



## **DOLPHIN COVE LIMITED**

### **BOARD CHARTER**

#### **Mission Statement**

Dolphin Cove Limited is committed to the development of our staff and the wider community that we serve, providing high quality and safe service to our customers and high ethical standards in relation to live assets, while earning superior returns for our shareholders.

#### **Board Mandate**

The Board of Directors and senior management of Dolphin Cove are committed to:

- 1 Managing the business and affairs of the company in such a manner as to ensure its soundness and the alignment of the interests of all stakeholders.
- 2 Honesty, integrity and ethical conduct in all areas of business.
- 3 Governing in compliance with law, avoiding actual or apparent conflicts of interests and disclosing the same when they arise, acting in good faith and objectively and confidentially where the need arises.

Accordingly, Dolphin Cove's Board of Directors and Senior Management believe that good corporate governance is essential to the effective, efficient and prudent operations of the Company's business. An internal control environment with strong corporate governance structures and procedures has therefore been developed and is continually being strengthened.

The mandate of the Board is to:

- 1 Establish standards of business and ethical behavior for Directors, Senior Management and other personnel and obtain reasonable assurance, on a regular basis, that the Company has an ongoing appropriate and effective process for ensuring adherence to those standards;
- 2 Approve the company's strategic direction, objectives, code of conduct, risk tolerances and significant policies and review the company's performance against the strategic direction and objectives;
- 3 Recruit and retain a qualified and competent General Manager and senior management team and ensure that compensation and incentive plans are appropriate;
- 4 Develop and a review as necessary an appropriate succession plan for the General Manager and other members of the senior management team;
- 5 Ensure that the company has a consistent and effective risk management process to manage and control the risks arising from its business activities;
- 6 Ensure that the company complies with the laws of Jamaica and any other countries in which the company may operate;
- 7 Ensure that the company is in sound financial condition and operates in a safe manner within an appropriate internal control environment;
- 8 Confirm through independent verification or audit that Dolphin Cove's code of conduct, risk tolerance, policies, procedures and controls are being complied with;

- 9 Ensure that stakeholders receive meaningful information with an appropriate degree of transparency with which to judge reasonably, the effectiveness of the board of directors and senior management in meeting their corporate governance responsibilities;
- 10 Ensure that the board is effectively exercising its corporate governance responsibilities.

The Company believes that a diverse and qualified group of directors is critical to the effectiveness of its business and that the Board of Directors should provide a breadth of expertise.

- 1 At least two (2) Independent Directors should be appointed to serve on the Board and they should be independent of management and free from any interest and any business or other relationship, other than an interest or relationship arising purely from their shareholding or a customer relationship being conducted strictly in accordance with the company's normal business practices.
- 2 Upon joining the Board, Directors must familiarize themselves with the Board's policies and the company's corporate profile, organizational structure and corporate governance policies, procedures and practices.

### **Board Functions**

#### **Areas of responsibility**

The Board makes decisions and reviews and approves key policies and decisions of the Company in particular in relation to:

- 1 Corporate governance;
- 2 Compliance with laws, regulations and the Company's code of business conduct;
- 3 Corporate citizenship, ethics, environment;
- 4 Strategy and operating plans;
- 5 Business development including major investments and disposals;
- 6 Financing and treasury;
- 7 Appointment, Evaluation or Removal of Directors;
- 8 Recommendation for remuneration of Directors
- 9 Risk management;
- 10 Financial reporting and audit;
- 11 Specific responsibilities for Chairman, Company Secretary and Directors:
  - 11.1. The Chairman is principally responsible for the effective operation and chairing of the Board and for ensuring that information that it receives is sufficient to make informed judgments. He also provides support to the General Manager, particularly in relation to external affairs.
  - 11.2. The Company Secretary is responsible for ensuring that Board processes and procedures are appropriately followed and support effective decision-making and governance. He/she is appointed by and can only be removed by the Board.
  - 11.3. Each Board member is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board meetings is a prerequisite therefore unless explicitly agreed.

- 11.4. Directors who are unable to attend a board meeting have a responsibility to review board papers received prior to the meeting and submit any general comments or questions to the Chairman or Company Secretary for discussion at the board meeting.
- 11.5. In-depth knowledge of the particulars of the Company's business is important for each Director in making informed and objective decisions and management should be allowed direct involvement and review of operational activities. Similarly, management should communicate to Board members opportunities to interact in strategy and day-to-day business settings. Board members are strongly encouraged to take advantage of such opportunities as frequently as feasible.
- 11.6. Directors shall have complete and direct access to executives of the Group

### **Selection and Composition of the Board**

The Board is responsible for the overseeing of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and therefore the Directors require diversity in skills and characteristics.

### **Size of the Board**

The Board will have a minimum of five and a maximum of 11 Directors. Considering the size of the organization and the environment in which it operates, the Board believes such numbers are adequate.

