



## TERMS OF REFERENCE FOR THE PROJECTS COMMITTEE

### Background

**Derrimon Trading Co. Ltd.** (*hereinafter referred to as **Derrimon** or the Company*) is one of Jamaica's leading distributors of consumer products. The company was incorporated in 1998 as a public company with limited liability under the Companies Act of Jamaica. During 2013 the company became listed on the Junior market of the Jamaica Stock Exchange (JSE). The Board of Directors is responsible for ensuring full compliance with the JSE Rules and the Companies Act.

The Board of **Derrimon Trading Co. Ltd.** has established a Projects Committee (hereinafter called "the Committee") as a standing committee of the Board. The Committee exercises an independent review function to assist Derrimon in fulfilling all its project related oversight responsibilities. The Committee shall function in accordance with the terms of reference conferred by the Board, and shall have no authority other than that conferred by the Board.

The key objective of the Projects Committee is to assist the Board of Directors in fulfilling its fiduciary and oversight responsibilities for all of Derrimon's local and international enterprise projects. The Committee will act in an advisory capacity to the Board by reviewing, overseeing and monitoring all development projects, all mergers and acquisitions, disposals of or rehabilitation of business ventures taking into consideration the short and long-term strategic vision of the Company. All recommendations made by the Committee should be in line with all operational regulations and legislations as required.

### A. PURPOSE

The Board will appoint a Projects Committee to:

1. Monitor the implementation progress of all projects including mergers or otherwise that impact the long-term sustainability of DERRIMON.
2. Oversee the reporting and performance targets of each project ensuring they are in line with agreed targets and budget.
3. To support the policy direction of the Company by examining from time to time the development of project proposals including acquisitions and disposals and make recommendations to the Board on the implementation of such proposals.
4. Develop strategies to effectively address delays in the implementation of projects.

## **B. MEMBERSHIP**

1. The COMMITTEE shall be comprised of a maximum of five (5) members including three (3) non-executive members.
2. The Board through the Chairman shall appoint the Chairman of the Committee who at all times must be a sitting director.
3. Members will be appointed by the Board and may also be removed by majority vote of the Board of Directors.
4. The Board may invite individuals who are not directors but who possess a broad range of project related qualifications relevant to the functions of the Committee to participate and make presentations at Committee meetings. They shall not have voting rights.
5. The Company will assign a Secretary for the COMMITTEE. In the absence of the Assigned Secretary, the Chair of the COMMITTEE may make alternate arrangements for a member of the Company's staff to act as Secretary to the Committee.
6. The Chief Executive Officer and the Chief Financial Officer shall **be invited** to all Committee meetings if they are not appointed to the Committee.
7. The Committee has the power to require any member of staff of the Company to attend meetings.

## **C. MEETINGS, QUORUM AND PROCEDURES**

1. The COMMITTEE will determine its own rules of procedure, provided they are consistent with the regulations that govern the Company and the organization, generally.
2. The COMMITTEE will meet at **least quarterly** and more frequently as circumstances require.
3. Failure to attend at least 3 consecutive meetings without acceptable reasons to the Committee Chairman, will give rise to a consideration of continued membership.
4. The Chair of the COMMITTEE or a majority of the members of the Projects Committee may call a special meeting of the COMMITTEE.
5. **The Committee's quorum will be fifty percent (50%) membership plus 1.** This must include at least 3 appointed directors.
6. The COMMITTEE may form sub-committees for any purpose that the COMMITTEE deems appropriate and may delegate to such sub-committees such power and authority as the COMMITTEE deems appropriate. No sub-Committee should consist of fewer than two members.

7. 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.
8. Senior Management or other persons, whose advice and counsel are sought by the COMMITTEE, may be invited to meetings of the Committee to provide such pertinent information as the COMMITTEE requests.
9. The COMMITTEE shall keep written minutes of its meeting, which minutes shall be maintained with the records of the Board.
10. All committee members are expected to attend and participate at each meeting in person or via teleconference or video conference electronically.
11. An annual report, which speaks to the activities of Derrimon's Projects Committee, will be included in the Corporate Governance section of Derrimon's Annual Report.

