



CORPORATE GOVERNANCE POLICY

(Updated December 2016)

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1. INTRODUCTION

The Board of Directors (“the Board”) of Mayberry Investments Limited and its Subsidiaries (“the Group” or “Company”) has adopted these corporate governance guidelines (the “Guidelines”) to promote the effective functioning of the Board and its committees, to promote the interests of shareholders, to promote the highest standards of ethical behavior, and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions.

To serve the interests of shareholders and other stakeholders, MIL’s corporate governance guidelines are reviewed on an annual basis in the context of changing regulation and emerging best practices with a view of enhancing the Group’s governance.

The Corporate Governance Policy as set out herein, is applicable to each subsidiary in the Group and separately governs each board that will have oversight responsibility for the Board Sub-Committees of each entity. This policy is posted on Mayberry Investments Limited website: www.mayberryinv.com.

2. DEFINITION OF TERMS

“**Blackout Periods**” is defined as a period during which the individuals identified below cannot trade in Mayberry shares. These periods occur as shown below in our trading calendar and changes based on the calendar year and dates when reports are released.

“**Securities**” includes shares as well as financial products issued or created over shares by third parties, structured financial products or any products related to the performance of shares.

“**Trading**” means:

- Applying for, acquiring, or disposing of the securities or entering into an agreement to do so
- Procuring someone else to trade in those securities or to enter into an agreement to do so
- Communicating (directly or indirectly) the information to another person if you know or ought reasonably to know that the other person would or would be likely to trade the securities or to procure someone else to do so

The persons to whom this policy applies are as set out below:

- All directors and employees of the company
- Spouses of directors and employees of the company
- Directors and employees’ children under eighteen (18) years
- Individuals to whom directors and employees have controlling interest over their accounts or estate.
- Trustees of a trust of which directors or employees are beneficiaries;

This policy applies to trading by any of the above persons on their own behalf, as agent for someone else or through third parties.

- An “**Executive Director**” is a Director who is part of the current management team of the Company.’
- A “**Non-Executive Director**” is a director who is not part of the current management in the Company.
- An “**Independent Director**” is a Director who:
 - Is not a substantial shareholder (10%) of the Company or a controlling person of a non-listed financial institution (or member of a group of individuals and/or entities that collectively exercise control over the financial institution), or otherwise associated directly or indirectly with a substantial shareholder or controlling person of a financial institution.
 - Is not connected to a company that provides material advice or consultancy to the financial institution or its connected or related parties. The nature of the advice or consultancy provided is not considered material if it does not impact the critical operations of the financial institution.
 - Is not involved in any material business arrangement with the financial institution. Business arrangements are not considered material and are not likely to jeopardize the Director’s judgment and thereby his /her independence if: -
 - 1) The arrangements are usually and customarily offered to clients of the company,
 - 2) The arrangements are offered on substantially similar terms as those prevailing at the time for comparable transactions with other clients under similar circumstances;
 - Is not a member of the immediate family of an individual who is, or has been during the past two years employed by the company,
 - Is not, nor in the past two years has been, affiliated with, or employed by a present or former auditor of the company, or any of the auditor’s connected or related parties.
- **Affected person** – means any director or officer that is referred to below:

The requirements in this JSE Rule Book Model Code apply to the following categories of dealings:-

(a) dealings in the securities of a listed company by the following categories of persons:-

- (i) a director of the listed company; and
- (ii) an officer of the listed company; and

(b) dealings in the securities of other listed companies by the following categories of persons:-

- (i) a director of a listed company; and
- (ii) an officer of a listed company, when by virtue of his position as such director or officer, he is in possession of price-sensitive information in relation to such securities.

- **Affected company** - means a listed company on whose board the Director sits or to which the senior executive is employed.
- **Connected Persons**
Persons deemed to be connected with director/senior manager are:
 - a) The directors’/senior manager’s husband or wife
 - b) The director’s/senior manager’s minor children (these include step-children and adopted children) and dependents, and their spouses
 - c) The directors’/senior manager’s partners

d) Bodies corporate of which the director/senior manager and/or persons connected with him together have control.

o **Control**

Control of a corporation is the holding of shares which carry 50% or more of the voting rights in the corporation.

3. BOARD STRUCTURE AND COMPOSITION

3.1 Board Role and Function

The primary role of the Board of Directors is to provide oversight and effective leadership of the Company's affairs for the benefit of its shareholders and its stakeholders, including its customers, team members, suppliers, regulators and the local community. In this context, the Board shall provide guidance and support to a competent Executive team in ensuring the safe and sound operation of the organization. The Board shall therefore ensure that the Executive Team is suitably qualified and properly structured to carry out their responsibilities. In that regard, the Board shall ensure that:

- Fit and proper assessments are conducted for all proposed executives, consistent with the provisions of the Financial Services Commission and the Jamaica Stock Exchange Rule 414. The Board shall retain the power to remove any member of the executive leadership team where such individuals have not been deemed "fit and proper". When such action is taken, the Board of Directors is required to immediately notify the Financial Services Commission of Jamaica, Jamaica Stock Exchange and the Bank of Jamaica of not only the action taken but also the reasons for doing so. Further, managers shall be required to provide adequate notice of resignation in writing and in strict accordance with the company's policies.
- The Supervisory Authority shall be promptly advised of all proposed appointments of Executive Managers, and also be advised of all resignations and dismissals, with details of the reasons for such actions where regulations expressly state a requirement for this to disclose.
- Appropriate succession systems are in place to identify measure and monitor gaps in roles critical to the continuity of business operations.

