LASCO MANUFACTURING LIMITED

CORPORATE GOVERNANCE POLICY

Table of Contents

1. INTRODUCTION 3

2. THE BOARD OF DIRECTORS 3

2.1 FUNCTIONS AND RESPONSIBILITIES 3

3. DIVISION OF RESPONSIBILITIES 5

3.1 CHAIRMAN 5
3.2 DIRECTORS 6
3.3 COMPANY SECRETARY 7

4. COMPOSITION AND SELECTION OF DIRECTORS 7

5. BOARD MEETINGS 9

6. PERFORMANCE EVALUATION 9

7. DISCLOSURES AND DEALINGS IN SHARES 9

8. BOARD COMMITTEES 10

8.2 AUDIT & RISK MANAGEMENT COMMITTEE 10
8.3 COMPENSATION COMMITTEE 12
8.4 CORPORATE GOVERNANCE COMMITTEE 12

9. RELATIONSHIP WITH SHAREHOLDERS 13

10. AMENDMENTS TO THIS CORPORATE GOVERNANCE POLICY 14

• INTRODUCTION

The Board of Directors ("the Board" or "Directors") of Lasco Manufacturing Limited ("LML" or "The Company") recognizes that high quality corporate governance helps to underpin long-term company performance and results in high levels of investor confidence.

In this context, this Corporate Governance Policy was developed in accordance with LML's Articles of Incorporation, The Jamaica Companies Act, the UK Corporate Governance Code, the Code on Corporate Governance promulgated by the Private Sector Organisation of Jamaica and the rules of the Jamaica Stock Exchange.

In accordance with these Principles and on an on-going basis, the Board will assess and implement these principles to ensure compliance with good corporate governance and Best Practices, in order to achieve The Company's objectives and meet shareholders obligations. This is an active and engaged responsibility that requires the Board to regularly review and monitor the effectiveness of management's performance in carrying out the policies of the Board and management's decisions and strategies. This Policy documents the standards governing Board composition, function and effectiveness, the role of Board Committees, remuneration, evaluation and relations with its shareholders.

This policy document has as its primary function the attainment of the objectives of the shareholders of The Company, and in its application due consideration and regard must be given to the objectives set by the shareholders to the extent that those objectives are paramount; they are the corporate purposes.

BOARD OF DIRECTORS

2.1 FUNCTIONS AND RESPONSIBILITIES

Main Principle: The Company shall be directed by an effective board which is collectively responsible for the long-term success of The Company.

2.1.1 The Board's primary responsibility is to provide effective governance in supervising the management of The Company's affairs to ensure that all its stakeholders are protected. In doing so it must strive to balance the interests of The Company's diverse constituencies, including its shareholders, customers, suppliers, employees, creditors and the communities in which it operates.

2.1.2 In discharging its responsibilities, The Board is expected to act honestly and in good faith in the exercise of due care and to act in the best interest of The Company.[1] In doing so, the Board may rely on the advice and reports of The Company's Senior Management, and other independent professionals.

2.1.3 The Board makes its decisions directly or through its established Sub-Committees, and reviews and approves key policies and oversees the management of The Company particularly in relation to:

i. Business strategy, including annual operating plans and budgets;
ii. Business development initiatives including major investments and disposals;
iii. Corporate governance;
iv. Compliance with applicable laws, regulations and codes of ethical business conduct;
v. Corporate citizenship, social responsibility and sustainable environmental practices;
vi. Corporate financing and treasury related activities;
vii. Compensation, including directors and executive compensation and overall remuneration policies and practices (including employee benefit plans);
viii. Risk management and the adequacy of financial controls;
ix. Organizational structure and succession planning;
x. Financial reporting;
xi. Timely, accurate and balanced disclosure of material information about LML to appropriate stakeholders, including the shareholders and the Jamaica Stock Exchange (JSE);
xii. The identification, evaluation and selection of candidates for the Board;
xiii. The assignment of specific responsibilities for the Chairman, all Directors, The Company Secretary and all Sub-Committees; and

[1] See Section 174 of the Companies Act 2004

xiv. The appointment and removal of the Chairman, the Deputy Chairman, the Managing Director and The Company Secretary, including the delegation of powers to these individuals within authorized discretionary levels.

xv. The Board shall establish clear policies for these processes and establish KPI's for annual evaluation.

