

FOSRICH COMPANY LIMITED

BOARD CHARTER

FosRich has adopted the following Charter to guide the Company and its subsidiaries ("The Group") in the execution of its responsibilities. The principles and guidelines contained in the Charter are founded in our tradition of integrity and are consistent with our Core Values, set out below:

- *We hold a deep and abiding respect for each customer, every colleague in the Company, and all our shareholders*
- *We commit to find new, practical and innovative ways to make the term "excellent service" more relevant to each customer every day.*
- *We commit to the relentless renewal of our enterprise through the constant training of our people at all levels.*
- *In our merit-based culture, individual reward and recognition will be a result of measured performance.*
- *We treat all competitors as noble, but we will compete fairly and vigorously to win.*

1.0 OVERVIEW

- The purpose of this Board Charter is to outline the principal role of the Board of Directors (hereinafter the 'Board'), the demarcation of the roles, functions, responsibilities and powers of the Board and various Board Committees of the Group, matters reserved for final decision-making or pre-approval by the Board; and the policies and practices of the Board.
- This Charter further defines the specific responsibilities of the Board in order to enhance coordination and communication between the Executive Directors and the Board and more specifically, to clarify both Board and Management accountability for the benefit of the Company and its shareholders.

2.0 BOARD'S ROLE, AUTHORITY AND COMPOSITION:

2.1 Role of the Board:

- The principal role of the Board is to oversee the implementation of the Group's strategic initiatives and its functioning within the agreed framework, in accordance with relevant statutory and regulatory structures. The Board ensures the adequacy of financial and operational systems and internal control, as well as the implementation of corporate ethics and the code of conduct.

- The Board has delegated responsibility for overall management of the Group to the Managing Director.
- The Board reserves a formal schedule of matters for its decision to ensure that the direction, management and control of the Company rest with the Board. This includes strategic issues and planning, performance reviews, material acquisition and disposal of assets, capital expenditure, authority levels, appointment of auditors and review of the financial statements, financing and borrowing activities, including an annual operating plan and budget, ensuring regulatory compliance and reviewing the adequacy and integrity of internal controls.
- All policies pertaining to the Company's operation and functioning are to be approved by the Board.
- The Board must ensure equitable treatment to minority shareholders.

PRINCIPAL RESPONSIBILITIES OF THE BOARD

Governance

- Approve the Group's corporate governance framework and ensure it conforms to best practices and regulatory and statutory requirements.
- Approve the organisational/management structure and responsibilities.
- Provide effective oversight over Management's activities.

Strategy

- Provide direction to the management concerning the articulation of the vision and strategy for the Group.
- Approve the vision and strategy proposed by Management.
- Approve Management's long-term corporate strategy and performance objectives and ensure appropriate resources are available.
- Review the Group's annual business plans and the inherent level of risk in these plans.
- Assess the adequacy of capital to support the operations of the Group within acceptable risk parameters.

Performance Measurement Systems

- Approve performance objectives and performance measurement systems.
- Review the performance of the Board, Board Committees, and the Managing Director.

Business Decisions

- Approve and monitor the progress of material financial restructurings, including mergers, acquisitions, divestments and acquisitions, annual budgets, dividends etc. affecting the balance sheet.
- Approve financing and changes in authorised capital.
- Approve entering into, or withdrawing from, businesses or service lines.
- The appointment and removal of the Managing Director and executives reporting directly to the Managing Director.
- Define the goals and objectives of the Managing Director and review performance at least annually.
- Ensure that succession planning with respect to the positions of Managing Director and Senior Executives are in place and that the Board monitors management's succession planning for other executive positions.

Financial Performance

- Approve the annual budget and targets, annual financial statements and interim results and monitor financial performance.
- Ensure financial results are reported fairly and in accordance with standard accounting practices and other relevant standards.
- Recommend to shareholders the Annual Report / financial statements released by Management and ensure that any reports issued by the Company, including the financial statements, present a 'true and fair' view of its position and performance.

Compliance

- Ensure the Company operates at all times within applicable laws and regulations, including an effective Code of Conduct, Anti Money Laundering processes.
- Ensure that the Company's policies and procedures manuals comply with all regulatory requirements covering all operations.

