



**THE LIMNERS AND BARDS LIMITED
(THE “LAB”)**

CORPORATE GOVERNANCE POLICY

OCTOBER 2019

Introduction

The Limners and Bards Limited (“The LAB” or the “Company”) is a publicly listed company engaged in focused research to create branding, positioning and strategic campaigns for companies in Jamaica and the Caribbean.

This Policy documents the corporate governance framework to be approved, adopted by the Board of Directors of the Company. This Policy incorporates best practices from the Private Sector Organization of Jamaica (PSOJ) Corporate Governance Code and the Jamaica Stock Exchange (JSE) Rules.

This Policy:

- a. Adopts best corporate governance practices under the guidance of the Board of Directors;
- b. Defines the procedures and processes to which the Company is directed and controlled;
- c. Specifies the distribution of rights and responsibilities among the difference participants in the organization such as the Board of Directors, the management, shareholders and other stake holders.

The Company has adopted and will enforce the provisions set forth in the Corporate Governance Policy for transparency and compliance with all relevant laws, rules and regulations.

1. The Board of Directors

The Board of Directors mandate shall include without limitation the following: -

- 1.1. Evaluating the performance of the Managing Director, Chief Financial Officer and the Company Secretary and members of senior management Team;
- 1.2. Selecting, evaluating and fixing the compensation of senior management of the Company and establishing policies regarding compensation of other management personnel;
- 1.3. Reviewing succession plans and management development programs for Senior Management;
- 1.4. Reviewing and periodically approving long-term strategic and business plans and monitoring corporate performance against such plans;
- 1.5. Reviewing the major risks facing the Company and overseeing strategies to address these risks;

- 1.6. Adopting policies of corporate conduct, including compliance with applicable laws, rules and regulations, maintenance of accounting, financial and other controls, and reviewing the adequacy of compliance systems and controls;
- 1.7. Evaluating the overall effectiveness of the Board and the individual directors on an annual basis.
- 1.8. Reviewing succession plans for the Directors of the Company on an annual basis.

2. Independent Directors

- 2.1. A Director will not be considered independent if: -
 - 2.1.1. The Director has been an employee of the Company within the last five (5) years;
 - 2.1.2. The Director is affiliated with a company that acts as an advisor or consultant to the company or its related parties, or is and has acted in such capacity at any time during the past five years;
 - 2.1.3. The Director has any personal service contracts with the company, its related parties or its senior management at any time during the past five (5) years;
 - 2.1.4. The Director receive additional remuneration from the Company apart from director's fee and any performance related pay scheme;
 - 2.1.5. The Director is employed as an executive officer of another company where any of the company's executive serve on that company's Board;
 - 2.1.6. The Directors represents a significant shareholder;
 - 2.1.7. The Director is a member of the immediate family of any individual who is, or has been at any time during the past five (5) years, employed by the company or its related parties as an executive officer.
- 2.2. 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.

3. The Role of the Chairman of the Board of Directors

- 3.1. Pursuant to the Article 114 of the Articles of Incorporation, the Board shall elect a Chairman of the Board of Directors. The role of the Chairman of the Board is to preside over meetings of the Board of Directors and ensure the smooth functioning of the Board in the interest of good governance. The Chairperson's responsibilities include:
 - 3.1.1. Providing overall leadership to the Board without limiting the principle of collective responsibility for Board decisions;

- 3.1.2. Determining, in conjunction with the Managing Director and the Company Secretary, the development of an annual work plan for the Board against agreed objectives and goals as well as playing an active part in setting the agenda for Board meetings and annual Strategy Retreats;
- 3.1.3. Acting as the liaison between the Board and management and particularly between the Board and the Managing Director, ensuring that all Directors have a constructive role in the affairs of the Company and taking a lead role in recommending the removal of non-performing or unsuitable directors from the Board through the Annual Board of Directors Evaluation Exercise;
- 3.1.4. Ensuring that the relevant information is presented to the Board to enable Directors to arrive at informed decisions;
- 3.1.5. Participating in board discussions regarding succession planning for the Chairman of the Board, recruitment of new directors and management succession planning;
- 3.1.6. Participating in board discussions on establishing performance goals and assessments of the Managing Director in meeting agreed targets and overseeing succession plans for key senior management roles;
- 3.1.7. Performing representative duties on behalf of the Company including external communication with Regulators and other stakeholders as required;
- 3.1.8. Chairing the Annual General meeting of the Company and fielding questions on the Company's performance.

