

Board Charter & Corporate Governance

The guidelines were reviewed in November 2015 and the full Terms of Reference are available on PanJam's website at www.panjam.com.

BOARD MISSION

Mission Statement

The PanJam Investment Limited (PanJam) Board of Directors represents the owners' interest in maintaining and growing a successful business, including optimising long-term financial returns and lowering cost of capital. The Board is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management in directing and controlling the business.

The Board is responsible for determining that PanJam is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that Management is capably executing its responsibilities. The Board's responsibility is to regularly monitor the effectiveness of Management policies and decisions, including the execution of its strategies.

In addition to fulfilling its obligations for increased stockholder value and optimising long-term financial returns, the Board has a responsibility to ensure successful perpetuation of the business.

BOARD FUNCTIONS

Areas of Responsibilities

The Board makes decisions, and reviews and approves key policies and decisions of the Company in particular relation to:

- Corporate governance;
- Compliance with laws, regulations and the Company's code of business conduct;
- Corporate citizenship, ethics and environment;
- Strategy and operating plans;
- Business development, including major investments and disposals;
- Financing and treasury;
- Appointment or removal of Directors;
- Remuneration of Directors;
- Risk management;
- Financial reporting and audit;
- Succession planning for its Executive Chairman, and other Senior Executives; and
- Pensions.

Specific Responsibilities for Chairman, Company Secretary and Directors

The Chairman is principally responsible for the effective operation and chairing of the Board, and for ensuring that information that it receives is sufficient to make informed judgments. He/she also provides support to the Chief Operating Officer, particularly in relation to external affairs. He/she is also responsible for ensuring that new Directors receive appropriate training and induction into PanJam.

The Company Secretary is responsible for ensuring that Board processes and procedures are appropriately followed, and supporting effective decision-making and governance. He/she is appointed by, and can only be removed by the Board. All Directors have access to the Company Secretary's advice and services, and there is also a formal procedure for Directors to obtain Independent professional advice in the course of their duties, if necessary, at the Company's expense.

Each Board Member is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board Meetings is a prerequisite; therefore, unless explicitly agreed upfront, a Director should not miss two (2) consecutive regular Board Meetings.

Because in-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions, Management is to allow direct involvement and review of operational activities. Similarly, Management also is to communicate to Board Members opportunities to interact in strategy and day-to-day business settings. Board Members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company via the Executive Chairman.

SELECTION & COMPOSITION OF THE BOARD

The Board is responsible for the overview of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and, therefore, the Directors require diversity in skills and characteristics.

Size of the Board

The Board will have seven (7) to ten (10) Directors of which at least 30% will be Independent Directors. Considering the size of the organisation and the environment in which it operates, the Board believes such numbers are adequate.

Executive and Non-Executive Directors

At any time, the number of Executive Directors should not exceed 50% of the total number of Directors.

Conflicts of Interest/Disclosure

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 the period of one (1) month before the release of the quarterly Financial Statements and in the case of the Audited Accounts, two (2) months prior to such release or at any time that the Company has an embargo on trading. No trading should occur between the time a dividend is considered and the time in which that information is provided to the Jamaica Stock Exchange.

A Director who has an interest in the Company or in any transactions with the Company, which could create or appear to create a conflict of interest, must disclose such interests to the Company. These would include:

- Any interest in contracts or proposed contracts with the Company;
- Interest in a firm or charity, which does business with the Company;
- Interest in securities held by the Company;
- Emoluments other than Board fees received from the Company; and
- Loans or guarantees granted by the Company to/ for the Director.

Disclosure shall be made at the first opportunity at a Board Meeting in writing and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director shall then excuse himself/herself from the Board Meetings when the Board is deliberating over any such contract and shall not vote on any such issue.

If a conflict exists and cannot be resolved, the Director should resign.

The Disclosure of Director's interest shall include interests of his/her family and affiliates.

Election, Terms, Re-election and Retirement

Election, terms, re-election and retirement of each Board Member is conducted in line with the Articles of Incorporation of the Company, Articles 89 to 97, with the exception that each Board Member is to retire during the financial year when the Director reaches the age of 70 years, unless a special resolution of exemption to this rule is passed by members in a general meeting as recommended by the Board.

Board and Executive Compensation

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

The Board will conduct a self-evaluation at least annually to determine whether it and its Committees are functioning effectively.

Director Orientation and Education

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material and meetings with Senior Management.

The Board also recognises the importance of education for its Directors. It is the responsibility of the Board to advise the Non-Executive Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director Education programmes.