Communications

- Ensure that there is an agreed communications strategy and procedure including agreement about appropriate channels and spokespersons.
- Ensure the development and implementation of an investor relations programme or shareholder communications process for the Company.

Risks

- Approve the risk parameters/policies and the Company's risk appetite.
- Ensure principal risks are identified and Management has implemented appropriate systems to manage these risks.
- Ensure that the systems and controls framework, including the Board structure and organisational structure of the Company is appropriate for the Company's business and associated risks.

Internal Controls

- Assess the adequacy of the systems of risk management, internal control, control environment and regulatory compliance.

2.2 **AUTHORITY:**

- The Board of Directors is the ultimate decision-making body of the Company except for matters reserved for the Company's shareholders.
- Consistent with the Board's power to delegate to the Management the day- to-day operation of the Group's business, the Board shall exercise judgment in establishing and revising the delegation of authority for Board Committees and Management. This delegation could be for authorisation of expenditures, approval of credit facilities and other corporate actions. Such delegation may be approved and expressed under various policies of the Company. The thresholds for the identified authorities will depend upon the operating requirements of the Company.
- The issues of major capital expenditure, divestments, mergers and acquisitions and strategic investments shall be within Board's authority.
- The recommendations of the Committees will be referred to the Board. In the event that the Board is unable to approve a decision of the Committee, the matter will be referred to the Committee for further consideration.
- The Board has full authority to seek any information it requires from the Management or any employee of the Group.
- The Board reports to and is accountable to the shareholders of the Company.

2.3 **BOARD APPOINTMENT AND REMUNERATION:**

- FosRich has a rigorous and transparent procedure for the appointment of Board members. Directors shall be issued with Letters/Agreements of Appointment and other relevant policies/procedures of the company including the Code of Conduct for Directors, to familiarise each new Director with his or her powers, duties, responsibilities and accountabilities and other matters relating to his or her appointment.
- The form and amount of Director Compensation is determined by the Board based on the agreed Remuneration Policy for Directors.

2.4 **BOARD COMPOSITION AND SKILLS:**

- The Board's composition will be guided by the Company's Memorandum of Incorporation.

- The definitions of 'executive directors', 'non-executive directors' and 'independent directors', shall carry the same meanings as defined from time to time by the regulators and this Charter.
- The Board recognises the need for its composition to reflect a fair mix of diversity, independence, skills and expertise and facilitate objectivity in decision-making. High levels of professional skills and appropriate personal qualities are pre-requisites for directorships.
- Candidates for the Board shall be considered by the Corporate Governance Committee, and recommended to the Board, in accordance with the qualifications acceptable by the Board, taking into consideration the overall composition and diversity of the Board and areas of expertise that new Directors might be able to offer.
- Appointment of Directors is subject to prior approval by the Company's regulators.
- There will be separation and clear division in the roles and responsibilities of the Chairman and the Company's Managing Director.
- A Director will meet the formal criteria for independence where he or she: does not represent a substantial shareholding is not a close relative of a significant shareholder does not have an employment relationship with the Group or its parent companies.
- Directors shall notify the Board of any changes in status which will affect their independence, and once so notified, the Board will give consideration to how this may affect its functioning.

2.5 **OTHER BOARD MEMBERSHIPS:**

- The other Boards on which a Director may serve shall be subject to a case-by-case review by the Board which should be advised and be given an opportunity to indicate any objection prior to a Director accepting any new Board appointment.

2.6 **BOARD COMMITTEES**

- The Board Committee should be chaired by a Board Member. The Board Committee should be comprised of a majority of Non-Executive Directors.
- The Board may appoint standing and ad hoc Committees to assist it in carrying out its responsibilities.
- The Board will, as it deems appropriate, consider and approve the appointment of members of the Board Committees and the Charters of these Committees which shall include the composition, duties and responsibilities, functioning and conduct of meetings.
- The Committee Charters shall be reviewed on a regular basis and updated and amended as often as needed to respond to the evolving regulatory and market environments in which the Company operates.