Decisions taken by the Board must be informed by reasonable and balanced assessments of all relevant information. In all actions taken by the Board, the Directors are expected to exercise independent thinking and sound business judgment in what they reasonably believe to be in the best interests of the Company. In exercising this obligation, Directors may rely on the honesty and integrity of the Company's management and its outside advisors and auditors.

3.2 Board Composition

The composition and structure of the Company's Board shall be consistent with local and statutory and regulatory requirements as well as best practices. The size and complexity of each entity shall also be considered in determining the composition and structure of the Board.

The Articles of Association of Mayberry Investments Limited stipulates that:

- A. Unless otherwise determined by a general meeting, the number of directors of the company shall not be more than eleven (11)
- B. The quorum necessary for the transaction of the business of the Directors may be fixed by the directors, and unless so shall be three (3).
- C. The Board should have a mix of Independent and Executive Directors, with sufficient number of Independent Directors to ensure that the Board Committees have the required number of Independent Directors.
- D. Collectively, the Board members shall bring a blend of knowledge, competence and experience to be able to fully understand the Company's material activities and associated risks enabling the Board to carry out its functions effectively.
- E. Directors will be nominated provided they meet the criteria set by the Company, in accordance with the relevant regulatory guidelines on Fit and Proper Person Criteria.
- F. Directors' maximum consecutive term will be in accordance with the Articles of Association of the Company.
- G. The Board shall establish appropriate Board Sub-Committees to provide advice and support, assuming responsibility for matters that require more detailed and frequent review and thereby directly contributing to the Board's independent oversight function.

3.3 Board Leadership

Chairperson

The members of the Board shall elect a Chairperson, with good knowledge of financial matters, preferably with experience in the industry at senior level, to provide firm guidance and objective leadership.

The Chairperson should devote sufficient time to enable the Board to diligently discharge its responsibilities. The main responsibilities of the Chairperson shall be to:

- a. Create and maintain an effective working relationship with members of management and the Board
- b. Preside over meetings, encourage participation of Directors in Board matters and mediate differences of opinion and ensuring that the agenda is appropriately directed to the matters of greatest importance to the Company.
- c. Participate in the nomination of Directors to ensure that the Board has the right mix of competencies, skills, objectivity and expertise.
- d. Evaluate the performance of the Chief Executive Officer and jointly create a learning and growth plan.
- e. Evaluate the performance of Directors.
- f. Guide the Board and Executives ensuring time for consultation, preparing of agenda and minutes and supervision of implementation of recommendations and resolutions.

- g. Ensure that all relevant information on financial and operating matters is placed before the Board to enable Directors to reach informed decisions.
- h. Ensure adoption of good corporate governance practices.
- i. Maintain relations with the shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

Deputy Chairperson

The main responsibilities of the Deputy Chairperson shall be to support the Chairman in carrying out his/her role.

Executive Directors

The Board shall include a balance of executive and non-executive directors, (and in particular independent non-executive directors) such that no individual or small group of individual can dominate the Board's decision taking. The Chief Executive Officer will be the responsibility for managing the day-to-day business and operations of the Company.

The inclusion of the Executive Directors will eliminate managerial disassociation from the Board decisions and increase the level of managerial diligence in advising the Board by making management a critical part of the decision.

Company Secretary

To ensure the smooth functioning of Board and Board Sub Committee meetings, the Board shall appoint a Company Secretary to:

- a. Assist the Chairperson of the Board with the agenda, information gathering and other logistics as it relates to meetings and the Board carrying out its duties.
- b. Manage action items for Board meetings on behalf of the Chairperson to ensure that all open items are addressed and resolved.
- c. Ensure compliance with statutory and regulatory requirements.
- d. Devise orientation and training programmes for the new Directors.

No person shall be appointed or hold office as Secretary who is:

- a. The sole director of the company; or
- b. A corporation the sole director of which is the sole director of the company; or
- c. The sole director of a corporation which is the sole director of the company

Role of the Executive Team Leaders (ETL)

The Board may delegate functions to the CEO who may in turn delegate to the ETLs of the Company. The primary responsibility of the executive Board directives and manage the day to day operations of the Company in accordance with the objectives and policies set out by the Board.

Other responsibilities of ETLs/Department Heads include the following:

- a. Execute Board directives, including the implementation of the Company's strategic aims and objectives, ensuring that proper systems are in place for their attainment, monitoring of results and timely reporting to the Board.
- b. Assist the Board in fostering a strong corporate culture that promotes compliance and integrity, as well as good ethical and professional practices.