### **Definition of Independent Director**

- 1 To be considered an independent director the Board will determine that a director has no direct or indirect material relationship with the company.
- 2 For the purposes of this definition material relationship is defined as a relationship that could in the view of the board be reasonably expected to interfere with the exercise of a director's judgment independent of management.
- 3 Each director has a responsibility to notify the board of any change in his status that may put his or her independence at risk.
- 4 On an annual basis the board will determine the independence of each director and will disclose the directors who are considered Independent Directors in the annual report.

### **Executive Directors**

At any time, the number of Executive Directors should not exceed six (6) Directors.

### **Conflicts of Interest/Disclosure**

- 1 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 promptly to the Jamaica Stock Exchange.
- 2 With respect to 'black out dates', no Director should trade in Dolphin Cove's shares during the period from which the Company declares the payment of a dividend to the payment date of such dividend.
- 3 'Black out' periods start thirty (30) days after the end of each quarter and end twenty-four (24) hours after the release of interim or final Financial results.

- 4 A Director who has an interest in the Company or in any transactions with the Company which could create or appear to create a conflict of interest must disclose such interests to the Board. These would include:

Any Interest in contracts or proposed contracts with the company,

General disclosure on interest in a firm, which does business with the company,

Interest in securities held in the Company,

Emoluments received from the Company,

Loans or Guarantees granted by the Company to/for any Director.

Disclosure shall be made at the first opportunity to the Board and such disclosure shall be recorded in the Minutes of the Board Meeting.

The Director shall then excuse himself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue. The Disclosure of a Director's interest shall include interests of his family and affiliates.

#### **Election, terms, re-election and retirement**

Election, terms, re-election and retirement of each Board member is conducted in accordance with the Articles of Association of the Company

#### **Board Compensation**

The level of compensation of the Independent Directors reflects the time commitment and responsibilities of the role. It consists of a package appropriate to attract, retain and motivate Independent Directors of the quality required. The compensation is competitive and subject to regular review to what is paid in comparable situations elsewhere.

The Compensation Committee will annually review and recommend to the Board appropriate directors' remuneration. A review by the Board of the remuneration policies for Executive Directors will take place during a regular Board meeting annually.

#### **Director Selection**

The selection of new Directors will be guided by the balance of skills, knowledge and expertise required to ensure that the board is able to carry out its mandate for effective governance. The potential candidates will be identified through consultation by the existing Directors, obtaining references from other executives, and if necessary gaining assistance from external recruitment agencies.

Candidates will be interviewed by a committee appointed by the Board and recommendations shall be made to the board based on the outcome of those interviews and appropriate background checks.

#### **Director Orientation and Education**

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate

governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities.

The Board also recognizes the importance of education for its Directors. It is the responsibility of the Board to advise the Independent Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director educational training programs.

#### **Access to outside advisors and funds**

The Company will make such funds available to the Board and in particular the Independent Directors as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their responsibilities.

#### **Code of Conduct**

The Board expects all Directors, as well as officers and employees, to act ethically at all times and to adhere to all the Company's codes and policies. The Board will not permit any waiver of any of these policies for any Director or Executive officer. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman. If a conflict exists and cannot be resolved, the Director should resign.

#### **Board Committees**

The Board has established Committees, each with clearly defined terms of reference or charters, procedures, responsibilities and powers.

The Board may call any Ad Hoc Committee as it deems necessary. The rules under which such Committee governs will be set out at each such occasion by the Board.

#### **Meetings**

##### **Frequency of Meetings**

During each financial year, there will be a minimum of four (4) regular Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

##### **Distribution of Board Material**

All Board materials should be distributed at least three (3) days in advance of a Board meeting.

##### **Strategy and Operating Plan Setting Meeting**

The Board is consulted on a regular basis on matters which are of strategic importance to the Company. Annually the Company will set, in coordination with the Chairman, a meeting to review the Company's strategy in depth prior to final agreement of such strategy and annual operating plan with the Company's parent Company.

**Selection of Agenda Items for Board Meetings**

- 1 The Chairman and Company Secretary will establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the Agenda.
- 2 Information important to the Board's understanding of the business will be distributed electronically and or in writing to the Board before the Board meetings.
- 3 As a general rule, presentations on specific subjects should be sent to the Board members in advance to save time at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

**Additional attendees to the meeting**

Furthermore, the Board encourages the Management, where it assists the ability of the Board members to execute their responsibilities, to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

**Board Relationships**

Board relationships will include:

- 1 Interaction with the General Manager
- 2 Contact with Investors, Media, Suppliers and Customers
- 3 Access to management and employees
- 4 Communication with Stakeholders

The Board of directors will ensure that the company has in place a policy to enable the company to effectively communicate with its stakeholders. The Board is committed to providing timely, accurate and balanced disclosure of all material information about the company and will provide fair and equal access to such information.

The Board requires that management has in place a process to support the company's policy of providing true, full and timely disclosure of financial results and other material information to appropriate stakeholders including shareholders, regulators, employees, rating agencies, analysts and stock brokers.

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