- The draft minutes of each Committee meeting shall be submitted to the Board at the next regular meeting of the Board of Directors, after they have been drafted by the Corporate Secretary. The Chair of the Committee shall report to the Board on any key actions taken by it or recommendations being made to the Board with respect to the Committee's mandate.
- Each Committee shall submit a report to the Board through the Corporate Secretary within two weeks of the end of each financial year summarising the work of the Committee.

3.0 **ELECTION OF DIRECTORS, BOARD MEETINGS, RIGHTS OF DIRECTORS:**

Election:

Directors will be elected/appointed by the shareholders at the Annual General Meeting.

Each proposal by the Board to the shareholders for election or re-election of a Director shall be accompanied by a recommendation from the Board, a summary of the advice of the Corporate Governance Committee, and the following specific information:

- a. The term to be served
- b. Biographical details and professional qualifications
- c. In the case of an Independent Director, a statement that the Board has determined that the criteria of independent Director have been met
- d. Any other directorships held
- e. Particulars of other positions, which involve significant time commitments
- f. Details of relationships between the candidate and the Company or other Directors of the Company.

3.2 **BOARD MEMBERSHIP AND TENURE:**

Pursuant to the Company's Articles of Incorporation, all Non-Executive Directors must retire as stated but shall be eligible for re- election, if recommended by the Board, for a further named period.

3.3 **BOARD ATTENDANCE:**

- All Directors must attend at least 75% of all Board meetings within the financial year.
- Board membership may be terminated if Directors are unable to attend three consecutive Board meetings.
- The absence of Directors at Board and committee meetings shall be noted in the minutes. Board attendance will also be reported in the Annual Report.
- The Board shall consider what actions, if any should be taken, including pro- rating of the retainer fee or a recommendation to the shareholders for termination should a Board member

not attend the required number of board meetings or fail to attend three consecutive Board meetings without an excuse which is notified to and accepted by the Board.

- Voting and attendance proxies by Directors for Board and committee meetings are prohibited at all times.

3.4 **APPOINTMENT OF BOARD SECRETARY:**

The appointment and removal of the Corporate Secretary is subject to the approval of the Board. The Board recognises the fact that the Corporate Secretary should be suitably qualified and capable of carrying out the duties required of the post.

3.5 **MEETINGS AND QUORUM:**

- Board meetings will generally be held at least four times per year and Board Committees will meet as often as required.
- The Corporate Secretary shall prepare and distribute a timetable for the meetings.
- Meetings of the Board and Committees may also be held using video/teleconferencing facilities.
- The quorum for a Board meeting is three Directors.
- The Chairman will chair all sessions of the Board. In absence of the Chairman at a meeting, another Director approved by the Board shall chair the meeting.
- The Head of Internal Audit or any other member of the Executive Management may be invited to attend for particular items within their responsibility. The Board may also invite external parties such as the auditors, attorneys and consultants as and when the need arises.
- To facilitate free and open communication among Independent Directors, each Board meeting can be preceded or followed with an informal session at which only Independent Directors are present, except as may otherwise be determined by the Independent Directors themselves.

3.6 **VOTING RIGHTS:**

- A duly convened meeting of the Board at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Board.3.6.2 Any attendee who is not a member of the Board shall not vote on any matter coming before the Board for a vote.
- All decisions of the Board will be based on a simple majority of the Directors present at the meeting in person. In the event of a tie, the Chairman will have the casting vote.
- The Board may adopt resolutions by correspondence, including mail, electronic or fax correspondence, in accordance with the Articles.

3.7 **MEETINGS AND AGENDA:**

- The Board of Directors shall meet at the request of its Chairman or if requested to do so by a Director.
- The notice of a Board meeting should be given in advance of the meeting.
- The Chairman, Managing Director and Corporate Secretary shall undertake the primary responsibility of preparing the Board's agenda. The agenda should include matters specifically reserved for the Board's decision.
- Save in urgent cases, as a matter of best practice and to allow sufficient time for Directors to consider the information, the Corporate Secretary shall provide the Directors with an agenda and any necessary documentation as early as possible and in general, at least five days before a regular meeting takes place. Where there is a need to table a report, a brief précis of findings and/or recommendations should be presented.
- A record of Board submissions and papers, and of materials presented to the Board, shall be maintained and held by the Corporate Secretary together with minutes of meetings. All such records are accessible to Directors.
- Directors shall have complete access to the Company's Executive Management through the Managing Director.