- c. Ensure that the Company is adequately staffed and that staff has the requisite skills, experience and integrity to perform assigned functions effectively and efficiently.
- d. Ensure that officers are equipped with the necessary resources and support to effectively execute their duties.
- e. Facilitate the Board's oversight role through the provision of relevant, accurate and timely information to facilitate informed decision making and enabling the Board to effectively oversee the management and operations of the organization.
- f. Ensure that there are appropriate and adequate systems established to facilitate the execution efficiency of the Company's operations, which are subject to independent reviews, as well to facilitate accurate and timely reporting to the Board and the Supervisory Authorities.
- g. Take reasonable measures to prevent the organization from being used to facilitate financial crimes. These measures must be in accordance with the relevant laws, such as the Proceeds of Crime Act (POCA) as well as the Guidance Notes issued by the Bank of Jamaica and the Financial Services Commission.
- h. Conduct on-going assessment of the wider staff to ensure they are fit and proper and provide timely advice to the Supervisory Authorities and the Board of any appointment and removal of persons in sensitive

4. RESPONSIBILITIES OF THE BOARD

The Board of Directors mandate is to oversee the company's affairs and to promote high standards of corporate governance within the Company whilst examining the soundness of the Company's financial policies, business strategies, the effectiveness of its internal controls and risk management framework. The fundamental objective is to ensure transparency, all in an effort to protect shareholders and stakeholders value.

The Directors are expected to exercise their business judgment in what they reasonably believe to be in the best interest of the Company. In discharging that obligation, from time to time, the Directors rely on the honesty and integrity of the Company's senior executives, its external advisors and auditors as to matters the directors reasonably believes are within such person's professional expertise. Other responsibilities of the Board include:

- **Strategic Planning**

The Board of Directors is ultimately responsible for the establishment of the strategic objectives. These should be clearly defined, well documented and communicated to all team members. In fulfilling these objectives, the Board shall:

- a. Review, challenge and approve strategic options presented to the Board by the ETLs/Department Heads, giving full consideration to the risks involved
- b. Monitor and evaluate the implementation of strategies, adherence to regulatory requirements, policies and performance measurements
- c. Ensure that appropriate information systems are in place to enable the Company in meeting its operational and strategic goals in the most effective and efficient manner
- d. Ensure that the ETLs/Department Heads has documented policies to ensure that activities are undertaken in accordance with the approved business strategy.
- e. Ensure that the competences and capacity of the organization are expanding to match the needs of the strategic plan
- f. Ensure that the Company is focused on its agreed strategy and pursues a culture of high performance

- g. The Board shall approve policy formulation and policy decisions. The Board will review the Executive decisions where the decisions are inconsistent with the core values and policies

- **Risk Management**

It is the responsibility of the Board and the ETLs/Department Heads to ensure that an adequate and effective risk management framework is in place for identifying, measuring, controlling and monitoring all material risks to which the Company is exposed. In fulfilling these responsibilities, the Board shall:

- a. Define the risk appetite of the Company while setting the overall tone and direction of the Group through the establishment of sound strategies, values and culture.
- b. Identify and assess key risk areas of the business and ensure measures are taken to mitigate those risks.
- c. Understand the nature and level of risks being taken by the Company or any individual companies within.
- d. Ensure that management is provided with the resources required to adequately manage the material risks to which the Company is exposed.

- **Other Key Responsibilities**

- a) Set the Company's vision, mission and core values.
- b) Ensure that the Company is adheres to the core values.
- c) Ensure the CEO is qualified and competent with sufficient experience and knowledge of the business.
- d) Ensure adequate succession planning is in place for CEO and the ETLs/Department Heads and other positions deemed critical to the organization.
- e) Define clearly the authorities, responsibilities and accountabilities for all key persons in the Group.
- f) Ensure adoption of sound corporate governance practices.
- g) Ensure effective communication with shareholders.
- h) Ensure that the information technology systems and processes are appropriate and reinforced with a system of checks and balances to ensure trustworthiness, security and confidentiality of data.
- i) Ensure the Group's brand and reputation is protected.
- j) Ensure that effective internal controls systems are in place to safeguard the Company's assets.
- k) Understand the statutory obligations with which the Company must comply and ensure that there is an effective compliance system in place for all applicable laws and regulations.
- l) Oversee capital expenditures, acquisitions and divestitures.
- m) Oversee the investments in subsidiaries and associated companies to the benefit of the shareholders.
- n) Approve important capital investments of the Company, including new products and services.
- o) Be flexible and facilitate timely and effective decision making.
- p) Agree on the composition and terms of reference of the board sub committees and assess routinely whether the Board and its committee are functioning effectively. The Board and its committees, each are provided for in their respective, charters, shall conduct annual self-evaluations. The Corporate Governance Committee shall lead the evaluations and will report the results of the evaluations to the Board.
- q) Ensure all Directors have access to the advice and services of the Corporate Secretary.