#### **D. SPECIFIC RESPONSIBILITIES AND DUTIES**

The Project Committee will have the following duties and responsibilities:

1. The Committee shall monitor, evaluate, advise and make recommendations to the Board on all projects and related policies of the organization, and shall consider any other matter delegated to the Committee by the Board.
2. The Project Committee shall have general responsibilities for reviewing and recommending to the Board:
  - 2.0 To consider all projects related to acquisitions and mergers and any other projects as determined by the Board from time to time.
  - 2.1 To review appropriate systems and procedures which will assist DERRIMON to identify the appropriate resource requirements of the Company for each project.
  - 2.2 To consider the appropriate allocation of resources for projects and table these recommendations to the Board to facilitate decision making.
  - 2.3 To make clear recommendations and prioritize disposal of assets that are not adding value to the long-term sustainability of company.
  - 2.4 To review and ensure appropriate due diligence is conducted on projects before making a recommendation to the board of directors.
  - 2.5 To review all policies and procedures relating to the Company's project management.
  - 2.6 To support the policy direction of the Board by way of ensuring the effective packaging

of the Company's assets where required.

- 2.7 Understand and appreciate the investor community for the purpose of proper promotion and advancement of various assets.
- 2.8 Assess the local and global business and economic environment and appetite for investment relative to the mandate of the Company.
- 2.9 To monitor the DERRIMON business continuity processes and procedures ensuring these are tested and in line with policy requirements.

#### **E. SELF-EVALUATION**

- a) The COMMITTEE shall periodically conduct a self-evaluation of its performance.
- b) In conducting this review, the COMMITTEE will also evaluate whether this term of reference appropriately addresses the matters including but not limited to attendance and participation, that should be within its scope.
- c) In conducting this review, the COMMITTEE 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;
  - iii. Whether the number and length of meetings are adequate for the COMMITTEE to complete its work in a thorough and thoughtful manner and
  - iv. Understanding of the business, its objectives and services.
- d) The COMMITTEE 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 assigned by the company and shall attend all meetings. The assigned Secretary will be required to take the Minutes of the meetings.

The Committee Secretary is required to:

- a) circulate the notices and minutes of 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 report to the Board of Directors within seven (7) days after each meeting of the Committee. A written report shall be submitted to the Board through the Chairman of the Committee, at the following Board Meeting

#### **H. REMUNERATION**

The Company shall make provision for remuneration of Committee Members in line with the Board's compensation policy.

#### **I. 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 Committee Secretary.

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

#### **J. CONFIDENTIALITY OF COMMITTEE INFORMATION**

All information received by the Committee is confidential and is the property of the Derrimon Trading Co. Ltd. and cannot be disclosed to parties outside of the organisation without prior approval of the Board.

#### **K. AUTHORITY**

The Committee has the authority to request the Audit & Risk Management Committee to conduct investigations into any matters within its scope of responsibility. In so doing it is empowered to:

- a) Investigate any matter brought to its attention with full access to all books, records, facilities, and personnel of DERRIMON;
- b) Seek any information it requires from any officer or employee of DERRIMON and such officers or employees shall be instructed by the Board to respond to such enquiries; and
- c) Meet with officers/employees of DERRIMON for the purpose of furthering its investigations.

#### **L. AUTHORITY TO ENGAGE ADVISORS**

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

#### **M. REVIEW AND ASSESSMENT OF TERMS OF REFERENCE**

The Board will conduct a review and assessment of the COMMITTEE terms of reference at least every 2 years in such manner as the Board deems fit.

**DOCUMENT CONTROL**

<i>Version</i>	<i>Date</i>	<i>Date Approved by Board</i>	<i>Area Changes made</i>
1 <sup>st</sup>	December 2020		