3.8 **INDEPENDENT PROFESSIONAL ASSISTANCE:**

Directors are entitled to obtain independent professional advice relating to the affairs of the Company or to their individual responsibilities as Directors, subject to approval by the Board.

3.9 **DIRECTOR'S PROFESSIONAL DEVELOPMENT:**

- The Board is required to be up to date with current business, industry, regulatory and legislative developments and trends that will affect the Group's business operations.
- Immediately after appointment, the Company will provide a formal induction, if necessary.
- Meetings will also be arranged with Executive Management, Heads of Divisions and the Company's auditors. This will foster a better understanding of the business environment and markets in which the Company operates.
- The induction programme will also include meetings with the Chairman and, if necessary, legal counsel or compliance officer to review the Board's role and duties, particularly covering legal and regulatory requirements.
- A continuing awareness programme is essential, and it may take many different forms, through distribution of publications, workshops, presentations at Board meetings and attendance at conferences encompassing topics on inter alia, directorship, corporate governance, business,

industry or regulatory developments. The company will have rigorous training procedures for the continuous development and awareness of Directors on a need-based basis.

4.0 **CODE OF CONDUCT, CONFLICTS OF INTEREST, INSIDER TRADING:**

- Directors should ensure that they conduct their affairs with a high degree of integrity, taking note of applicable laws, codes and regulations.
- The Board shall approve a Code of Conduct for Directors, which binds Directors to the highest standard of professionalism and due diligence in discharging their duties. The Code outlines areas of conflict of interest, confidentiality and responsibilities of the signatories.
- Each Director shall be required to sign the Code of Conduct signifying that they have read the document and agree to be bound by the provisions.
- A Director shall declare to the Board any personal interest, whether direct or indirect (of 'connected persons'), he or she may have in matters brought before the Board. This declaration shall be recorded in the minutes and the interested Director shall not be present for the deliberations, discussion or voting on the resolutions to be adopted in this respect.
- Any decisions to enter into transactions, under which Company's Directors would have conflicts of interest that are material, shall be approved by the Board and the Director must leave the room during the Board's discussion or voting on the resolutions with respect to this matter. Unless otherwise prohibited by law from doing so, Directors must inform the entire Board of actual or potential conflicts of interest in their activities with, and commitments to other organisations as they arise. This disclosure must include all material facts in the case of a contract or transaction involving the Director.
- All Directors must declare in the form required all their other interests in other enterprises or activities (whether as a shareholder of above 5% of the voting capital of a company, a manager, or other form of significant participation) to the Board on an annual basis.
- The Company shall disclose in the Annual Report, the significant transactions and contracts in which any Director has a personal interest.
- All Directors and members of Executive Management must declare in writing all their and of their 'connected persons' holding and interests in the Company and its subsidiaries and associates, annually in the form required by the Group.
- The Company protects Directors by insuring them against personal liability as per the Directors' Compensation Policy through a comprehensive Liability Insurance cover.

5.0 **BOARD RESOLUTIONS AND MINUTES:**

- The Corporate Secretary shall minute the proceedings and resolutions of all Board and Committee meetings.
- Minutes will be circulated for endorsement at the subsequent regular meeting of the Board of Directors.
- A Director who objects to any resolution adopted by the Board shall have his or her objection recorded in the minutes.
- All resolutions approved by Round Robin should be noted at the next regular Board meeting.

