



CORPORATE GOVERNANCE CHARTER

DECEMBER 2024
KINGSTON, JAMAICA

TABLE OF CONTENTS

CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES	3
BOARD OF DIRECTORS	4
AUDIT COMMITTEE	8
ETHICS AND CONFLICT OF INTEREST POLICY	9

CORPORATE GOVERNANCE PRINCIPLES AND GUIDELINES

Seprod Limited (Seprod), recognizes that as a public company, it must embrace and practice sound corporate governance. These principles and the attendant structures should serve the best interest of all stakeholders and emphasize the highest standards of transparency, oversight and independence.

The intent is to protect the general public which purchases our goods while advancing the interests of owners and staff.

These practices are consistent with world best practices and adhere to the relevant legal and regulatory framework. The corporate governance core practices of Seprod are rooted in the acceptance of the following principles:

- ❖ Corporate Governance should establish a clear foundation for Management and Board oversight. The role and responsibilities of Board and Management should therefore be clearly outlined to facilitate accountability.
- ❖ The Board of Directors should be structured and selected to ensure effectiveness, independence and protection of the public's interests through appropriate selection and operating processes.
- ❖ Ethical standards and responsible decision-making should be promoted.
- ❖ Governance should ensure that there is accurate, timely and full financial and governance reporting with strong internal controls and risk management.
- ❖ Material information regarding the company's operations should be disclosed in a timely manner to the relevant regulatory entities.
- ❖ There should be regular reviews of Board and Management performance to enhance effectiveness.
- ❖ Remuneration should be fair to attract and retain competent skills, and rewards consistent with performance objectives.
- ❖ The interests of stakeholders should be carefully balanced, protected and promoted.
- ❖ Ensure the quality and independence of the external and internal audit processes.

STATEMENT OF PRINCIPLES & PRACTICES

BOARD ISSUES	DESCRIPTION/PRINCIPLE
Accountability to shareholders/stakeholders	Seprod is a public company with a fiduciary responsibility to its shareholder and the public. It must balance the interest of all stakeholders to foster growth.
Mission and Responsibility	The Board members have the responsibility to attend meetings and familiarize themselves with, and make decisions on, issues brought to the Board for consideration.
Elections	The provisions for elections of members are set out in the Articles of Association Seprod and stipulate election of members on an annual basis.
Orientation and Training	Training is made available to directors upon appointment to the Board. Seprod will organize orientation and training for any director within three (3) months of appointment to the Board if needed.
Access to Information	The Board considers the provision of good quality, timely and accurate information as a significant priority in company procedures. Management has the responsibility to provide the Board with any information that will allow members to properly carry out its responsibilities.
Disclosure of Directors' Biographical Information	Disclosure should be in keeping with the requirements of the Fit and Proper Criteria.
Composition	Representation should reflect the diversity of stakeholders and the needs of the Company.
Committees	<p>Composition There are provisions for both mandatory and non-compulsory committees of the Board. The mandatory committee of the Board is the Audit Committee.</p> <p>Each Committee is to have a written charter outlining its purpose and responsibilities and reporting format. Committees must meet at least twice annually.</p> <p>Review Process The Board of Seprod conducts regular reviews of the performance of the Committees. Chairmen of Committees are required to develop and present their key performance indicators.</p>
Audit Committee	The Audit Committee assists the Board with oversight responsibilities in