4. The Role of Managing Director

- 4.1. The role of the Managing Director is to advise and support the Board of Directors. The Managing Director is to provide the board with up-to-date information, make recommendations for new board members, participate in board orientation and participate in a self-evaluation. The Managing Director responsibilities include: -
 - 4.1.1. Collaborating with the Board of Directors and keeping them advised and informed on the strategic direction of the company and being the intermediary between the board and the Team. This requires the Managing Director to attend board meetings and meet with the Chairman or other Board Directors as needed;
 - 4.1.2. Responsible for leading the development and execution of long-term strategies with the goal of increasing shareholder value;
 - 4.1.3. Maintains awareness of the competitive market landscape, expansion opportunities and industry developments while assessing associated risks to the Company and ensuring they are monitored and minimized;
 - 4.1.4. Recommend to the Board yearly budget for approval and prudently manages organization's resources, the annual budget, manage financial and physical resources

and ensure that the organization is in continual compliance with current laws and regulations;

- 4.1.5. Oversees design, marketing, promotion, delivery and quality of programs, products and services;
- 4.1.6. Lead and manage the Team effectively in accordance with predetermined Performance Measures and Job Position Description;
- 4.1.7. Alerts the Board in advance of any forthcoming complex contentious, sensitive issues or corporate decisions as soon as possible prior to regularly scheduled board meetings.

5. Board Appointment and Remuneration

- 5.1. The Company has a 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 familiarize each new Director with his or her powers, duties, responsibilities and accountabilities and other matters relating to his or her appointment. The Letter/Appointment and the Code of Conduct will be countersigned and acknowledged by each Director;
- 5.2. The structure and amount of Director compensation are determined by the Board of Directors on the recommendation of management.

6. Board Composition and Skills

- 6.1. The Board's composition shall not exceed nine (9) Directors;
- 6.2. The Board must be comprised of a majority of non-executive members (including at least three independent non-executive members);
- 6.3. The Board recognizes the need for its composition to reflect a fair mix of diversity, independence, skills and expertise and facilitate objectivity in decision making and to execute the Company's strategic direction. High levels of professional skills and appropriate personal qualities are pre-requisites for directorship;
- 6.4. Candidates for the Board must be considered 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;
- 6.5. There will be separation and clear division in the roles and responsibilities of the Chairman of the Board of Directors and Managing Director.

7. Board Membership and Attendance

- 7.1. The Director shall retire from the Board at each Annual General Meeting in accordance with Articles 101(1) of the company's Articles of Incorporation. This means that Directors will automatically retire from the Board after serving for a term of one (1) year;
- 7.2. Directors are expected to devote sufficient time and attention to prepare for, attend and participate in Board meetings, including advance review of board papers previously circulated prior to each meeting;
- 7.3. All Directors must attend all Board meetings. Where a Directors is unable to attend a Board meeting, his or her absence shall be noted in the minutes. A schedule of Board meetings will be circulated in advance for the year.

8. Board Access to Management and Independent Advisors

- 8.1. Directors shall have open access to management and independent advisors, such as attorneys or auditors. The Board shall encourage senior management to bring managers into Board meetings and other scheduled who (a) can provide additional insight into matters being considered or (b) introduce managers with future potential whom senior management believe should be given exposure to the members of the Board. Management and employees shall have access to the independent directors as required.

9. The Company Secretary

- 9.1. The Company Secretary is appointed and removed by the Board of Directors and reports to the Board;
- 9.2. The Company Secretary ensures that the Board adheres to the correct Meeting procedures complies with its obligations under applicable laws and the Company's Articles of Incorporation under the Companies Act of Jamaica;
- 9.3. The Company Secretary shall assist the Chairperson of the Board in organizing the Board's activities including without limitation, preparing Meeting Notices, Agendas, Minutes of all Board Meetings, Action Items for Management, Memoranda to the Board, compiling and submitting in a timely manner information required for all Board meetings, organizing Director Training, Board Evaluation, Annual General Meetings, establishing an annual Board Meeting Schedule and ensuring that all company filings are current and filed in a timely manner annually;
- 9.4. The Company Secretary shall ensure that Board of Directors receive all board material no later than seven (7) days of the date of the Board Meeting to allow sufficient time for review and deliberation;

- 9.5. The Board shall approve a calendar of standard agenda items to be discussed at each meeting scheduled to be held over the course of the year;
- 9.6. Each Board member is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for inclusion or reserved for discussion under Any Other Business on the Meeting Agenda.

