



MFS CAPITAL
PARTNERS

CORPORATE GOVERNANCE

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The Board of Directors recognises the significance of practicing effective corporate governance in achieving the Company's objectives and long-term sustainability, building trust, and improving value to shareholders, as well as other stakeholders. The Board provides leadership and guidance to the Company's senior management team and maintains oversight of the Company's overall operations to ensure that the highest standards of governance are practised and maintained.

To this end, the Board has taken a number of steps in furthering its continued commitment to effect a robust corporate governance programme. These include:

- Commissioning an updated, more extensive Corporate Governance Policy, which was implemented on April 28, 2023. This Policy is based on the standards set out by the Financial Services Commission (FSC) and Bank of Jamaica (BOJ). Though this is not a regulatory requirement, the Board is committed to adhering to a strong policy that satisfies all regulatory and corporate governance principles.
- Approving corporate governance training for all members of the current Board.
- Approving an in-depth training for the two independent directors on the Corporate Governance Committee, including the Committee Chair. They successfully completed the Director's Strategic Guide to Corporate Governance and Leadership Programme facilitated by the Jamaica Stock Exchange (JSE) e-Campus

in partnership with the Private Sector Organisation of Jamaica (PSOJ) and were awarded Post-Graduate Diplomas in Corporate Governance in June 2023.

- Approving supplemental corporate governance training for the Chairman, CEO, and COO facilitated by Errol Gallimore in June 2023. Mr Gallimore is the current Registrar of Cooperative & Friendly Societies in Jamaica, and his portfolio responsibilities involve the registration and regulation of a number of entities. Corporate governance is paramount in ensuring the safety, soundness, and sustainability in these entities overseen by Mr Gallimore, and as a result, over the years, he has had to conduct extensive training on the topic and provide guidance, thereby ensuring the protection of the entities' brand, image, and members' interest.
- Appointing a Company Mentor, Herbert Hall, in compliance with the regulatory requirement of the JSE Junior Market Rule. Mr Hall was officially engaged by the Board on March 10, 2023. His duties include, though are not limited to, advising the Board on the establishment of adequate procedures, systems, and controls for the purposes of its compliance with good standards of corporate governance.
- Endorsing the company's Code of Conduct, Business Ethics, and Whistleblower Policies.

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MFS Capital Partners Limited was established under the Companies Act of Jamaica and is regulated by the Jamaica Stock Exchange (JSE) in accordance with the Junior Market Rules. Furthermore, the directors and officers of the Company are required to comply with section 51 of the Securities Act and the Supplemental Rules established by the JSE Model Code (which they have).



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Board Diversity

Our directors have diverse skill sets, experiences and backgrounds, which include local and international expertise in general management, finance, risk management, and marketing.

DIRECTORS	GENERAL MANAGEMENT	RISK MANAGEMENT	LEGAL	STRATEGY	FINANCE	SALES & MARKETING	CORPORATE GOVERNANCE
Clide Leopold Nesbeth	✓			✓	✓	✓	
Dino Hinds	✓			✓	✓		
Robert Barnes	✓	✓		✓	✓		✓
Christine E Johnson Spence	✓		✓				✓
Anika N Jengelley	✓			✓	✓	✓	✓

The Board currently (as at 30th June 2023) comprises five directors, the majority of whom are independent, non-executive directors.

In keeping with the Company's governance policies, which are based on local and international best practices, a director is not considered independent if he or she:

- (a) has been an employee of the Company within the last five years;
- (b) has been an employee or executive officer of the Company within the last three years;
- (c) receives or has received additional remuneration from the Company outside of directors' fees or participates in the Company's share option plan or performance related pay scheme or is a member of the Company's pension scheme;
- (d) has close family ties with any of the Company's advisors, directors, or senior employees;
- (e) represents a significant shareholder.

The members of the Board, combined, represent a wealth of knowledge and experience acquired through their involvement (past and current) in the local and international business environments. The directors also possess a diverse skill set, which contributes to the fulfilment of their collective and individual responsibilities to the Company. The Board ensures that:

- (i) the necessary resources are in place to enable the Company to meet its objectives and to measure its performance;
- (ii) prudent and effective controls are in force to assess and manage risks; and
- (iii) workforce policies and practices are consistent with the Company's values and that they drive the Company's success.

Board Responsibility

While the management of the Company undertakes the day-to-day functions of its operations, it is the Board of Directors that are ultimately accountable to the Company's stakeholders for its performance and adherence to applicable laws and sound business practices.

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The primary responsibilities of the Board include oversight for company and its portfolio companies by :

- approving and monitoring strategic plans;
- reviewing and approving annual performance targets, annual budget, quarterly financial statements, and audited financial statements;
- approving acquisitions and major capital expenditure;
- providing oversight of parent and portfolio companies' operations;
- evaluating company performance against set financial targets;
- monitoring the performance of the CEO and senior management relative to agreed performance metrics;
- determining the remuneration of senior management;
- reviewing and monitoring risk management, adequacy of internal controls, compliance of management with the Codes of Conduct and regulatory compliance;
- reviewing and approving company disclosures to external parties;
- selecting and appointing suitably qualified directors to the Board.

The Board of Directors have access to independent professional advice at the Company's expense where it is deemed necessary to effectively execute its functions and responsibilities. This includes the appointment of attorney(s) to provide representation and advice.