Access to Outside Advisors and Funds

The Company will make such funds available to the Board, and in particular the Non-Executive Directors, as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their responsibilities.

Succession Planning

The Board will have full responsibility to ensure that the business is well managed at all times and that succession plans and potential candidates are identified for all Senior Executives including the Executive Chairman.

Should the Executive Chairman, Chief Executive Officer, Chief Operating Officer or Chief Financial Officer demit office due to an emergency, the Board will convene at the earliest possible time or in any event not less than 48 hours after such an event, with a view to appointing an interim or permanent successor to such posts.

CODE OF CONDUCT

The Board expects all Directors as well as officers and employees, to act ethically at all times and to adhere to all codes and policies specifically including “The Code of Business Conduct” that describes the values of PanJam Investment Limited, namely:

- Respect and Dignity;
- Trust;
- Communication;
- Teamwork;
- Appreciation;
- Accessibility;
- Professionalism;
- Good Value;
- Strength;
- Compassion and Social Consciousness; and
- Group Pride.

The Board will not permit any waiver of any of these policies for any Director or Executive Officer.

Board Committees

The Board has established several Committees, each with clearly defined terms of reference, procedures, responsibilities and powers.

Audit Committee

On behalf of the Board, the Audit Committee shall:

- Review the Company’s annual and interim financial statements and any accompanying reports or related policies and statements;
- Monitor and review the effectiveness of the Company’s internal audit function;
- Monitor and review the External Auditor’s independence, objectivity and effectiveness;
- Develop and implement policy on the engagement of the External Auditor to supply non-audit services;
- Approve the Company’s risk management policy which defines the Company’s risk appetite and level of risk tolerance; and
- Monitor the adequacy and effectiveness of the Company’s systems of risk management and control.

The majority of members of the Audit Committee shall consist of Non-Executive Directors of the Company duly appointed by the Board. The Board shall also appoint the Chairman and Secretary of the Audit Committee. The Board Chairman shall not be a member of the Committee. The Committee shall consist of not less than three (3) members.

The Audit Committee shall meet at least four (4) times a year, within forty-five (45) days of the end of each quarter and at such other times as any member of the Committee or the External Auditors may request.

All financial statements and matters which are of significant import to the investing public shall be reviewed by the Audit Committee. The full Board will have responsibility and accountability for the final release of such information.

Investment and Risk Committee

The Investment and Risk Committee shall:

- Review the Company’s investments, acquisitions and disposals;
- Meet at least four (4) times a year; and
- Comprise at least six (6) members of the Board with a mix of Independent and Non-Independent Directors

Human Resources and Compensation Committee

The Human Resources and Compensation Committee shall:

- Review the performance of the Executive Directors and the Senior Executives of the Company on at least an annual basis;
- Report its findings during a regular Board Meeting annually; and
- Comprise of a majority Non-Executives Directors.

Corporate Governance Committee

This Committee comprises of two (2) Non-Executive Directors and one Executive Director. The Committee is responsible for keeping under review the composition of the Board and succession to it. It makes recommendations to the Board concerning appointments to the Board of Non-Executive Directors, having regard to the balance and structure of the Board and the required blend of skills and experience. The Committee has responsibility to:

- Nominate potential candidates and evaluate the suitability of those candidates for future Board membership;
- Propose suitable candidates to the Board for approval prior to approaching the candidate; and
- Approach the future candidate and, upon positive response, introduce the future Board Member to the Board.

The Board may call any Ad Hoc Committee, as it deems necessary. The Board will set out the rules under which such Committee governs at each occasion. All Committees including those explicitly mentioned above will be subject to the annual evaluation process, similar as applied to the Board itself.

MEETINGS

Frequency of Meetings

During each financial year, there will be a minimum of four (4) regular Board Meetings. Special Board Meetings may occur at such other times as any member of the Board may request.

Selection of Agenda Items for Board Meetings

The Chairman and Company Secretary will establish the agenda for each Board Meeting. Each Board Member may suggest the inclusion of item(s) on the agenda.

Information important to the Board's understanding of the business will be distributed electronically and/or in writing to the Board before the Board Meetings. As a general rule, presentations on specific subjects should be sent to the Board Members sufficiently in advance to be adequately prepared for Board Meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

Additional Attendees to the Meeting

Furthermore, the Board encourages the Management to, where it assists the ability of the Board Members to execute their responsibilities, bring managers into Board Meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the Senior Management believes should be given exposure to the Board.