10. Meetings and Quorum

- 10.1. Board meetings will be held quarterly or such other frequency as the Board determines;
- 10.2. The Company Secretary shall prepare and distribute to Directors and invitees a schedule of meetings for the year;
- 10.3. The quorum of the Board of Directors shall be three (3);
- 10.4. The Chairman will chair all sessions of the Board. In absence of the Chairman, another Directors approved by the Board shall chair the meeting;
- 10.5. The External Auditor or any other member of the Executive Management may be invited to attend for particular items within his or her responsibility. The Board may also invite external parties such as attorneys or consultants as and when the need arises.

11. Board Resolutions and Minutes

- 11.1. The Company Secretary shall minute the proceedings and resolutions of all Board meetings;
- 11.2. Minutes will be circulated for approval at the subsequent regular meeting of the Board of Directors;
- 11.3. A Director who objects to any resolution adopted by the Board shall have his or her objection recorded in the minutes;
- 11.4. A Director may appoint an alternate to attend and vote in his place at any meeting of the Board;
- 11.5. All resolutions approved by Round Robin should be noted at the next regular Board meeting. Round Robin Resolutions should be used in exceptional and urgent circumstances and not as a routine manner for the Board approval process.

12. Director Orientation and Continuing Education

- 12.1. New Directors shall participate in an orientation program that includes comprehensive information about the Company's business and operations, general information about

the Board (including a summary of director compensation and benefits), and a review of director duties and responsibilities;

- 12.2. Directors are encouraged to participate in continuing education programs to increase their knowledge of corporate governance and enhance their effectiveness as a board member. The Company shall reimburse all reasonable and customary expenses incurred for this purpose.

13. Board Evaluation

- 13.1. The Board shall perform an evaluation of its performance on an annual basis. The Board shall annually review this Policy and its own effectiveness and composition, and initiate suitable steps for any amendments;
- 13.2. The evaluation process shall also cover the review of the performance of each individual Board member, or his or her attendance and his or her constructive involvement in discussions and decision making.

14. Executive Management

- 14.1. The Executive Management and the Board shall review the Company's senior level organization structure and the Company's management succession plan at least once per year;
- 14.2. The Managing Director shall on an annual basis evaluate the performance of the Executive Team, and the Chairperson shall on an annual basis evaluate the Managing Director's performance;
- 14.3. The Chairperson and two (2) Directors of the Board shall on an annual basis review the succession plan for the Managing Director and in the event of an emergency or retirement of the Managing Director, he shall select and recommend to the Board a replacement for that post from the list of potential candidates;
- 14.4. All Executives, Senior Management and Directors, who are integral in the decision-making process of the company are obliged to disclose any shareholdings and directorship they hold in other companies in June and December of every year of employment or directorship. Prior to appointment to a board outside the Company, the director shall notify the Chairman in writing, copying such notification to the Company Secretary. The Company Secretary shall notify the other Directors who shall have the opportunity to indicate any objections to such appointment.

15. Duties and Conduct

- 15.1. The directors have a responsibility and a duty to act in the best interest of the Company and its shareholders. The Board is accountable to the owners of the company, its shareholders for the manner in which they have carried out their functions and the performance of the company;

- 15.2. Each director has a fiduciary duty to the company and is expected to act honestly and in the best interest of the company;
- 15.3. Directors should not compete with the Company and must avoid any role or activity that creates or appears to create conflict between personal interests and the interests of the Company, including holding Board or executive positions in competing companies;
- 15.4. A director has a duty of skill and care to the Company. A director is expected to show the technical skills that would reasonably be expected from someone of his or her experience and expertise;
- 15.5. All directors have the same duty of skill and care. However, it is recognized that a non-executive director, by the nature of their position will have less knowledge of the Company's affairs. It is the responsibility of each non-executive director to arrive at a position as to what is necessary in particular circumstances to comply with the duty of skill, care and diligence they owe as a director of the company; such as to be informed in a timely manner, seek clarification from management or external professional advice, an introduction process to be provided and any matter that concerns the director be discussed in depth by the Board.

16. Oversee Management

- 16.1. The Board shall establish the business objectives of the company, oversee a planning process and approve the Company's business strategy and its plans for significant operations at least once a year;
- 16.2. The Board shall obtain reasonable assurance, on a regular basis that there is an ongoing and effective process in place for ensuring appropriate strategic management of the Company;
- 16.3. The Board shall frequently evaluate the Company's actual operating and financial results against the Company's business objectives.