- r) Ensure that Directors, especially non-executive Directors, have access to independent legal, financial, governance or other expert advice in the course of discharging their responsibilities.
- s) Ensure ETL's/ Department Heads adopt a written Code of Conduct which clarifies the standards of ethical behaviour required of the Company.
- t) The policy should specify the relationship between remuneration and performance and include measurable standards that protect long-term interest of the company over short-term considerations.
- u) Ensure that if any of the following circumstances occur it is reported to the Regulators:
 - Matters that could materially affect the financial condition and/or reputation of the Company
 - Advise of any significant transactions (including transactions with connected parties) or significant events or circumstances that could affect the viability of the Company
 - Advise of any fraud or criminal act believed to have been committed by officers and employees of the Company or committed against the Company within the Group as required by law.
- v) Ensure that any material fact that indicates that the Group is or is likely to be unable to meet its obligations is reported to the Regulators.
- w) Ensure that the Regulators are advised of any dismissals or resignations from Executive Management or key positions and to advise of any circumstances that may render any director, manager or officer unfit for office; and to ensure that the appropriate steps being taken by the Company in response to the situation as required by law.
- x) Ensure that a person that holds a substantive position within the Company is not liable to another entity as an employee or agent, except in such temporary circumstances as the Regulators authorize.

5. BOARD OPERATION AND EFFECTIVENESS

5.1 Board Meetings

- a) The Group Board shall meet sufficiently regularly to discharge its duties effectively.
- b) Meetings shall be convened by the Chairman, as scheduled or at the request of one or more Directors.
- c) Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously.
- d) All open items arising from Board Meetings will be managed by the Company Secretary.
- e) The meeting will be presided by the Chairman or in his absence, the Deputy Chairman.
- f) The quorum shall be three (3) Directors.
- g) Resolutions shall be passed by majority vote.
- h) The minutes of proceedings of each meeting shall be approved at the following meeting as evidence of the deliberations and decisions taken.
- i) All Directors are expected to attend the annual meeting of stockholders, Board meetings and meetings of the Board committees on which they serve.
- j) The Board should facilitate shareholders questions for the external auditors and ETL's/Department Heads.
- k) Informational materials such as, but not limited to, the agenda, Board minutes and papers, should be forwarded to all Directors at least five (5) working days prior to the meeting to allow the documents to be adequately reviewed.
- l) At Board meetings, the Chairman shall:
 - i. Maintain control of proceedings
 - ii. Stimulate debate by drawing out the contributions of all members
 - iii. Guide discussions while ensuring that genuine disagreements are aired and resolved

- iv. Ensure decisions reached are properly understood and recorded.
- m) The minutes of each meeting of the Board shall be well documented to provide:
 - i. An accurate and adequate record of Board decisions
 - ii. Indication of the members in attendance at each meeting
 - iii. An appropriate record of the material contribution of each member of the Board
 - iv. The minutes of the meetings of the Board, as well as proper records of Board papers/submissions shall be appropriately signed and made available to the Regulators and other appropriate individuals for review upon request as required by law.
- n) Notice for the Annual General Meeting, including date, time, place, agenda and related papers should be sent to shareholders at least twenty-one (21) days before the meeting for special resolutions and otherwise not less than ten (10) business days in writing nor more than fifty (50) days before the meeting.

Proceedings at Annual General Meetings

- a) All business shall be deemed special that is transacted at an Extraordinary General Meeting, and also all that is transacted at an Annual General Meeting, with the exception of declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the directors and auditors, the election of directors in the place of those retiring and the appointment of, and the fixing of the remuneration of, the auditors.
- b) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; save as herein otherwise provided, two members present in person or by proxy shall be a quorum.
- c) If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed the meeting, the members present shall be a quorum.
- d) The Chairman, if any, of the board of directors shall preside as Chairman at every general meeting of the company, or if there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act the directors present shall elect one of their number to be chairman of the meeting.
- e) If at any meeting no director is willing to act as chairman or if no director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their numbers to be chairman of the meeting.
- f) The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at meeting from which the adjournment took place. When a meeting is adjourned for days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting
- g) At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded -
 - i. by the chairman; or
 - ii. by at least three members present in person or by proxy; or
 - iii. by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or is this compliance with the companies act and articles.

- iv. by a member or members holding shares in the company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded a declaration by the chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect the book containing the minutes of the proceedings of the company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

The demand for a poll may be withdrawn.

- h) Except as provided in regulation 61 if a poll is duly demanded it shall be taken in such manner as the chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.
- i) In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote.
- j) A poll demanded on the election of a chairman or on a question of adjournment shall be taken forthwith. Poll demanded on any other question shall be taken at such time as the chairman of meeting directs, and any business other than that upon which a poll has been demanded may be preceded with pending the taking of the poll.

