

Caribbean Cream Limited



Policy Manual

JUNE 2022

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CORPORATE COMMITMENT

Our values are reflected in the beliefs, principles and standards that form the groundwork of our conduct and our policies and should be drawn on and applied when making decisions. We believe in Excellent Customer Service, Building Strong Relationships with all Stakeholders, Enterprising Entrepreneurial Spirit, Respect for All People, Creating Shareholder Value, Doing the Right Thing, Giving Back and Taking Care of Our People.

The policies set out in this document will be strictly adhered to by the Board, the General Manager (GM), the Senior Management, and all employees and persons contracted by the company to carry out duties and services on the company's property or using its vehicles.

Changes to any policy stated in this document must be first approved by both the GM and the Chairman of the Board.

Wherever in this document the terms "he" or "his" are used, these terms shall be considered gender neutral and shall be interpreted as "she" and "hers" respectively, where applicable.

Signed: 

General Manager

Date: June 15, 2022

Signed: 

Chairman of the Board

Date: June 15, 2022

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1.0 CORPORATE GOVERNANCE

1.1 Primary Functions of the Board

The primary responsibility of the Board is to exercise its business judgment to act in what it reasonably believes to be the best interests of the Company and its shareholders. In carrying out its responsibilities, the Board selects the Company's management, acts as an advisor to management and oversees management's performance. It is management's responsibility to manage the day-to-day operations of the Company. The Board periodically reviews the Company's long-term strategic plan, business initiatives, capital projects and budget matters.

1.2 Composition of the Board

The Board will consist of no less than five persons and no more than nine persons, including the General Manager. There will be no discrimination in the selection of Board Members with regard to gender, race, religion, or age. However, the Compensation/Nominations/Corporate Governance Committee will make every effort to ensure that both males and females are adequately represented on the Board at all times. The Committee is also charged to assess and ensure that there is such diversity available on the Board that each member can contribute to the broad range of knowledge, skills and attributes necessary for a Board to perform its functions in an informed and credible manner.

At least three of the Board Members will be Non-Executive Directors.

1.3 Induction, Orientation, Training and Evaluation of Directors

All Board Members, once appointed, will be given an orientation which will include a full tour of the company's facilities, as well as an introductory meeting with each member of the senior management team. During this orientation, the new Board Member will be briefed on the general structure of the company, on the functions of each department and section, and on the roles and responsibilities of each of the senior management staff.

After the orientation is completed, the Corporate Secretary will meet with the new Board Member and will familiarize him/her with the details of his/her obligations and duties as well as his/her legal and corporate responsibilities as a member of the Board. The Board member will also be given a copy of the applicable Laws and Regulations with which the Company is expected to comply.

Board Members are evaluated annually by the Compensation/Nominations/Corporate Governance Committee, based on each member's attendance record at Board Meetings, and upon his contribution to the proper functioning of the Board.

1.4 Board Committees

1.4.1 Audit & Risk Management Committee

The Audit & Risk Management Committee is appointed on the recommendation of the Compensation/Nominations/Corporate Governance Committee and consists of four persons, all of whom are either qualified, have received tertiary level training, or are very experienced, in Financial Management or Accounting, and at least two of which are Non-Executive Board Members.

1.4.2 Compensation/Nominations/Corporate Governance Committee

The Compensation/Nominations/Corporate Governance Committee is appointed by the Board and consists of three persons, all of whom are qualified, have received training at tertiary level, or are very experienced, in compensation, Human Resource Management, Corporate Governance or another appropriate discipline, and at least two of which are Non-Executive Board Members.

The Committee is responsible for advising the Board on all matters relating to the compensation of the Executive Management and Board membership of the Company and on such other matters including labour union issues as may be required from time to time by the chairman.

The Committee shall ensure that the Board fulfils its legal, ethical and functional responsibilities. It will make recommendations to the Board on the organization's governance matters.

The Committee shall also make recommendations to the Board for the positions of Chairman, General Manager, Independent Director, and Company Secretary. In addition, the Committee shall make recommendations to the Board on the term of appointment of non-executive Directors, on the composition and chairmanship of its Committees, and upon any matter relating to the continuation in office of any Director at any time.

The Committee shall regularly review the structure, size, and composition of the Board, including the balance of skills, experience, independence, and knowledge, of the Non-Executive Directors and make recommendations to the Board with regard to any changes. The Committee shall also review, or initiate, proposals for changes in the responsibilities of Board Members.

Ideally, the Board should include among its Members at least one person, qualified, trained, or very experienced in Finance/Accounts, Management, Operations, Human Resources, Law, and Engineering/Maintenance. All Members should be in good financial standing, should have clean police records, and should be either successful business persons, or senior management employees with good track records in successful businesses.

The Committee shall annually review the succession planning process for both the Board and the senior management level immediately below the Board, and make recommendations as it deems necessary.

The Senior Independent Director shall chair the Committee, except when it is dealing with the appointment of a successor as Chairman, at which time any Director shall chair the Committee.

The Committee Chairman shall report formally to the Board on its proceedings, after each Committee meeting, on the matters discussed at the meeting.

No persons other than members of the Committee are entitled to be present at Committee meetings. However, non-members may be requested by the Committee to attend where such attendance may be necessary to assist the Committee in making a decision.

The Committee will meet when required.

The Committee shall have access to such information and advice as it deems necessary, both from within the Company and from external sources, at the cost of the Company.