• DIVISION OF RESPONSIBILITIES

Main Principle: There should be a clear division of responsibilities at the head of The Company between the running of the Board (the Chairman) and the day to day responsibility for the running of The Company's business (the Managing Director).

The Board will select one of its members to be appointed Chairman at the first Board meeting following the annual general meeting of shareholders of Lasco Manufacturing Limited for such term as the Board may determine.

The Chairman provides overall leadership to the Board to enhance the effectiveness, governance, direction, administration and performance of the Board and act as the primary spokesperson for the Board.

3.1 CHAIRMAN

3.1.1 The Chairman of the Board is principally responsible for chairing the Board, overseeing its effective operation, and ensuring that the information Directors receive is sufficient to make informed decisions.

3.1.2 The Chairman should facilitate the effective contribution of non-executive directors and ensure constructive relations between Executive and Non-Executive Directors.

3.1.3 The Chairman should ensure that the Directors consistently upgrade the skills required to fulfil their roles on the Board.

3.1.4 The role of the Chairman and the Managing Director will be exercised by different individuals to ensure a separation between the running of the board and the running of The Company's business.

3.1.5 In the event that the roles of Chairman and Managing Director are not exercised by different individuals, a lead independent shall be appointed by the Board of Directors.

3.2 LEAD INDEPENDENT DIRECTOR

3.2.1 When appointed a Lead Independent Director will coordinate the activities of the other independent directors and to perform such other duties and responsibilities as the Board may direct.

3.2.2 RESPONSIBILITIES AND DUTIES

The Lead Independent Director will provide leadership to directors by:

- presiding at all meetings of the Board at which the Chair of the Board is not present;
- ensuring that independent directors have adequate opportunities to meet and discuss issues in sessions of the independent directors without management of the Company present, and serving as Chair of such meetings;
- serving as principal liaison between the independent directors and the Chairman and between the independent directors and senior management of the Company;
- communicating to management of the Company, as appropriate, the results of meeting sessions among independent directors;
- responding directly to shareholder questions that are directed to the Lead Independent Director or to the independent directors as a group, following consultation with the Chairman and other directors;
- in conjunction with the Chairman, ensuring that resources and expertise are available to the Board so that it may function effectively and efficiently (including the retention of any outside advisors) and ensuring that any outside advisors retained by the Board are appropriately qualified and independent in accordance with applicable law;
- performing such other duties as the Board may from time to time direct.

3.3 DIRECTORS

3.3.1 Directors are expected to regularly attend meetings of LML"s shareholders, Board and Board Committees on which they serve, and to spend the time needed to prepare in order to properly discharge their responsibilities. Each Board member is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for a meeting. Notification of items suggested for inclusion or subjects raised must be made to The Company Secretary's office within 48 hours before the meeting.

3.3.2. Prior to a Board or Committee meeting, Directors are entitled to receive information and materials that are important to their understanding of the business to be conducted five (5) days before the meeting to provide adequate time for review.

3.3.3 Directors should be knowledgeable and informed about the business of LML and their duties and responsibilities. The Directors' development programme will be at a minimum 14 hours and will include a periodic review of the vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices of The Company and will provide for meetings with Executive Management as required.

3.3.4 A newly appointed director shall participate in an induction programme that covers LMLs strategy regulatory requirements, and risks. This orientation is performed by the Company Secretary. shall provide new Directors with information about The Company to assist them in their orientation.

3.3.5 All Directors have access to presentations on aspects of LML business and operations and Management has a duty to regularly update the Board on changing regulation and practices related to corporate governance.

