TERMS OF REFERENCE
CORPORATE GOVERNANCE COMMITTEE

Governance Statement

The Corporate Governance Committee (CGC) of LASCO MANUFACTURING LIMITED (LML) exercises an independent review function to assist the LML in fulfilling its corporate governance oversight responsibilities. The Committee evaluates and monitors the adequacy of and compliance with all governance matters pursuant to the company's policies. The CGC acts to ensure that LML adheres to its Corporate Governance (CG) mandate as outline in its Corporate Governance Policy, the Companies Act (2004) and other applicable laws, regulations and the Jamaica Stock Exchange (JSE) Rules. The CGC reports directly to the Board on its assessment of the LML's governance and compliance and provides advice and guidelines to the Board on matters brought to the Committee's attention or on its own volition.

The CGC is committed to maintaining the highest level of transparency, accountability and integrity in all its operations and will monitor the maintenance of high ethical standards of all employees and directors of LML.

A. PURPOSE

The Board will appoint a Corporate Governance Committee to:

1. Monitor compliance with applicable laws and regulations.

2. Oversee the selection and performance evaluation of the board.

3. Develop and recommend amendments on the board's corporate governance policies and principles.

4. Review the organization and operational performance of the board's Committees.

5. Review and recommend short development programmes related to new standards or regulatory developments including but not limited to corporate governance and accounting standards, which can impact the overall performance of the LML. This must be done in line with budgetary requirements.

6. Ensure all new directors go through an appropriate induction programme.

7. Ensure that the appropriate interface exists and is maintained between the Board and Operating Management.

8. Monitor conduct of the LML's operations to ensure adherence to principles of good corporate citizenship and that all operations add value for LML corporate sustainability.

9. Review annually the competency profile for directors of LML.

10. Review annually succession planning for the board and the Managing Director.

B. MEMBERSHIP

1. The CGC shall be comprised of a **minimum** of three (3) non-executive directors.

2. The Board shall appoint the Chairman of the committee who at all times must be an Independent non-executive director as defined in the company's CG Policy.

3. Members will be appointed by the Board and will serve until resignation or until the termination of their appointment to the Board. Members may also be removed from the committee by majority vote of the Board of Directors.

4. The Company Secretary will be the assigned secretary for the CGC. In the absence of the Company Secretary, the Chair of the CGC may make alternate arrangements with the Secretariat Unit for a member of the company's staff to act as Secretary to the Committee.

5. The Ex Officio officers including the Chairman as well as the Managing Director **may be invited** to all Committee meetings.

6. The Committee has the power to require any member of staff of the company to attend meetings as required. Such staff attendance should be scheduled through the Managing Director.

C. MEETINGS, QUORUM AND PROCEDURES

1. The CGC will determine its own rules of procedure, provided they are consistent with the JSE Rule 506 and the CG Policy that governs LML generally.

2. The CGC will meet **once per year** and more frequently as circumstances require.

3. The Chair of the CGC or a majority of the members of the committee may call a special meeting of the CGC through the Company Secretary who will ensure that adequate notice is provided.

4. **Two (2) members** of the CGC will **constitute a quorum**. This must include at least 1 independent non-executive director. The CGC Chairman shall have a casting vote as required.

5. The CGC may form sub-committees for any purpose that the CGC deems appropriate and may delegate to such sub-committees such power and authority as the CGC deems appropriate. No sub-committee should consist of fewer than two members.

6. Meeting agendas and documents will be prepared for each meeting and provided within a minimum of **3 working days** in advance to the Committee members along with appropriate briefing materials.

7. Senior Management or other persons, whose advice and counsel are sought by the CGC, may be invited to meetings of the Committee to provide such pertinent information as the CGC request.

8. The CGC shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.

9. An annual Corporate Governance report, which speaks to the state of LML's overall Governance and the board's annual activities, will be included in LML's Annual Report.

D. SPECIFIC RESPONSIBILITIES AND DUTIES

The CGC will have the following duties and responsibilities:

a) Monitor Adherence to Laws & Regulations

1. To ensure that the Board is, and remains in compliance with the Companies Act; the Jamaica Stock Exchange Rules; the LML Corporate Governance Policy and all other applicable and relevant laws and regulations.

b) Recommend and Review Policies

2. To ensure development of required policies and periodically review and recommend changes to the CG Policy, Board Charter and committee's terms of reference that will guide the Board in the execution of its governance responsibilities. The CGC will ensure that such policies are appropriate to LML's business, and comply with applicable laws, and regulations and are in line with governance best practices.

3. To review, and recommend to the Board, a Code of Business Conduct for directors and employees, and to periodically review such Code and recommend any changes, to the Board.

4. Monitor and address complaints as required under the LML Whistle Blowing Policy and the Code of Conduct.

5. To consider all directors conflict of interests and related party transactions and make recommendations to the board as required.

