



HUMAN RESOURCES COMMITTEE TERMS OF REFERENCE

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 Human Resources 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 human resource 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 and Directors.

The key objective of the Human Resources Committee is to assist the Board of Directors in fulfilling its fiduciary and oversight responsibilities for all of Derrimon's Human Resources matters. The Committee will act in an advisory capacity to the Board by reviewing and contributing to the human resource strategic policy deliberations while ensuring the optimization of the Company's human capital. This includes reviewing talent needs, human resources policies, implementation and evaluation in line with the Derrimon's policies and related legislations.

A. PURPOSE

The Committee provides human resource oversight for the Company. The Human Resource Strategic Plan provides a framework for the committee's deliberations and includes policies and strategies relating to recruitment, selection, training and development overall compensation, succession planning and employee relations. The Plan is intended to support the attainment of the company's Strategic Plan and comes against the Company's business model. The Human Resource Strategic Plan must be approved by the Board of Directors ('the Board') prior to implementation.

The Committee also reviews and contributes to the HR Strategic Plan and monitors its implementation to ensure that it conforms to the company's overall Strategic Plan and addresses the resultant Human Resources (HR) needs.

The Committee will also have an **Appeals Subcommittee** who will meet as required from time to time.

B. MEMBERSHIP

1. The COMMITTEE shall be comprised of a maximum of five (5) members with at least two (2) members being non-executive directors.
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 majority of the members of the Committee should have human resource experience and knowledge.
5. The Board may invite individuals who are not directors but who possess a broad range of human resource related qualifications relevant to the functions of the Committee to discuss and make presentation at meetings. They will not have voting rights.
6. 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.
7. The **CEO and Group Human Resource Director** shall **be invited** to all Committee meetings if they are not appointed members.
8. 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 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 2 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 the Committee, will be included in the Corporate Governance section of the Derrimon's Annual Report.

D. SPECIFIC RESPONSIBILITIES AND DUTIES

The Human Resources Committee will have the following duties and responsibilities:

- a. Annually review and contribute to the strategic intent of the HR function.
- b. Contribute to the development of the HR Strategic Plan and submit the Plan to the Board for approval.
- c. Monitor and review the implementation of the HR Strategic Plan.
- d. Provide leadership, advice and direction on HR policies. The Committee shall monitor, evaluate, advise and make recommendations to the Board on all human resources matters and policies of the organization, and shall consider any other matter delegated to the Committee by the Board.
- c. Review HR reports and recommendations and actions including, but not limited to:
 - o ***Employee Satisfaction Survey & Mystery Client Surveys***
 - o ***Performance Management Analysis***
 - o ***Changes in staff complement***

- d. Review strategies and HR policies to ensure the currency and appropriateness to support the organization's business processes.
- e. Review Human Resources strategies of the organization with a focus on talent management practices and retention.
- f. Review senior management job descriptions of the organization to ensure that they are in line with the functions required of the organization;
- g. Review employment contracts for all senior staff; and
- h. See to the appointment at such remuneration and on such terms and conditions, such officers, other employees and contractors necessary for the proper carrying out of Derrimon services.

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, or 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; and
 - iii. Whether the number and length of meetings are adequate for the COMMITTEE to complete its work in a thorough and thoughtful manner.
- 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 an Assigned Secretary who shall attend all meetings. An in-house recording secretary may also assist in taking 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 report to the Board of Directors 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 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 the COMMITTEE;
- 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;
- c) Meet with officers/employees of Derrimon 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.

L. AUTHORITY TO ENGAGE ADVISORS

The COMMITTEE, 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.

M. REVIEW AND ASSESSMENT 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 st	December, 2020		