	regards to the integrity of the company's financial statements. It also serves as the communication link between the Board, the management team and the auditors. The Audit Committee ensures that the Company complies with the legal and regulatory requirements. This Committee meets quarterly.
Other Committees	These are formed as the directors see fit.
Board Meetings	<p>There are formal scheduled meetings of the Board at which matters are specifically reserved for discussions. Matters must be addressed within a reasonable time in order to prevent an overrun of pending items.</p> <p>Meetings shall be held at least eleven (11) times per year.</p> <p>Procedure at Board Meetings</p> <p>In the interest of promoting and ensuring transparency, all directors must excuse himself/herself from discussions in, and in making decisions on any matter in which he/she has a personal or business interest or companies on whose Board he/she sits or is connected.</p>
Performance	<p>Evaluation of Board members and Senior Executives</p> <p>The Board recognizes the importance of evaluating the performance of each director, senior executives and the Board as a whole.</p>
Term Limits	Term limits may from time to time be set for the Chairman and the Deputy Chairman, however, there are no term limits imposed at this time.
Age Limits	Seprod has no maximum age limit for members sitting on the Board. However, the minimum age limit should be 18 years.
Accounting Standards	The Board is governed by the standards as communicated from the Institute of Chartered Accountants of Jamaica.
Ethics	Seprod has implemented a Code of Ethics which governs both the conduct of staff and Board members.

Board Responsibilities

To implement the above mentioned Principles, the Board will guide and monitor the business and affairs of Seprod to ensure that the interests of all its stakeholders are protected. The Board is therefore responsible for:

- General corporate governance of Seprod, which shall include legal and regulatory compliance ensuring the adherence to high ethical standards, and realizing the Core Values of Seprod;
- Planning the general strategy and direction of Seprod including formulating, monitoring and reviewing strategic, financial and operational plans;

In order to achieve these responsibilities the Board shall reserve to it and exercise the following powers:

- Reviewing Seprod's strategic plan annually;
- Approving the annual budgets;
- Reviewing financial results;
- Dealing with all matters which are not delegated to the Chief Executive Officer;
- Determining the terms and conditions of appointment and removal of the Chief Executive Officer and other senior Executive managers;
- Establishing Board Committees wherever this would enhance its effectiveness in fundamental/strategic areas;
- Establishing targets for and evaluating the performance of the Chief Executive Officer;
- Reviewing Board compensation annually;
- Evaluating the effectiveness of the Board;
- Delegating authority to a standing or ad-hoc Committee where necessary or appropriate.

Board Composition

- There should be a balance of independence, skills, knowledge, experience, and perspectives among Directors to allow the Board to work effectively;
- The appointment and retirement of Directors shall be governed firstly by the Articles of Association of Seprod and thereafter by any standards or criteria imposed by the Board.

Board Disclosure of Interest

- Directors taking on other directorships shall disclose this to the Board;
- Where directors have interests that conflict with issues under discussion by the Board those directors should declare this and leave the meeting.

Independence

- A Director will meet the formal criteria for independence where he or she does not represent a substantial shareholding and where he or she is not a close relative of a significant shareholder or where he or she does not have an employment relationship with Seprod.
- All Directors of Seprod shall act independently and bring an independent mind to bear on matters coming before the Board;
- Directors shall notify the Board of any changes in status which will affect their independence, and once so notified the Board will conduct its own reevaluation of the said director's independence;
- The Board will ensure that it has access to professional advice, both inside and outside of Seprod in

order for it to perform its duties.

Directors and Board Meetings

- The Board shall normally meet once every month and otherwise as required with the management;
- Directors shall attend Board and committee meetings and prior to such meetings review the relevant preparatory material;
- The non-management Board members may periodically meet in executive sessions in order to review appropriate topics;
- The Board shall where necessary arrange the orientation of new Board Members and ensure the continual training and professional development of all Board Members;
- Every Director is entitled to receive Notice of Meetings of Directors in accordance with the Articles of Association;
- The quorum for any meeting of the Board of Directors is 7;
- Non-directors inclusive of management may be invited by the Chairman to be present at Board Meetings;
- Directors are expected to attend Annual General Meetings of Seprod;
- The Board believes that confidentiality is essential to the deliberative process and therefore information and deliberation in Board and Committee meetings shall not be disclosed.