6.0 **BOARD AND COMMITTEE EVALUATION:**

- The Board shall perform an evaluation of its performance on an annual basis.
- The Board shall annually review its Charter and its own effectiveness and composition; and initiate suitable steps for any amendments.
- The evaluation process shall also cover the review of the performance of each individual Board member, or her attendance and his or her constructive involvement in discussions and decision making.
- The Board will also review evaluations of the Board Committees and consider appropriately any recommendations arising out of such evaluation.
- While the evaluation is a responsibility of the entire Board, it will be organised and assisted by the Corporate Governance and Nomination Committee and external resources may be utilised in the conduct of the evaluation.
- The Board will report to the shareholders, through the Annual Report, concerning the process of the evaluation.

7.0 **COMMUNICATION WITH STAKEHOLDERS**

- The Company has an open policy on communication with its stakeholders.
- The Chairman will ensure that the Annual General Meeting (AGM) is conducted in an efficient manner and serves as a crucial mechanism in active shareholder communications. Key ingredients behind this include the supply of comprehensive timely information to shareholders and the encouragement for their active participation of the AGM.
- The Chairman and other Directors attend the AGM and are available to answer questions, as appropriate.

- On an annual basis, the Board shall submit a report on Corporate Governance in the Annual Report, addressing implementation of corporate governance best practices on a 'comply or explain' basis.
- The Group is at all times mindful and conscious of its regulatory and statutory obligations regarding dissemination of information to its stakeholders.
- The Investor Relations Tab on the Company's website (www.fosrich.com) provides appropriate and useful information to shareholders. Shareholders can contact the Investor Relations centre via email at investorrelations@fosrich.com or by using the feature on its website for submissions of questions or comments.

8.0 **EXTERNAL TRANSPARENCY:**

- The Company provides information on all events that merit announcement, either on its website or through newspapers, the Jamaica Stock Exchange, media briefing, its Annual Report, and other channels.
- The Company's Annual Reports for the previous three years, including its audited financial statements and Minutes of Annual General Meetings are posted on its website.
- The Company uses its Intranet for communicating with its staff on general matters and sharing information of common interest and concern.
- The Annual Report contains a separate section on Corporate Governance and Disclosures, which covers details on the number of Board meetings, information on Directors, Board Committees and other related information. The Chairman's and Group Managing Director's Reports in the Company's Annual Report review major events during the past financial year and the outlook for the future.

9.0 **CONCLUSION:**

- This Board Charter has been developed with the intention of providing an informative written reference for Directors and for others who relate to the Board. The provisions in this document are consistent with applicable legal and regulatory requirements in Jamaica and local and international best practices in Corporate Governance. Although this document sets forth the key principles under which the Board operates, it is a working document that is subject to annual review and consequently changes from time to time as the Board considers appropriate and as circumstances and conditions change.

This document is not intended to supersede the requirements under the Company's Articles of Incorporation. In the event of a conflict between this document and the Articles of Incorporation, the provisions in the Articles of Incorporation will govern, unless and until the relative provisions are duly amended through appropriate corporate action.

APPENDIX 1

The Board of FosRich Company Limited has constituted the following three (3) Standing Committees of the Board, each chaired by Independent Directors:

Audit Compliance & Risk Committee

Chairman: Ian Kelly - Independent Director)
Marva Chang – Independent Director
Clive Nicholas – Independent Committee Member
Peter Knibb - Chief Financial Officer and Executive Director
Cecil Foster - Executive Director (Invitee)
Warren Riley – (Invitee)

Human Resource & Compensation Committee

Chairman: Marva Chang – Independent Director
Steadman Fuller – Independent Director
Ian Kelly - Independent Director
Marion Foster – Non- Independent Director
Peter Knibb - Executive Director
Cecil Foster – Executive Director
Suzanne Donalds – (Invitee)

Corporate Governance & Nomination Committee

Chairman: Steadman Fuller – Independent Director
Marva Chang – Independent Director
Peter Knibb - Executive Director
Cecil Foster – Executive Director

APPENDIX 2

Director Remuneration

The Director's remuneration is designed to promote the long-term success of the company; and is based on the position of the company relative to other companies. The remuneration levels may be improved to reflect the time commitment and responsibilities of the role each Independent/Non — Executive Director.

The following are recommended.

Board Meetings	\$50,000 per meeting
Sub-committee Meetings – Chair	\$57,000 per meeting
Other	\$50,000 per meeting