



## **SALADA FOODS JAMAICA LIMITED**

### **CORPORATE GOVERNANCE CHARTER**

#### **PREAMBLE**

This Charter is being established to form a basis and constitute the principles and Best Practices which the company would adopt and be governed by. The basic guidelines were mainly extracted from the Combined Code on Corporate Governance issued by the Financial Reporting Council of the United Kingdom and compiled by the Corporate Governance Committee of the Private Sector Organisation of Jamaica.

#### **MEMBERSHIP/ORGANISATION**

The Corporate Governance Committee (“the Committee”) is appointed by the Board of Directors (“the Board”) of Salada Foods Jamaica Limited. The committee shall consist of at least three directors. The Committee members shall be appointed by the Board and may be removed by the Board in its discretion. The Chairman of the Committee shall be designated by the Board.

#### **MEETINGS**

The Committee shall meet, at least, on a quarterly basis to perform the responsibilities of the Committee and/or where the Committee deems it necessary to do so. Two members of the Committee shall form a quorum.

#### **BOARD COMPOSITION**

There should be a strong and independent non-executive element on the Board. The Board should include a balance of non-executive directors of sufficient calibre and number for their views to carry significant weight in the Board’s decision.

The majority of Directors should be independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgment.

#### **DUTIES/RESPONSIBILITIES**

The principal duties and responsibilities for which the Committee shall support the Board in the administration and exercise of the Board’s responsibility for supervisory oversight are as follows:



- (a) To develop and periodically review Corporate Governance Practices and Principles/policies.
- (b) To ensure that the company's values, standards and its obligations to its shareholders and other stakeholders are understood and met. To keep shareholders and other regulatory bodies informed, as deemed necessary.
- © The Committee is responsible for determining appropriate levels of remuneration of the company's Senior executives and Directors and have a prime role in appointing, and where necessary removing, the Senior executives and Directors, and aid in succession planning.
- (d) The "Committee" shall review and advise on proposals made by the Managing Director with regard to remuneration/compensation of senior executives of the company.
- (e) A formal and transparent procedure for developing a policy on the Executive Director's remuneration and for fixing the remuneration packages of individual Executive Directors'. No Executive Director should be involved in deciding his or her own remuneration.
- (f) The Committee shall be responsible in making and recommending for Board approval all aspects of total Compensation and Nomination for the Managing Director and Senior Executives of the company.
- (g) Review and consider conflicts of interests regarding Board members and Executive officers.
- (h) The Committee shall establish a method for conflict resolutions and ensure that these are speedily addressed.
- (i) At least, semi-annually, the Committee Chairman should hold meetings with the non- executive Directors without the executive Director being present. The senior independent Director and the non-executive Directors should meet without the Chairman present at least annually to appraise the Chairman's performance.
- (j) To ensure that the distinction between the responsibilities of the Chairman and the MD are clearly established.
- (k) The Board should satisfy itself, and the "Committee" should lead the process for appointments to the Board, and all Directors should bring an independent judgment to bear on issues of strategy, performance and resources to the Board. Also to senior management and evaluate and



maintain an appropriate balance of skills, knowledge and experience within the company and on the Board.

- (l) Oversee and co-ordinate annual self-evaluation of the Board and its committees.
- (m) Establish and monitor, as appropriate, directors' orientation to continually update the skills and knowledge required to fulfill their role both on the Board and on Board committees. The company should acknowledge that as part of the cost of running an effective Board they would need to provide money and time for developing and updating their Directors.
- (n) The Chairman of the Committee shall evaluate the performance of the Managing Director once a year and report to the Board. The Board should develop in advance the evaluation criteria and inform the MD.
- (o) The Chairman of the Committee shall report at the Board meeting all actions/decisions taken at the meetings and the information should be incorporated into the Minutes of the Board.
- (p) Review compliance with the Company's Code of Conduct and its related policies and procedures on a regular basis and review the content of the Code from time to time.
- (q) Review with the Board, legal and regulatory matters.
- (r) The Board of Directors and Committee members should be identified in the Annual report.
- (s) The Committee in giving oversight has the responsibility to ensure that the number of external boards on which the Managing Director will be allowed to sit shall be limited to two. ( added May 21, 2013)
- (t) The Committee should ensure that a director does not deal in any of the securities of the company at any time when he is in possession of unpublished price-sensitive information in relation to those securities and,
- (u) A director (executive) should not deal in any securities of the company without first notifying the Chairman (or other directors appointed for the specific purpose) and receiving acknowledgement and,



- (v) The directors of the company should as a board and individually, endeavour to ensure that any employee of the company or director or employee of a subsidiary company, who, because of his office or employment in the company or a subsidiary, is likely to be in possession of unpublished price-sensitive information in relation to the securities of the company, deals in those securities in accordance with the model code.