members, with the majority of members at any one time being independent non-executive directors of the Company. A quorum shall be two members. The committee chairperson shall be appointed by the Board from among the independent non-executive directors.

- 3.3.2 The Committee’s responsibilities shall be:

- 3.3.3 To appoint, recommend the retention of, and oversee the work of the independent external Auditor employed to conduct the annual Audit (including resolution of

disagreements between the Auditors and management regarding financial reporting), assess the independence of the external Auditor, ensuring that Audit partners are rotated at appropriate intervals

- 3.3.4 To recommend to the Board the approval of the Audit fee and to pre-approve any fees in respect of non-Audit services provided by the external Auditor and to ensure that the provision of non-Audit services does not impair the external Auditors' independence or objectivity
- 3.3.5 To discuss with the external Auditor, before the Audit commences, the nature and scope of the Audit and to review the Auditors' quality control procedures and steps taken by the Auditor to respond to changes in accounting standards and other regulatory requirements
- 3.3.6 To oversee the process for selecting the external Auditor and make appropriate recommendations through the Board to the shareholders to consider at the annual general meeting
- 3.3.7 To review the external Auditor's management letter and management's response
- 3.3.8 Following completion of the annual Audit, review separately with the external Auditor any significant difficulties encountered during the course of the Audit, including any restrictions on the scope of activities or access to required information, and any accounting adjustments that were noted or proposed by the Auditor and were unrecorded as immaterial or otherwise

Meetings shall be held not less than five times per year and should coincide with key dates in the Company's financial reporting cycle. External Auditors or Internal Auditors may request a meeting if they consider that one is necessary.

3.4 REMUNERATION AND CORPORATE GOVERNANCE COMMITTEE

- 3.4.1 The Remuneration and Corporate Governance Committee shall consist of at least three members of the Board. Members of the Committee shall be appointed by the Board. All members of the Committee shall be chosen for their competence and experience and the majority shall be independent directors. The Chairperson of the Committee shall be an independent director. A quorum shall be two members.
- 3.4.2 The Committee's responsibilities shall be:
- 3.4.3 Develop for the Board's approval the Company's corporate governance charter.
- 3.4.4 Conduct an annual review of the Company's corporate governance charter.
- 3.4.5 Consider possible conflicts of interests of directors and any related party transactions of directors and make relevant proposals to the Board in accordance with the Company's corporate governance charter.

- 3.4.6 Report to the Board on any conflicts of interest that may arise if a member of the Board accepts a position on another Company's Board.
- 3.4.7 Review any change in status (including fulfilment of independence requirements) and professional affiliation of current directors and make relevant proposals to the Board in accordance with the Company's corporate governance charter.
- 3.4.8 Oversee the development and implementation of a Board induction process for new directors and a programme of continuing director development, as needed.
- 3.4.9 Develop a process for evaluating Board effectiveness and co-ordinate the annual Board evaluation exercise.
- 3.4.10 Conduct evaluations and make recommendations to the Board regarding the compensation for the CEO and other Executive management.
- 3.4.11 Review and make recommendations to the Board regarding goals and objectives for the CEO and consider the evaluations of the CEO against such goals and objectives.
- 3.4.12 Review and make recommendations to the Board regarding the evaluations of the other executive management conducted by the CEO.
- 3.4.13 Review and make recommendations to the Board regarding the annual compensation framework for the CEO and the other executive officers.
- 3.4.14 Make recommendations to the Board regarding the compensation framework, including salary, target performance incentive, short and long-term incentive awards, perquisite/fringe benefits, and other forms of compensation. In setting such compensation programmes, review the compensation practices of comparable companies, and seek to set the appropriate financial performance targets and goals for the CEO and executive management.
- 3.4.15 Report to the Board on the foregoing annual compensation framework and details of the compensation for the CEO and executive management.
- 3.4.16 Board Compensation: review and recommend to the Board any changes to the components and amount of compensation for its members.
- 3.4.17 Employee Plans: Review, approve and report to the Board when materially modifying any compensation programmes that yield payments and benefits that are not reasonably related to the employees' performance and that have a material cost impact to the Company or, to the extent required by law, have a significant impact to employees, including fringe benefit programmes.

3.4.18 Executive Agreements: Review, approve and report to the Board with input from the CEO, all newly hired executives' offer packages and new and existing executives' employment contracts.

The Committee shall meet as often as required and at least twice a year. Meetings shall be scheduled annually in advance where possible.

The quorum necessary for the transaction of business shall be two directors. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities and responsibilities of the Committee.

4. DISCLOSURES

4.1 The sale or purchase of shares in JFP by any Director must immediately be 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:

4.1.1 30 days before the quarterly financials are published

4.1.2 60 days before the audited financials are published

4.1.3 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.

4.2 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 interest. Transactions to be disclosed include but are not restricted to

4.2.1 Interest in contracts or proposed contracts with JFP or in a company that does business with JFP

4.2.2 Transactions involving securities held in JFP

4.2.3 Loan/s or guarantees granted by JFP to/for any Director.

4.2.4 Charitable donations to any company of which the JFP Director is also a Director.

The above provisions shall be read in conjunction with the Disclosure Policy.

5. CONFLICT OF INTEREST

5.1 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:

5.2 Interest in contracts or proposed contracts with JFP or in a company that does business with JFP.

5.3 Transactions involving securities held in JFP.

5.4 Loan/s or guarantees granted by JFP to/for any Director.

5.5 Charitable donations to any company of which the JFP Director is also a director.

The above provisions shall be read in conjunction with the Conflict-of-Interest Policy.

6. POLICY REVIEW

- 6.1 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

Signed: 
Chairman

Date: August 12, 2024

DOCUMENT CONTROL

Document ID	Title	Version	Approval Date	Date of Next Review	Comments (new)
DOC001	Corporate Governance Policy	1	8/8/2022	8/8/2024	Initial release
DOC002	Corporate Governance Policy	2	12/8/2024	8/8/2026	Index, Numbered sections, Minor amendments to sub-sections, Company Mentor, Board Evaluation, Board Meetings, addition of AGM Minutes, updated the Corporate Governance, Remuneration and Nomination Committee to Remuneration and Corporate Governance Committee, updated Disclosures