3.3.6 All Directors have access to The Company Secretary's advice and services in respect of the administration of the functions of the Board. Directors may request that The Company Secretary's office obtain independent professional advice in the course of their duties, if necessary, at The Company's expense.

3.4 COMPANY SECRETARY

3.4.1 The Company Secretary is responsible for recording Board decisions and for administering the Board's agreed policies and procedures to support effective decision-making and governance.

3.4.2 The Company Secretary is appointed by, and can only be removed by the Board.

3.4.3 The Company Secretary is a key advisor to the board and management on compliance, corporate governance and shareholder matters.

3.4.4 In consultation with the Chairman and the Managing Director, The Company Secretary shall establish the agenda for each meeting and circulate same, along with other relevant information to the Directors.

• COMPOSITION AND SELECTION OF DIRECTORS

Main Principle: There should be a formal, rigorous and transparent procedure for the appointment of new directors to the board. Appointments should be made, on merit, objective criteria and with due regard for the skills and expertise required by the board, taking into consideration diversity.

4.1 Directors are required to apply a range of skills and expertise in the execution of their responsibilities. This is carefully considered in the corporate governance committee's recommendation and selection of directors for the board. Unless otherwise determined by a general meeting, the number of directors on the board of The Company will not exceed 12.

4.2 The number of non-executive directors should equal or exceed fifty percent of the total number of directors and no less than fifty percent of the non-executive directors should be independent.

4.3 The Company will have at least three Independent non-executive directors. An "Independent Director" means a director who is **not related** to The Company by virtue of the following circumstances i.e a director who:

1. Has not been an employee of any LASCO Affiliated Company within the last three (3) years;
2. Has not received within the last three (3) years or receives additional remuneration from any LASCO Affiliated Company apart from Board or Board Committee related fees;
3. Is not an immediate family member of any Directors or Senior Officers of any LASCO Affiliated Company;
4. Does not represent a shareholder owning more than 10% of the voting shares of The Company.

4.4 "Senior Officers" of The Company are those persons named as such in quarterly and annual reports of The Company to the JSE.

4.5 Election, terms, re-election and retirement of each Board member will be consistent with the Articles of Incorporation ("Articles") of The Company and any other standards or criteria set by the Board as detailed in the Board Charter

4.6 The Board will appoint one of the Independent Non-Executive Director to be the Lead Independent Director, who will be identified in the annual report. The Lead Independent Director may, as is necessary, meet with non-executive directors and should be available to shareholders if they have concerns, which contact through the normal channels of the Chairman, or Managing Director has failed to resolve, or for which such contact is inappropriate. The annual report should identify each independent Non – Executive Director as well as the Lead Independent Director.

• BOARD MEETINGS

5.1 During each financial year, there will be a minimum of four (4) regular meetings of the Board. The required quorum for each meeting will be three (3), in accordance with The Company's Articles of Incorporation which should include at least one (1) independent non-executive director. Special Board meetings may

occur at such other times as any member of the Board may reasonably request.

• PERFORMANCE EVALUATION

6.1 The Directors will conduct an annual review of the Board's performance in accordance with applicable standards of corporate governance. The performance of the Chairman, the individual Directors as well as that of the various Sub-Committees will also be assessed annually. The Board should state in the annual report how the performance evaluation of the Board and individual Directors was conducted.

6.2 The Non-Executive Directors led by the Lead Independent Director should be responsible for the performance evaluation of the Chairman.

6.3 On an annual basis, once the business plans are approved, the Key Performance Indicators for the Managing Director are thereafter developed. It is the role of the Chairman to assess the performance of the Managing Director.

• DISCLOSURES AND DEALINGS IN SHARES

7.1 The Company is committed to providing timely, accurate and balanced disclosure of all material information about The Company and fair and equal access to such information.

7.2 The Board requires that management puts 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, analysts and the JSE. Disclosure by The Company will be made in accordance with the Policy Statement on Timely Disclosure issued by the JSE[1].

7.3 Any dealings in The Company's shares by any Director must be promptly reported to The Company Secretary who is obliged to disclose such information on a regular basis to the JSE. No Director should trade in The Company's shares during "black-out" periods.