5.2 Authority

- a) The Board shall approve:
 - i. All policies,
 - ii. Strategic direction of the Group
 - iii. Any major plans of action of the Group
 - iv. The Annual budget
 - v. Business plans
- b) The Board shall have authority to engage and determine funding for independent counsel and other advisors if appropriate.
- c) The Board shall have unrestricted access to all information and records of the business.
- d) Directors should use their judgment to ensure that any such contact is not disruptive to the business operations of the entity.

5.3 Recruitment and appointment

Qualifications for Directors

One of the most important responsibilities of the board is to identify, evaluate and select candidates for the Board. Candidates for nomination or reelection to the Board should possess the following qualifications, among others:

- a) the highest level of personal and professional ethics, integrity and values;
- b) expertise that is useful to the organization and complementary to the background and expertise of the other members of the Board;
- c) a willingness and ability to devote the time necessary to carry out the duties and responsibilities of Board membership;

- d) a desire to ensure that the organization's operations and financial reporting are effected in a transparent manner and in compliance with applicable laws, rules and regulations; and
- e) a dedication to the representation of the best interests of the Organization and all of its shareholders.

The company has a mandate to comply with all applicable laws and regulations in relation to the status of its directors and is committed to adhering to those guidelines.

Director Education

The Directors shall be knowledgeable and informed about the business of the company and continuing education programs are important components of board or audit committee effectiveness. These programs can help directors further understand their roles and develop the technical knowledge needed to discharge their responsibilities effectively.

- a) Appointments are made on merit and against objective criteria. Consideration should be given for the existing balance of skills, knowledge and experience on the Board as well as the duration of each Director's tenure so as to maintain effective succession planning.
- b) The Board shall ensure that fit and proper assessments are conducted for proposed members consistent with the process undertaken by the relevant regulatory authorities such as the Regulators.
- c) Formal advice and requisite submissions. Regulators are provided to the regulatory authorities prior to appointment of proposed Board members to facilitate the authority's conduct of fit and proper assessments in accordance with the relevant regulations.
- d) All Executive and Non-Executive Directors should disclose their external commitments to the Board before appointment with an indication of the time involved. The Directors should inform the Board of any subsequent changes to external commitments including any new directorships being considered.
- e) Formal letters are to be presented to Directors upon appointment. The letters will set out the key terms and conditions of appointment, the role, capabilities and the responsibilities of the Board as a whole.
- f) The Board through the Nominations Committee establishes policies and procedures to govern the appointment to and resignation from the Board. These policies must be established on the principles of transparency, objectivity and independence.

Evaluation of the Board

The Board shall conduct an annual self-evaluation of the performance and effectiveness of the Board. Results of the self-evaluation are discussed annually in a Board meeting after an independent analysis.

5.4 Board Remuneration

- a) The level of compensation should reflect the time commitment and responsibilities involved and should be appropriate to attract, retain and motivate the Directors.
- b) The remuneration of directors shall be disclosed in the annual report for transparency purpose.
- c) The form and amount of the compensation is determined by the Board based upon the recommendation of the Compensation Committee.

5.5 Succession Planning

- a) The Board shall oversee and review succession planning periodically for the Group.
- b) Persons identified in the succession plan shall undergo continuous training to ensure that they are updated on new laws, guidelines, industry developments, emerging trends, products, risks and associate opportunities.

5.6 Boardroom Conduct

- a) Integral to the Board's performance is Board dynamics, which is determined by the attributes, respect, trust and impartiality of members. These qualities directly influence the quality of the Board's decision-making and relationships with key stakeholders.
- b) The interactions between the Directors of the Board and those of the subsidiaries shall reflect high levels of respect, trust and candour.

The desired behaviors include but are not limited to the following:

Respect

- i. Relationships between directors shall be supportive and respectful.
- ii. The Board's relationship with management shall be respectful.
- iii. The Directors shall be well-informed and prepared for meetings and is demonstrated through in-depth discussions and comprehensive questioning of management reports and presentations.
- iv. Directors are encouraged to engage in discussions and their insights and perspectives should be respected by their peers.
- v. Directors shall have adequate time to prepare for meetings.
- vi. Directors shall challenge each other's views in a constructive manner to facilitate robust debate and well-considered outcomes. This may often include differences of opinion; however these shall be explored and managed well by the Chairman.

Trust

- i. The relationships between the Chairman and the Directors as well as between individual Directors shall be positive which is fundamental to foster an open and supportive environment in which the board discusses issues and makes decisions.
- ii. Directors shall demonstrate trust and value each other's opinions by drawing on each other's experience in order reach a decision.
- iii. The Chairman shall effectively manage Board discussions, identifying potential conflicts whilst ensuring all agenda items are discussed.
- iv. The sharing of relevant information at meetings is encouraged. However, it is important to ensure the time spent sharing knowledge is aligned with the overall purpose of decision-making in light of time constraints.