Committees

While the Board recognizes that it is responsible as a whole for the oversight of management on behalf of the stakeholders, in order to do so more effectively the Board has established the following standing committees to assist in the execution of its responsibilities:

- Audit Committee
- Executive Committee
- Insurance Committee

Each Committee has its own terms of reference.

Each Committee will generally report to the Board at the next scheduled Board Meeting after a Committee's meeting. Each Committee shall be afforded an opportunity to present to the Board Meeting on any pertinent issues arising from the execution of its responsibilities.

The Board will annually review the membership of each Committee, and make any necessary changes based on committee requirements, director availability, interest, and experience as well as any legal or regulatory qualifications that may be applicable to the specific committees.

TERMS OF REFERENCE FOR BOARD COMMITTEES

(1)
(Meetings are held quarterly)

AUDIT COMMITTEE (Quorum: 2)

Membership

The Audit Committee shall consist of at least three and no more than six members of the Board of Directors. The majority members of the Committee shall be non-executive and independent. The Chairman and members are appointed by the Company's Board. Each member of the Committee shall be financially literate, as defined by applicable regulation and the Board of Directors. At least one member shall have expertise in financial reporting.

By Invitation:

Company Secretary
2 representatives from the Company's Internal Auditors
Representatives of the Company's External Auditors
Such other person as the Committee may from time to time see fit to invite.

Functions

The Audit Committee assists the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process and the company's process for monitoring compliance with laws and regulations and the Code of Conduct.

The Committee reviews the company's audited financial statements, prior to same being referred to the Board for approval, and liaises as necessary, with the external auditors.

The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibility.

The Committee meets at least four times a year with authority to convene additional meetings as circumstances require.

(2) THE EXECUTIVE COMMITTEE OF THE BOARD

The Board of directors may elect an Executive Committee. The Executive Committee shall consist of no more than six (6) members of the Board of Directors and any other person invited. The chairman of the Seprod Board and in his absence the vice chairman of the Board will preside over the meetings of the Executive Committee.

The Executive Committee has as its primary purpose the review of major investment decisions and other significant matters prior to presentation to the Board. This would include but not limited to considerations of mergers, acquisitions or divestments of a material nature.

Meetings: The Committee shall meet monthly

ETHICS AND CONFLICT OF INTEREST POLICY

BACKGROUND

Directors, committee members and employees of Seprod Limited hold positions of trust and respect within the organization. Seprod Limited requires that each director, committee member and employee maintain the highest standards of dealings with respect to the interest of Seprod Limited. These persons have the fiduciary, legal and moral responsibilities to conduct the affairs of Seprod Limited in the best interest of its stakeholders.

The Board of Seprod Limited recognizes that from time to time situations arise that can lead to conflict of interest violations by the directors, committee members and employees of Seprod Limited in their dealings with vendors or others doing business or associated with Seprod Limited. The directors, committee members, and employees of Seprod Limited are not permitted to take advantage of their position directly or indirectly, for private gain, or to advance personal and or business interests, or to obtain favours or benefits for themselves, their immediate family members, or any other individual. Immediate family members mean spouse, parents and children.

RATIONALE

The purpose of this policy is to define the minimum standards of conduct required of directors, committee members and employees. Each director, committee member and employee will receive and be required to comply with this policy at all times.

New directors, committee members and employees will be provided with a copy of this policy upon employment or appointment. On an annual basis each person is required to confirm compliance with this policy, indicate any exceptions and also confirm that any breaches or potential breaches of which the person is aware have been reported.

Any breach of this policy is considered a serious matter and can result in disciplinary action up to and including termination of employment and removal from office.

CONDUCT EXPECTED OF DIRECTORS, COMMITTEE MEMBERS AND EMPLOYEES

Seprod directors, committee members and employees are required to:

1. Act fairly and reasonably at all times. To be truthful and not to mislead directly or indirectly in words or deeds.
2. Conduct the business of the organization in full compliance with both the letter and spirit of the applicable laws and all applicable regulations and within the requirements of this and all other policies of the organization.
3. Maintain the confidentiality of Seprod and customers and employee information unless required to do so by law.