Non-Executive Directors' Remuneration

Annual Retainer	Board	Audit	Investment & Risk	Human Resources & Compensation	Corporate Governance
Chairman	\$2,000,000	\$1,000,000	\$550,000	\$550,000	\$550,000
Members	\$1,200,000	\$650,000	\$450,000	\$450,000	\$450,000

Executives who are employed by the Company or its subsidiary and serve as a Director or member of a Sub-Committee are not paid Directors' fees.

Board Sub-Committees

Name	Investment & Risk	Audit	Corporate Governance	Human Resources & Compensation
Stephen B. Facey	Chairman		*	*
Kathleen A. J. Moss		Chairman	Chairman	
T. Matthew W. Pragnell	*	*		Chairman
Richard O. Byles			*	
Paul R. Hanworth	*			
Paul A. B. Facey	*			
Ian S. C. Parsard	*	*		*
Donovan H. Perkins	*			*
Christopher N. Barnes	*			

Board and Sub-Committees - Attendance Register 2017

Date of Appointment to Board	Name	Board Meetings	Audit Committee	Corporate Governance Committee	Investment & Risk Committee	Human Resources & Compensation Committee	Annual General Meeting
No of Meetings Held		4	4	2	2	2	1
14-Aug-1991	STEPHEN B. FACEY - Chairman & CEO (E)	4	-	2	2	2	1
18-Dec-2012	CHRISTOPHER N. BARNES (I)	4	-	-	2	-	1
14-Aug-1991	RICHARD O. BYLES (NI)	3	-	1	-	-	-
10-Aug-2006	PAUL A. B. FACEY (E)	3	-	-	1	-	1
10-Apr-2013	PAUL R. HANWORTH (E)	4	-	-	2	-	1
12-Aug-2010	KATHLEEN A. J. MOSS (I)	4	4	2	-	-	1
11-Aug-2011	IAN S. C. PARSARD (I)	4	4	-	2	2	1
01-Nov-2000	DONOVAN H. PERKINS (NI)	4	-	-	2	1	1
15-May-2009	T. MATTHEW W. PRAGNELL (I)	4	3	-	2	2	-

E = Executive I = Independent NI = Non-Independent

An Independent Director is defined as a person who:

- Has not been employed by the Company or any subsidiary within the last two (2) years;
- Has not been an employee or affiliate or our Internal/External Auditors within the last three (3) years;
- Has not received any compensation other than Director or Committee fees within the last two (2) years;
- Has not been employed by a company of which an Executive Director/Officer has been a Director within the last two (2) years; and
- Is not a member of the immediate family of an Executive Director/Officer, immediate family member being defined as spouse, parent, child or sibling, in law or anyone sharing the same home with any of the above.

Activities of the Audit, Corporate Governance and Human Resources & Compensation Committees During 2017

COMMITTEE	ACTIVITIES
Audit	<ul style="list-style-type: none"> • Reviewed the annual audited financial statements and recommended them for approval to the Board. • Reviewed quarterly unaudited financial statements and recommended them for approval to the Board. • Reviewed proposed communications with the Jamaica Stock Exchange (JSE) and recommended them for approval to the Board. • Reviewed communications to the Audit Committee from the External Auditors and discussed accounting policies, required disclosures and any areas of internal control weakness with them. • Reviewed financial covenants with lenders on a quarterly basis. • Reviewed quarterly dividend proposals and recommended them to the Board. • Reviewed Internal Audit reports and Management's responses on a quarterly basis. • Reviewed proposals to raise funds in the capital markets, including impact on key ratios and financial covenants. • Reviewed investment policy and authorization matrix. • Reviewed significant proposed transactions, including acquisitions of both real property and securities, with particular emphasis on implications for controls and accounting and audit processes.
Corporate Governance	<ul style="list-style-type: none"> • Reviewed the Contracts' Committee report for investments over \$1 million. • Attended the Jamaica Stock Exchange (JSE) Corporate Governance Index (CGI) Workshop and recommended a change in the scoring methodology from absolute numbers to ranges. • Reviewed PanJam's CGI scores and Management's improvement initiatives. • Made recommendations regarding evaluation of the Board of Directors. • Ensured adequacy of the current Board of Directors in terms of knowledge and skill sets. • Reviewed amendments to the JSE rules.
Human Resources & Compensation	<ul style="list-style-type: none"> • Conducted a comprehensive review of Executive compensation. • Reviewed succession planning and made recommendations. • Reviewed staff compensation policies and approved levels of merit increases.