Honesty

- i. Directors shall communicate openly and encourage one another to engage in robust and positive debates, improving the quality of issue consideration.
- ii. In order to facilitate open discussions, the proceedings and deliberations of the Board and its Committees shall be confidential.
- iii. Each Director shall maintain the confidentiality of information received in connection with his or her service as a Director.
- iv. The Executive team shall communicate *bad news* to the Board in a timely manner. The Board shall accept and encourage the communication of the *bad news* and shall focus on correcting the issue and preventing occurrences.
- v. Each Director shall:
 - Build trust by:
 - a) Providing honest, direct feedback
 - b) Only provide feedback and changes where this is adding value to the outcome.
 - c) Regularly reflect on the Board's progress towards agreed behaviour and the Group's vision and overall strategy.
 - d) Regularly reflecting on the values and principles of the Group

6. BOARD COMMITTEES

Boards can improve their effectiveness and efficiency through the establishment of various subcommittees to provide vital support in the execution of their fiduciary duties and responsibilities. Board sub-committees can handle matters requiring more detailed review or in-depth analysis, and may make decisions on behalf of the board or submit recommendations for its consideration. Certain responsibilities are delegated to Board Committees, which assist the Board in carrying out its functions and ensure that there is independent oversight of internal control and risk management. The Chairman of each Board Committee reports to the Board on the matters discussed at Committee meetings. For a publicly listed company, the Board must establish an Audit Committee.

6.1 Audit Committee

Purpose

- i. The primary purpose of the Audit Committee is to assist the board in fulfilling its oversight responsibilities with regard to the systems of internal controls, the entity's financial reporting processes and audit functions, as well as compliance with legal and regulatory requirements.
- ii. Approve or recommend to the board for the approval of shareholders, the appointment, compensation and dismissal of external auditors
- iii. Responsible for ensuring that the independence of the internal and external audit function is maintained.
- iv. Manage the Group's operational risks
- v. Ensure the Group maintains proper records and controls
- vi. Ensure compliance with legal and regulatory requirements.
- vii. Monitor and review the effectiveness of the company's internal and external audit function

Where the audit committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the board on action needed to address the issue or to make improvements.

Members

- i. A Committee may elect a chairman of its meetings: if no such chairman is elected.
- ii. Members shall have a thorough understanding of the role of the Committee within the corporate governance framework.
- iii. The Chairman of the audit committee and one or more members must have the requisite finance and accounting skills and competence
- iv. The quorum of the committee shall be two (2) Independent Directors. The number of members shall be at least three (3) Directors, at least two (2) of whom are independent Directors
- v. The number of members shall be at least three(4) Independent Directors, one of which must be the Chairman
- vi. The duration of membership is to be determined by the Board and will be staggered, such that all members are not scheduled for resignation at the same time.
- vii. If at any meeting the chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their numbers to be chairman of the meeting.
- viii. A committee may meet and adjourn as it thinks proper.
- ix. Meetings a committee of directors may be held wholly or partially by telephone conferencing and /or video conferencing system by virtue of which all participants are able to hear and speak to each other at the same time.

Authority

The board may delegate any of their powers to committees consisting of such member or members of body as they think fit; any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on it by the directors to:

- i. Seek any information it requires from team members (all of whom are directed to cooperate with the committee's requests), or external parties.
- ii. Have unrestricted access to all information and records of the business.
- iii. Obtain outside legal or other professional advice. In this regard, the committee has the authority to recommend to the Board the fees payable to such advisors and any other terms of retention.
- iv. Ensure the attendance of the Group's officers at meetings where appropriate.

Role and Responsibility

- i. Review the accounting principles, policies and practices adopted in the preparation and content of the published accounts and the internal financial reports of the Group and its companies and to satisfy itself that the appropriate accounting practices have been adopted.
- ii. Satisfy itself that the accounts and financial reports mentioned above issued by the management of the Group are true and fair, meet all relevant statutory requirements, Statements of Standard Accounting Practices and, where applicable, the requirements of external regulators, for both local and overseas operations.