4. Recognize and avoid conflicts of interest.
5. Properly manage personal finances so that they do not interfere with the director, committee member or employee's duties and responsibilities.
6. To accept fees (including special discounts of any direct or indirect payment of money or property) and other items of value in return for service Seprod Limited renders or is purchasing are generally prohibited. The following exceptions are allowable:
 - Payments of bona fide salary, wages and fees or other compensation when these are made in the usual course of business.
 - There is no suggestion whether implied or expressed that the giver of the gift or benefit is trying to improperly influence the director, committee member or employee subject to the dollar value limitations below.
 - Acceptance of meals, refreshments or entertainment not to exceed US\$100.00 per individual in the course of a meeting or occasion provided that these expenses are otherwise reimbursable by Seprod Limited as a justifiable business expense.
 - Acceptance of unsolicited promotional materials and inexpensive advertising items of nominal value limited to US\$100.00 per item per person.
 - Acceptance of discounts or rebates on merchandise or services, provided they do not exceed those that are available to other persons or to the general public.
 - Acceptance of gifts limited to US\$100 per item per person.
 - Acceptance of civic, charitable, educational, or religious awards in recognition of a service performed or an accomplishment.
 - Other activities not identified may be acceptable on a case-by-case basis with prior written approval from the board.

7. Board members, committee members and employees are prohibited from soliciting, offering, promising, or accepting anything of value in connection with any transaction or business conducted by Seprod Limited if that person expects to be rewarded for performing the transaction. The following are always considered unacceptable:

- No director, committee member or employee of Seprod Limited will solicit or accept anything of value including but not limited to gifts, gratuities, fees, amenities, travel or related expenses in connection with any transaction or business of Seprod Limited.
- Seprod directors, committee members and employees are prohibited from having expenses paid for trips or other extensive entertainment by clients or suppliers or potential suppliers of goods and services to Seprod Limited, except where the director or committee member is a director of that organization and these trips are business related to their affiliation.
- No director, committee member or employee may accept a personal fee or monetary consideration for arranging a loan with, deposit or investment from Seprod Limited.
- No director, committee member or employee may be delinquent on a credit obligation with Seprod Limited.
- Confidential information regarding any customer or any transaction or business with Seprod Limited obtained in the course of business must not be used for personal gain nor must it be revealed to any person outside Seprod Limited without the consent of the Chief Executive Officer or as otherwise permitted by law.

A gift or benefit to a director, committee members or employee's spouse, child or parent (immediate family member) may be considered inappropriate and may under the circumstances be treated as if the gift was to the director, committee member or employee for the purpose of this policy.

8. Relations

- No other committee member may be related to any employee of Seprod Limited unless the employee performs a function that is separate from the activities of the committee.
- No director or committee member may have a contractual relationship with Seprod Limited unless details of such a contract is fully disclosed.
- Persons appointed as auditors of Seprod Limited must not be a director, committee member, employee or family member of any of these persons or be financially associated with Seprod Limited.
- Seprod Limited will not use the professional services of companies or partnerships that have any financial association with a director, committee member, employee or immediate family member of any of these persons. Approval may be given in exceptional cases where the conflict is not considered to be significant or where it is considered in the best interest of Seprod Limited. Prior approval must however be sought from the Board and where granted any conditions associated with such approval must be strictly complied with.

- Seprod Limited will not invest in a company that is financially associated with any of its directors, committee members, employees or immediate family members of any of these persons without the prior approval of the Board of Directors. Financially associated means has a major financial stake or interest in the company, occupies a position of influence in the company, and has the ability to control or influence the actions of the company.

CONFLICT OF INTEREST

Directors, committee members and employees must avoid conflicts of interest. Conflicts of interest are defined as a distraction, an obligation or interest that would interfere with or even appear to interfere with the independent exercise of judgment in Seprod Limited's best interest.