[1] See Appendix 8– Policy Statement on Timely Disclosure, Jamaica Stock Exchange Rules

7.4 A Director who has a personal interest in any transactions with LML which could create or appear to create a conflict of interest must disclose such interests. These transactions include but are not limited to:

i. Any interest in contracts or proposed contracts with LML or in a firm, which does business with LML,
ii. A transaction involving securities held in LML,
iii. Emoluments received from LML,
iv. Loans or guarantees granted by LML to/for the director, or
v. Charitable contributions to organizations in which a director serves on the board or as an employee.

7.5 Disclosure will be made in writing to the Chairman for disclosure to the Board or at the first opportunity at a Board Meeting in which case such disclosure will be recorded in the minutes of the Board Meeting. The director must leave the meeting himself/herself from the Board's deliberations over any such contract and cannot vote on any such issue. The disclosure of a director's interest will include the interests of his/her family and affiliates.

8. BOARD COMMITTEES

8.1 The Board may discharge any of its responsibilities by establishing Board Committees appointed from amongst its members.

The Board has established the following three (3) committees:

- Audit & Risk Management Committee
- Compensation & Human Resources Committee
- Corporate Governance Committee

The Board shall appoint the Chairpersons of the Committees and shall approve appropriate terms of reference for the Committees.

8.2 AUDIT & RISK MANAGEMENT COMMITTEE

8.2.1 The Board will establish formal arrangements for selecting independent auditors and will ensure that the independent auditors thoroughly check The Company's financial accounts, application of financial reporting standards and efficiency of internal control mechanisms. The Board must maintain an appropriate relationship with The Company's auditors. On behalf of the Board, the Audit Committee will:

i. Review and approve LML's annual and interim financial statements and assumptions and any accompanying reports or related policies and statements;

ii. Examine, discuss and approve the internal audit plan for the year and review the internal audit report which should include an overall

assessment of the internal control, risk, financial reporting, compliance and corporate governance environments of The Company as well as monitor and review the effectiveness of LML's internal audit function;

iii. Monitor and review the external auditor's independence, objectivity and effectiveness; examine, discuss and approve the external auditors' plan (and fees) and review and discuss the Auditors' Management Letter to The Company;

iv. Develop and implement policy on the engagement of external auditor professionals to supply non-audit services;

v. Ensure that the recommendations highlighted in internal audit reports and the management letter prepared by the external auditor, are addressed by management on a timely basis;

vi. Review and approve related party transactions;

vii. Supervise special investigations when requested by the Board

8.2.2 The Board will appoint the Chairman of the Audit & Risk Management Committee. The Committee will consist of a minimum of three (3) Independent members all of whom are non-executive Directors and a majority of which are independent.

The Chairman of the Committee is to be independent and not the Chairman of the Board.

At least one member of the Committee is to have relevant financial qualifications and experience.

From time to time, the Chairman and other non-Committee members may be invited to attend meetings of the Committee.

The Audit & Risk Management Committee will meet at least four (4) times per year.

8.3 COMPENSATION & HUMAN RESOURCES COMMITTEE

The Board will appoint a Compensation & Human Resources Committee of no less than three (3) Directors. Executive Directors are expressly excluded from serving on this Committee and may attend by invitation.

8.3.1 The Compensation & Human Resources Committee will meet at least once per year, but as often as is required to fulfil its mandate, and at such other times as

any member of the Committee may reasonably request. The quorum for the Compensation Committee meeting shall be two (2) with the Committee's Chair having the casting vote.

8.3.2 The determination of compensation of Directors is subject to ratification or modification under the Articles. The level of compensation of the Non-Executive Directors reflects the time, commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Non-Executive Directors of the quality required. The compensation is competitive and subject to regular review against what is paid in comparable situations elsewhere.