- iii. Review and assess the reasonableness of the internal auditor's forecasts of the man hours and cost of the internal audits and to consider the audit fee charges submitted for the completed audits of the Group.
- iv. Review and assess the adequacy of the overall audit programmes and staff of the Internal Auditors. In this regard, it should ensure that optimal support is given to the internal audit programmes and special assistance to the management of the Group.
- v. Hold discussions with the internal auditors on the extent of their satisfaction with the results of their respective audits, their views on the adequacy of their scope and their recommendations for improvements to the relevant practices.
- vi. Obtain comments from the managers on working relationships with the internal auditors.
- vii. Review annually the Group's Business Continuity Planning and Disaster Recovery activities as well as significant information security matters any actions being taken to address weaknesses noted.
- viii. Assess the suitability and independence of external auditor. As part of this assessment, request written confirmation from the external auditor that there is no relationship between the Group and them.
- ix. Receive and consider reports from the internal and external auditors on Disaster Preparedness, Business Continuity and the adequacy of accounting, financial and operating controls, including security of the Group's data processing and computer systems.
- x. Review the Auditors letter and the various management responses thereto, especially as it relates to deviations from the policies and directives of the management and Board of Directors.
Review and assess the performance and cost effectiveness of the Internal Audit function and its relationship with the external auditors.
- xi. Assist in ensuring that interim audits for the Group and its companies are carried out on a timely basis.
- xii. Review reports from the internal auditors and Management on the execution of the audits and to consider their recommendations for changes to the relevant programmes and practices.
- xiii. Consider the suitability of the internal auditors for reappointment.
- xiv. Report to the Board on the deliberations of the Committee and to make recommendations to the Board on any relevant changes or actions which the Committee considers prudent.
- xv. Give support to the implementation of the Internal Audit statement of purpose, authority and responsibility
- xvi. Give an opportunity to auditors and the Management of the Group and to bring to the Committee's notice any other matter of relevance.
- xvii. Ensure compliance with approved recommendations to the Board on any relevant changes or actions which the Committee considers prudent.
- xviii. Review the risk assessments and significant changes to the Group's Risk Profile.
- xix. Review and evaluate the Groups risk exposure including Operational Risks, Compliance and regulatory risks.
- xx. Oversee and provide broad policy direction in the management of operational risks.
- xxi. Review and approve all operational risk related policies.
- xxii. Ensure audit issues are addressed in a timely manner
- xxiii. Monitor the group's exposure to and management of operational risks.
- xxiv. Delegate responsibility to a sub-committee of the committee, as it deems necessary.

- xxv. Report to the Board any significant actions or decisions taken by the Committee.
- xxvi. Perform any other duties expressly delegated to the committee by the Board from time to time.
- xxvii. Review and assess the reasonableness of the external auditors' forecasts of the man hours and cost of the external audits and to consider the audit fee charges submitted for the completed audits of the Group.
- xxviii. Assist in ensuring that interim audits for the Group are carried out in a timely manner.
- xxix. Review the performance of the external auditors, and exercise final recommendation on their appointment or discharge.
- xxx. Ensure that external auditors who provide audit services to the Group do not undertake any work that may impair, or be perceived to impair, their independence in the audit process.
- xxxi. Ensure non-audit work performed is disclosed in the annual report with an explanation as to why it did not compromise the auditor's independence.
- xxxii. Recommend the compensation of the external auditor.
- xxxiii. Ensure the integrity of client and financial accounts.
- xxxiv. Review and recommend changes to the existing accounting policies and practices.
- xxxv. Ensure arrangements are implemented and monitored to facilitate whistleblowing, or which allow employees and other concerned parties to raise concerns about possible improprieties in confidence, and without fear of repercussion.
- xxxvi. Ensure arrangements are implemented for appropriate and independent investigation or follow-up of matters raised by whistle-blowers.
- xxxvii. Oversight of the whistleblowing process shall be the responsibility of a Non-Executive Director of the Audit Committee.
- xxxviii. Review and ratify the financials of the Group as a whole.
- xxxix. Review and discuss analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative International Financial Reporting Standard methods on the financial statements.
- xl. Review any legal matters which could significantly impact the financial statements.
- xli. In applicable jurisdictions, ensure audited financial statements are published in daily newspapers with express provision reflecting that this publication will be permitted to be a summarized version including but not limited to the Auditor's opinion, balance sheet, profit and loss and other comprehensive income, and cash flow statements. The publication should also articulate that the full version is available electronically on the Group's website as well as at the head office and branch locations.
- xlii. Review, at least annually, external auditor's report describing firm's quality-control procedures, any material issues raised by latest internal quality-control or peer review of firm or any inquiry or investigation by authorities within preceding five years, and any steps taken to deal with any such issues; and all relationships between external auditor and the Group.
- xlili. Report to the Board any significant actions or decisions taken by the Committee.
- xliv. Perform any other duties expressly delegated to the committee by the Board from time to time.

- xlv. At least once per year the Audit Committee shall meet with the auditors without the presence of management.
- xlvi. Ensure that draft Annual Report is circulated to the Directors before submission to the regulators
- xlvii. Ensure that audit issues are addressed in a timely manner

Meetings

- i. The Committee shall meet at least quarterly or more frequently as circumstances dictate.
- ii. Meetings should be prior to Board meeting to provide input to Board
- iii. Minutes to meetings are circulated to the Board via the Board packaged sent to all Directors prior to a Board meeting.

Reports

- i. The secretary shall circulate the minutes of meetings of the committee to all members of the board, and the chairman of the committee or, as a minimum, another member of the committee, shall attend the board meeting at which the accounts are approved
- ii. Review any other reports the companies within the Group issues that relate to committee responsibilities.
- iii. The committee members shall conduct an annual review of their work and these terms of reference and make recommendations to the board.
- iv. The committee's duties and activities during the year shall be disclosed in the annual financial statements.
- v. The chairman shall attend the AGM and shall answer questions, through the chairman of the board, on the audit committee's activities and their responsibilities.