For the purposes of conflict of interest the activities and actions of immediate family members are considered to be actions of the director, committee member or employee.

1. Employees must obtain prior approval from the Chairman, or designate before acceptance of a directorship or other committee position in any other company.
2. Employees owe their primary business loyalty to Seprod Limited. They must avoid situations in which any interest that is private would or could conflict with their duties and responsibilities to the organization.
3. Employees must not acquire or participate in any business interest or activity outside the organization, without the prior approval of the Board of Directors or the Management.
4. Every director, committee member or employee is required to declare his interest directly or indirectly in any contract or transaction to which Seprod Limited is a party to. The nature and the extent of any benefit or consideration which will derive, directly or indirectly because of such contract or transaction so that such information is within his knowledge be disclosed.
5. Seprod Limited requires that any conflict of interest be revealed at the earliest possible time possible and that any director, committee member or employee refrain from voting or making a decision in respect of that contract or transaction.
6. All the details of a conflict of interest disclosure relating to a director or committee member must be recorded in the relevant minutes as well as the record of the concerned person absenting himself from the discussion and from voting on the transaction or contract.
7. Where an employee is concerned, the conflict must be reported to the Chief Executive Officer and documented as well as the employee's non-participation in the discussion or decision relating to the transaction or contract.
8. Failure to declare a conflict is sufficient grounds for removal from office or dismissal.
9. If the relevant party fails to disclose a conflict of interest the contract or transaction may be rendered void by Seprod Limited. This clause will be stipulated in all contracts negotiated by Seprod Limited.
10. The extent and materiality of a conflict of interest and required remedial action shall be determined as follows:
 - For the Chief Executive Officer by the Board of Directors
 - For other employees by the Chief Executive Officer

REPORTING OF BREACHES AND WHISTLE BLOWING

Employees at the commencement of employment with Seprod Limited are required to disclose any business interest to the HRD manager which they have outside Seprod Limited and to update this promptly as necessary to the Chief Executive Officer so that any conflicts or potential conflicts may be determined and the appropriate action taken.

Directors and committee members are required to disclose to the Chairman and their committee chairman respectively any other directorships, business or other interests or associations, which may be or appear to be in conflict with his or her position as a director or committee member.

If anyone believes that he or she may have breached this policy or if anyone has observed a breach by an employee, director or committee member or if anyone has observed a serious weakness or deficiency in this policy which might enable breaches to occur or go undetected then they have a responsibility to report this immediately.

Seprod Limited is committed to affording employees, directors and committee members a reliable process through which breaches, irregularities or concerns over any wrong doing may be reported without fear of reprisal or loss of job provided that:

- The report is made in good faith, without malice or improper motive.
- The person making the report believes that the information provided and any allegations are substantially true.
- The report is made with the belief that the information provided is substantially true.

Persons should generally make reports using the chain of command. If someone is not comfortable using the chain of command the person may make the report directly to:

The Chairman or Chief Executive Officer
The Chairman of the Audit Committee

REVIEW AND DISCLOSURE

This policy is to be reviewed and reaffirmed annually by the board of directors. Such review and reaffirmation will be recorded in the board minutes. In addition each board member, committee member and employee will annually be required to execute a disclosure statement. The Chief Executive Officer's office is responsible for the completion and filing of these disclosure statements.

CONFLICT OF INTEREST DISCLOSURE STATEMENT

Annually each director, committee member, executive management committee member and employee of Seprod Limited is required to sign the attached disclosure statement.

CONFLICT OF INTEREST DISCLOSURE STATEMENT

I _____ hereby acknowledge that I have received a copy of the Ethics and Conflict of Interest Policy and I have fully read and understood this policy. I agree to comply with the requirements of this policy. I agree to make a full and complete disclosure of any conflict of interest, which I have or may have in the future.

Dated _____ Signed _____

Name (Print) _____

Title/Position _____