Board Meetings Attendance Register

Board Member	15-NOV-22	18-JAN-23	22-MAR-23	17-MAY-23
Clide Leopold Nesbeth	X	X	X	X
Christine Johnson Spence	X	X	X	X
Anika Jengelley	X	X	X	X
Dino Hinds	X	X	X	X
Robert Barnes	X	X	X	X

Annual General Meeting (AGM) Attendance

Board Member	29-NOV-22
Clide Leopold Nesbeth	X
Christine Johnson Spence	X
Anika Jengelley	X
Dino Hinds	X
Robert Barnes	X

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Board Performance Evaluation

An evaluation of the performance of the Board, its committees, the Chairman, and individual directors is done every two years to consider the composition, diversity, contribution of each director, and the work done collectively to effectively achieve the Company's objectives. This evaluation is facilitated externally, and the results are used to strengthen any weaknesses identified.

Board Committees

The Board has constituted three (3) standing committees to which specific responsibilities of the Board have been delegated. The Chairperson for each sub-committee is selected by the Board. These committees are:

- Audit and Finance Committee
- Corporate Governance Committee
- Remuneration Committee

All three sub committees met once quarterly during the period ended June 2023.

1. Audit and Finance Committee

Chaired by Anika Jengelly

The main role and responsibilities of the Audit Committee include:

- (1) monitoring the integrity of the Company's financial statements and any formal announcements relating to the Company's financial performance; reviewing significant financial reporting judgements contained in these statements;
- (2) providing advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced, and understandable, and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- (3) reviewing the Company's internal financial controls and risk management systems; monitoring and reviewing the effectiveness of the Company's internal audit function or, where there is not one, considering annually whether there is a need for one and put forward a recommendation to the Board;
- (4) conducting the tender process and making recommendations to the Board, about the appointment, reappointment, and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor; reviewing and monitoring the external auditor's independence and objectivity;

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- (5) developing and implementing a policy on the engagement of the external auditor to supply non-audit services, ensuring there is prior approval of non-audit services, weighing the impact this may have on independence and considering the relevant regulations and ethical guidance in this regard; and
- (6) reporting to the Board on the discharge of its responsibilities.

The Committee met three (3) times during the period ended June 30 2023. Highlights from its deliberations include:

1. approving the appointment of a new Chief Financial Officer
2. approving the remuneration of Executive Management
3. approving the remuneration of the Directors
4. providing an opinion on an ongoing transaction

The members of the Audit and Finance Committee are:

- Anika Jengelley – independent director
- Clide Leopold Nesbeth – independent director
- Robert Barnes – executive director

Audit and Finance Committee Attendance Register

Audit and Finance Committee	03-NOV-22	03-FEB-23	05-MAY-23
Anika Jengelley – Chairperson	X	X	X
Clide Leopold Nesbeth	X	X	X
Robert Barnes	X	X	X

2. Corporate Governance Committee Chaired by Christine Johnson Spence

The Corporate Governance Committee is primarily tasked with:

- Overseeing the Company's Corporate Governance Framework, including the assessment of the effectiveness of corporate governance policies and practices.
- Monitoring the Board's compliance with legal and ethical requirements, regulations, and laws.
- Reviewing and updating by-laws and policies to ensure effectiveness and compliance.
- Organising training for Board members, onboarding, and orientation of new directors.
- Contracting relevant personnel in compliance with regulatory requirements.
- Overseeing Board and Committee practices, including evaluations for improvement.
- Proposing recommendations for Committee and Board structural changes to ensure that the Company is always compliant with corporate governance best practices.
- Assisting in the creation of Committee charters to best serve the Company.

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- Initiating legal counsel on governance challenges and conflicts of interest.
- Creating Board recruitment and nomination strategies and improving appointment processes.
- Identifying and presenting qualified candidates for nomination to the Board and Committees of the Board.
- Reviewing proposals for appointment to senior management.

The Committee met three (3) times during the period ended June 30 2023.

The members of the Corporate Governance Committee are:

- Christine Johnson Spence - independent director
- Anika Jengelley - independent director
- Robert Barnes - executive director

Corporate Governance Committee Meeting Attendance

Corporate Governance Committee	15-NOV-22	18-JAN-23	17-MAY-23
Christine Johnson Spence Chairperson	X	X	X
Anika Jengelley	X	X	X
Robert Barnes	X	X	X

3. Remuneration Committee

Chaired by Christine Johnson Spence

This Remuneration Committee is responsible for setting the Company's remuneration policy and to determine the individual remuneration of each executive director and other key management personnel. It ensures that an appropriate reward policy is in force to attract and motivate executives to achieve the long-term interests of shareholders.

The Committee met three (3) times during the period ended June 30 2023.

The members of the Remuneration Committee are:

- Christine Johnson Spence - independent director
- Anika Jengelley - independent director
- Dino Hinds - executive director

Remuneration Committee Meeting Attendance

Remuneration Committee	15-NOV-22	18-JAN-23	17-MAY-23
Christine Johnson Spence Chairperson	X	X	X
Anika Jengelley	X	X	X
Robert Barnes	X	X	X

The Corporate Governance Policy can be viewed on the Company's website at www.mfscapltd.com or that of the Jamaica Stock Exchange.