7. CONFLICT OF INTEREST AND DISCLOSURES

All proposed dealings in the Group's shares by any Director must be first notified in writing to the Chairman (or other Director appointed for that specific purpose), and within three (3) working days after the dealings has occurred, give notice in writing to the Company Secretary who is obliged to disclose such information promptly to the Jamaica Stock Exchange.

The Chief Executive Officer has been appointed as the designated officer for receiving notifications in writing of proposed and actual dealings in Mayberry's securities in the absence of the Chairman and Company Secretary.

With respect to insider trading, the Policy against the beneficial use of non-public information (insider trading) applies to Directors, management and employees. The related parties of these individuals are also included.

Related Party

- a) A related party is a person or entity that is related to the entity that is preparing its Financial statements:-
- i. A person or a close member of that person's family is related to a reporting entity if that person:
 - ii. Has control or joint control over the reporting entity
 - iii. Has significant influence over the reporting entity or
 - iv. Is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
- i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. A person identified in (1) (1.1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - v. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Blackout Periods

Mayberry Investments Limited (MIL)

Calendar of Black Outs and Reporting Periods for the Year 2016

Directors and officers must not engage in dealing in shares/securities of Mayberry Investments Limited during the following period.

- a) During the period commencing from the time information is obtained, up to the date of announcement of the Stock Exchange of a matter that involves price-sensitive information in relation to the securities concerned; and
- b) During the period commencing one day after the end of the quarterly reporting period and end at the release of the quarterly results:
- c) During the period commencing one day immediately after the company's annual reporting period and end on the release of the audit results.

Please see details below:

Start Date of Each Quarter	End Date of Each Quarter	MIL's Reporting Periods	BLACK OUT Periods
April 1	June 30	2 nd Quarter ended 30 June 2016	1 st July 2016 to the release of the second quarterly results
July 1	September 30	3 rd Quarter ended 30 September 2016	1 st October 2016 to the release of the third quarterly results
October 1	December 31	4 th Quarter / Year ended 31 December 2016	1 st January 2017 to the release of the audited results
January 1	March 31	1 st Quarter ended 31 March 2017	1 st April 2017 to the release of the first quarterly results

Any person who is a deemed insider may only trade MIL shares during the trading periods.

A Director or Executive Officer who has an interest in the Company or in any transactions with the Company that could create or appear to create a conflict of interest with Mayberry, they must disclose such interests to the Company.

Directors are required to disclose in writing, or by requesting to have it recorded in the minutes of the Board meetings, the nature and extent of any interest they have in a material contract or material transaction with Mayberry. In the event of a conflict of interest, the Director or Executive Officer shall then excuse himself from the relevant portion of the Board meetings and the Director will not vote or participate in the decision. The disclosure of a Director or Executive Officer's interest shall include interests of his family and affiliates.

Procedure for dealing outside of blackout/closed period

Where an affected person deals in the securities of any listed company outside blackout periods, the affected person, the affected company and the company secretary must comply with the following requirements:-

- i. The affected person should not deal in the securities of the listed company without first notifying the Chairman (or other director appointed for that specific purpose) and receiving acknowledgement.
- ii. The affected person must, within 3 working days after the dealing has occurred, give notice of the dealing in writing to the company secretary of the affected company and the affected company must notify the Exchange no later than 5 days such dealing. The notice and announcement shall include the information set out the JSE Rule Book paragraph 8(c).
- iii. The affected company must maintain a proper record of all notices received by it pursuant to subparagraph (b) above; and
- iv. The company secretary of the affected company must, at each meeting of the board of directors, table a summary of all dealing notified since last board meeting of the affected company.

For the avoidance of doubt a director or other officer should not deal in any securities of Mayberry Investments Limited at any time when he is in possession of unpublished price sensitive information in relation to those securities.

Directors or other officers who deal or propose to deal in the securities of affected companies and connected companies they must notify the affected company in writing of such dealing.

Where a director or other officer proposes to deal in any securities of Mayberry Investments Limited, affected companies and connected companies and entertains any doubt or uncertainty as to whether the dealing should be reported, the director or officer must make disclosure of such proposed dealing to the Chairman or the company secretary to enable a determination to be made as to whether the affected company ought to make disclosure to the Jamaica Stock Exchange.

The restrictions on dealings in securities by directors and officers of Mayberry Investments Limited are equally applicable to dealings by or on behalf of any spouse, child or connected person.

Any director or officer of Mayberry Investments Limited who is a beneficiary but not a trustee of a trust which deals in securities of Mayberry Investments Limited, affected companies and connected companies should notify the trustees in writing of the companies of which he is a director or officer and he should use his best endeavours to ensure that the trustees promptly notify him of all dealings in the securities of such companies.

A trustee should notify the Chairman, the company secretary or other designated officer appointed for the specific purpose of the affected company designated of any dealings in securities of Mayberry Investments Limited, affected companies and connected companies.

8. OTHER RELEVANT POLICIES

The following policy is to be read in conjunction with this document:

- i. Conflict of Interest Policy