17. Oversee Capital Management

- 17.1. A sound system of capital management is critical to the profitability and ongoing viability of the Company. Directors must understand the capital needs of the Company. The Board shall establish appropriate and prudent capital management policies for the Company with the assistance of the Executive Management.

18. Oversee Internal Audit Function

- 18.1. The Board on the recommendation of the Audit Committee shall establish the mandate of, and allocate sufficient resources for, the Company's independent internal audit department, and approve its annual plan. The independent internal audit department shall have full access to the Company's records, information and personnel;

- 18.2. The Board shall seek from the independent Auditor, on a regular basis, validations that the Company's processes, policies, procedures and controls are being monitored and adhered to, and that appropriate action is being taken to address any significant weaknesses or breakdowns that have been identified.

19. Oversee Risk Management

A sound system of risk management is critical to the profitability and ongoing viability of the Company. Directors must understand the significant risks to which the Company is exposed. The Board shall, with the assistance of the Executive Management establish appropriate and prudent risk management policies.

20. Oversee Liquidity and Funding Management

A sound system of liquidity and funding management is critical to the profitability and ongoing viability of the Company. Directors must understand the liquidity and funding needs of the Company. The Board shall establish appropriate and prudent liquidity and funding management policies for the Company with the assistance of the Executive Management.

21. Confirm Adequacy of Control Environment

- 21.1. The Board shall obtain reasonable assurance, on a regular basis, that the Company has a sound control environment that supports the appropriate, effective and prudent management of the Company's operations and the risks to which it is exposed and that contributes to the achievement of the Company's business objectives. The internal audit department, the external auditors and senior management shall report frequently to the Board on the state of the Company's internal control environment.

22. Disclosure and Communication

- 22.1. The Company is committed to providing timely, accurate and balanced disclosure of all material information about the Company and to providing fair and equal access to such information to all its shareholder;
- 22.2. The Board requires that management has processes in place to support its policy of full, true, plain and timely disclosure of financial results, significant developments and other material information to appropriate stakeholders such as shareholders, regulators, employees as required from time to time. Disclosure by the Company, where required will be guided by the Policy Statement on Timely Disclosure issued by the Jamaica Stock Exchange;
- 22.3. The Corporate Governance Policy shall be reviewed on annual basis by the Board. Each updated version shall be recorded in the Minutes of the Board meetings as well as reflected on this document;
- 22.4. For transparency, Management may take steps to make an approved copy of the Governance Code available on the website of the Company.

23. Confidentiality

- 23.1. Confidential information refers to all data and information relating to the business, management and affairs of The LAB, its customers and partners, which are, or come to be, in possession of The LAB by virtue of his or her office as Director and which is not in the public domain.
- 23.1.1. As a general rule, each Director shall keep all Confidential Information confidential and no Director shall use Confidential Information for personal gain or use. This obligation survives the termination or resignation of a Director as a Director of The LAB;
- 23.1.2. Unless required to do so by law, no Director shall, during membership on the Board or afterwards, disclose any information of a confidential nature regarding business of The LAB, that came to the person's knowledge in the capacity as a Director and which the person knows or should know to be of a confidential nature;
- 23.1.3. A Director may disclose such information to fellow Directors as well as to staff members of The LAB who, in view of their activities for The LAB should be informed of the information;
- 23.1.4. A Director shall not use such Confidential Information for personal benefit.

24. Disclosure of Conflict of Interest

- 24.1. A "Conflict of Interest" occurs whenever an individual's private interest, real or perceived interferes with the interests of the Company or its customers.
- 24.1.1. Before the Board action on a contract or transaction involving a conflict of interest, a Director having a conflict of interest and who is in attendance at the meeting shall disclose all facts material to the conflict of interest. Such disclosure shall be reflected in the minutes of the meeting;
- 24.1.2. A Director who plans not to attend a meeting at which he or she has reason to believe that the board will act on a matter in which the director has a conflict of interest shall disclose to the Chairman of the meeting all facts material to the conflict of interest. The Chairman shall report the disclosure at the meeting and the disclosure shall be reflected in the minutes of the meeting;
- 24.1.3. A Director who has a conflict of interest shall not participate in or be permitted to hear the Board's discussion of the matter except to disclose material facts and to respond to questions. Such directors shall not attempt to exert his or her personal influence with respect to the matter, either at or outside the meeting;

24.1.4. A Director who has a conflict of interest with respect to a contract or transaction shall not vote on the contract or transaction and shall not be present in the meeting room when the vote is taken.

This Corporate Governance Policy was reviewed and approved by the Board of Directors on June 8, 2022.