8.3.3 The Compensation & Human Resources Committee will also conduct an annual review of the remuneration policies for Executive Directors and Senior Officers of LML, as well as material employee benefits and compensation plans and programmes. This review will include an assessment of whether LML's compensation plans are consistent with the sustainable achievement of its business objectives, the prudent management of its operations and the risks to which it is exposed, and will look for adherence to LML's processes, policies, procedures and controls. The Compensation & Human Resources Committee will review The Company's senior level organization structure and management succession plan at least annually.

8.4 CORPORATE GOVERNANCE COMMITTEE

8.4.1 The Board will establish a Corporate Governance Committee of no less than three (3) Directors, of which at least one shall be independent.

8.4.2 The Corporate Governance Committee will meet at least twice per year, but as often as is required to fulfil its mandate, and at such other times as any member of the Committee may reasonably request. The quorum for this Committee shall be two (2) with the Committee's Chair having a casting vote.

8.4.3 The Corporate Governance Committee shall provide oversight in respect of the structure, composition and functioning of the Board and its Committees:

i. Annually review the Board's Charter;
ii. recommend and monitor the implementation of a governance structure suited for The Company;
iii. oversee the selection, induction, training and succession planning process for Directors;
iv. assist the Board to determine, understand and work within the legal, cultural, and institutional frameworks that affect the goals and direction of The Company and advise on matters of corporate governance;
v. develop policies as are required for the effective governance of The Company;

vi. monitor trends and best practices in corporate governance in order to properly discharge the Committee's duties and update the Board on governance issues as needed;
vii. assist the Board to be transparent in its structure and decision-making;
viii. consider possible conflict of interest of directors and related party transactions of directors and make the necessary proposals to the Board in accordance with the Board Charter;
ix. recommend to the Board the allocation of Directors to each Board Sub-Committee;

9. RELATIONSHIP WITH SHAREHOLDERS

Main Principle: There should be regular communication with shareholders based on the mutual understanding of objectives.

9.1 The Chairman and the Board as a whole will maintain contact with shareholders to understand their issues and concerns.

9.2 The Board will use the Annual General Meeting (AGM) as its principal opportunity to inform shareholders and investors of The Company's affairs and encourage their participation. The Directors will ensure that the information it provides, presents a balanced and understandable assessment of The Company's financial and business position in order for the AGM to make well-informed decisions on the issues.

10. INDEMNITY & INSURANCE COVERAGE FOR DIRECTORS

10.1 The company will provide Directors with, and will pay the premiums for, indemnity and insurance coverage for certain wrongful acts while acting in their capacities as Directors, to the extent as stated in the terms of the insurance policy. Indemnity and insurance coverage will only be given provided always that such wrongful acts occur in good faith and not as a result of the Directors dishonesty, fraud, negligence and/or malicious conduct.

10.2 No action, suit, prosecution or other proceedings shall be brought or instituted personally, against any Director of the Board in respect of any act done in good faith in execution of the Director's functions.

11. AMENDMENTS TO THIS CORPORATE GOVERNANCE POLICY

11.1 This Corporate Governance Policy will be reviewed biennially by The Corporate Governance Committee which will report its recommendations to the Board for approval. The Policy may be reviewed at shorter intervals as might be required by the Board of Directors. The JSE will be advised of any amendments to the Policy with immediate effect.

The Company Secretary will take steps to ensure that the Policy is made available on the website of The Company and state as such (including the website address) in its Annual Report.

.....

James E. D. Rawle
EXECUTIVE CHAIRMAN

.....

Vincent Chen
COMPANY SECRETARY

DOCUMENT CONTROL

Version	*Date reviewed*	*Date Approved by Board*	*Area Changes made*
1st	May 26, 2017	May 26, 2017	
2nd	May, 2019	May, 2019	Complete review
3rd	February 8, 2022	February 8, 2022	Audit Committee changed to Audit & Risk Management Com
4th	June 14, 2024	June 17, 2024	3.4 add newly appointed director induction programme...
			6.3, under Performance evaluation added new item.
			8.1 Add Human Resources to compensation committee
			8.2.2 Change 2 directors to 3 independent directors