6. To consider any other corporate governance issues that arises from time to time, and to develop appropriate policy recommendations for the Board.

c) Selection; induction; development and evaluation of Board & Committees

7. To promote the qualities and characteristics needed by LML to effectively execute its corporate governance responsibilities, especially when recommending to the Board

changes to directorships and the Board's sub-committees. These will include but are not limited to:

a) Maturity of judgment
b) Experience
c) Range of Professional Skills
d) Accountability
e) Integrity
f) Financial Literacy
g) High Performance Standards
h) Time Available to the LML
i) Governance Knowledge
j) Networking/Contacts
k) Degree of Independence

8. With a view to supporting the board in discharging its responsibilities for maintaining an annual competency profile, the CGC will do an annual review of the existing skills and competencies of the Board, identifying gaps and submitting same to the Board for review and action.

9. To develop and oversee evaluations of the performance of the Board and all its committees.

10. To support the Chairman with the assessment, performance and contribution of directors, and to provide the Chairman with guidance and support to those who are under-performing.

11. To recommend to the Chairman, those directors to be selected for chairmanship and/or membership on, or removal from, the various Committees based on performance and all other relevant considerations.

12. To recommend appropriate related short professional development programmes for director's, within budget, that will assist the Board to effectively perform its function.

13. To ensure appropriate induction of new directors, in order to improve each member's ability to contribute effectively to the deliberations of the Board.

14. To develop and annually review a succession plan for directors, the Chairman and the Managing Director.

d) Corporate Social Responsibility (CSR)

15. To review all donations made within LML policy guidelines to ensure adherence to the principles of good corporate citizenship.

16. Ensure that LML has established appropriate sustainable policies including policies to address responsible environmental practices.

E. SELF-EVALUATION

a) The CGC shall periodically conduct a self-evaluation of its performance.

b) In conducting this review, the CGC will also evaluate whether this term of reference appropriately addresses the matters including but not limited to attendance and participation of members, or matters which should be within its scope.

c) In conducting this review, the CGC will address all matters that it considers relevant to its performance, including at least the following:
   i. The adequacy, appropriateness and quality of its information and recommendations to the Board;
   ii. The manner in which they were discussed or debated; and
   iii. Whether the number and length of meetings are adequate for the CGC to complete its work in a thorough and thoughtful manner.

d) The CGC will provide the Board with a written report of the results of its self-evaluation, including any recommended amendments to this term of reference.

F. COMMITTEE SECRETARY

The Secretary for the Committee shall be the Company Secretary who may assign an in-house member of the Secretariat Unit to take the Minutes of the meetings.

The Committee Secretary is required to:

a) circulate the notices and minutes of the Committee meetings;

b) distribute to Committee members, **3 working days prior to the meetings** of the Committee, all agenda and documents of meetings, reports and/or related documents which are prepared for consideration by the Committee;

c) keep detailed records of the Committee's meetings; and

d) have such other duties as may be assigned by the Committee.

G. REPORTING RESPONSIBILITIES

The Committee shall submit reports to the Board on the Committee's activities, findings and related recommendations.

H. CONFLICT OF INTEREST

Where there is a conflict of interest, the Committee Member so affected shall declare his interest to the Chairman and the details of the conflict are to be recorded by the Company Secretary.

The Committee Member who has a conflict of interest shall not participate in the deliberations on the particular matter and will excuse himself from the discussions in respect of those interests during the period of discussion of the matter.

I. CONFIDENTIALITY OF COMMITTEE INFORMATION

All information received by the Committee is confidential and is the property of LASCO MANUFACTURING LIMITED and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

J. AUTHORITY

The Committee has the authority to conduct or authorize investigations into any governance matters within its scope of responsibility. In so doing it is empowered to:

a) Investigate any governance matter brought to its attention with full access to all books, records, facilities, and personnel of LML; financial governance matters will be referred to the Audit & Risk Management Committee for investigation.

b) Seek any information it requires from any officer or employee of LML and such officers or employees shall be instructed by the Board to respond to such enquiries;

c) Meet with officers/employee of the LML for the purpose of furthering its investigations; and

d) Provided that the approval of the Board is first obtained, retain outside counsel or other experts to advise the Committee or assist in the conduct of an investigation.

K. AUTHORITY TO ENGAGE ADVISORS

The CGC, with the prior approval by the Board, may engage outside advisors as it deems appropriate and necessary to assist it in the effective discharge of its functions.

L. REVIEW AND ASSESSMENT OF TERMS OF REFERENCE

The Board will conduct a review and assessment of the CGC Terms of Reference at least every 2 years in such manner as the Board deems fit.

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Lascelles Chin
Executive Chairman

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Vincent Chen
Company Secretary

DOCUMENT CONTROL

Version	*Date*	*Date Approved by Board*	*Area Changes made*
1st	May, 2019	May 29, 2019	