2.0 COMMUNICATIONS POLICY

The importance of ensuring effective communication with our shareholders is fully understood and accepted by Caribbean Cream. To this end, we will communicate with our shareholders through the Jamaica Stock Exchange, the daily newspapers, and through our website. In addition, the GM, or a designated alternate, will make himself/herself available during normal working hours each weekday to answer any questions or hear any concerns that a shareholder may have. The frequency of communication to the shareholders as a group will depend on the circumstances. Responsibility for such communication rests with the GM, who may delegate the function as appropriate.

3.0 DIVIDEND POLICY

At the end of each financial year where after-tax profits become available for distribution, the Board of Directors will evaluate the options available and determine how the funds will be used. The three primary uses for such funds should be (a) any expansion of the company's operations and/or the replacement or refurbishment of capital items such as equipment or facilities, (b) potentially profitable investment opportunities, and (c) the payment of dividends to the shareholders. The Board will therefore consider carefully the

present state of the plant and its operating equipment and the need for any capital expenditure in those areas, as well as the available options for investment opportunities that could add value to the company. Only after such careful evaluation should the Board consider paying a dividend to the shareholders and the percentage of the funds used to pay the dividend will therefore be determined by the percentage used for the first two options.

Any decision by the Board, with regard to Dividends, will be communicated in writing to all shareholders at least thirty (30) days prior to the next Annual General Meeting.

4.0 CODE OF ETHICS

4.1 Definition

In this document, the term “*ethics*” is understood to mean a code of morally acceptable behaviour that guides the Company and its employees in all our dealings with customers, with agents, with suppliers, with our co-workers and with the general public.

While a large proportion of matters, considered as business ethics, are defined by legislation developed over the years, there is still a broad gray area in the business world that is based on tradition and trust, where what is perceived to be fair dealing is expected to prevail.

An organization’s performance in this area establishes the foundation of its reputation. The purpose of this Code of Ethics is to establish practices that will apply to all officers and employees of the Company and so ensure that the same standards are maintained at all levels and in all locations.

The Company’s policy is to function in accordance with all the laws and regulations applicable to its operations. However, this Code goes beyond strict observance of the law, as it not only rejects practices which may be defined as illegal but also considers those such as passing on, or acting on, confidential information for personal benefit, or

for that of others, to be violations of the organization's policy. The activities of all officers and employees of the Company must therefore be able to withstand close scrutiny at all times.

In all our dealings with our customers, and with the industry in general, should there be any doubt about the interpretation of a particular regulation, rule, or guideline, or in ascertaining its applicability, then the guidance of an officer of the Company should be sought. Where necessary, or appropriate, the Company's Lawyer should be consulted, or other external professional advice obtained.

4.2 Company Values

As a responsible corporate entity, our values guide everything we do, including our strategic planning, day-to-day decision-making, customer service, employee relations, and general relations with industry. These values are:

4.2.1 Professionalism

The Company will be recognized as having the highest possible professional standards. Our employees and representatives will possess superior knowledge and skills and will use these for the benefit of our customers and the industry in general. Our professionalism will show in every aspect of our conduct, including behaviour, language, appearance and attire.

4.2.2 Customer Satisfaction

We are in business to provide our customers with the highest possible quality of service, ensuring that our products meet or exceed all applicable national and international standards, and to ensure industry and public satisfaction to the best of our ability.

4.2.3 Integrity

The highest levels of honesty and fairness must characterize our dealings with our customers, our suppliers, and our employees, at all times, and we must ensure that we develop trust by maintaining the highest ethical practices.

4.2.4 Human Resources

Our employee body forms one of our most valuable assets, and one that can determine our future success, or failure. We will therefore provide a work environment and human resource development plan, designed to attract, retain, develop and promote the best and brightest employees, investing in our human resources and rewarding superior performance. We respect individual rights to privacy and follow employment laws at all times

4.2.5 Reward for Performance

The Company will make every effort to treat all its employees with dignity, hiring and promoting employees on the basis of their skills, knowledge, and ability, and then rewarding them on the basis of their performance.

4.2.6 Respect for Others

In order to achieve a positive and productive workplace, we must treat each other with respect and trust, as we all have to work together to help to create and maintain a healthy and secure environment that values employee contributions and encourages learning. We shall give our co-workers the same respect and service that we give our customers and that we ourselves would expect. Our communication with each other within the organization must be open and honest. Behaviour that is abusive, threatening or violent is not acceptable.

4.2.7 Sexual Harassment

Inappropriate or unwelcome comments, behavior, physical contact, or offers of reward in exchange for sexual favours, will not be tolerated, whether in respect of employees, customers, or suppliers.

4.2.8 Safety in the Workplace

The Company will provide a safe and healthy work environment for all employees. Protection of employees from injury or occupational illness will be a significant ongoing commitment on the part of the organization. To this end, the Company has endorsed the concept of Safety Management and, under the leadership of the GM,

adheres at all times to the system defined in its Safety Management Manual. The commitment to health and safety involves the co-operation and support of every Board member, officer and employee of the Company.

4.2.9 Security in the Workplace

The protection of the customer, the employee, and the Company's property and assets, is of supreme importance in today's environment and cannot be over-emphasized. While as an organization the Company takes all appropriate security measures, every employee has to be a part of the process for the measures to achieve the necessary success. If you observe, or become aware of, a breach or potential breach of security, report it immediately to a senior officer. Also, if you know of any situation or incident that could lead to the loss, misuse or theft of customer, Company, or individual property, again, report it to a senior officer.

4.2.10 Professional Behaviour

It is important that all employees behave responsibly and professionally when representing the Company and that we represent the Company in a positive manner when dealing with customers, and the general public. It is expected that those employees who choose to drink alcohol at external events, or at company or employee-sponsored events, will do so in moderation.

4.2.11 Ethics in Business Relationships

Our business depends on sound relationships with customers, with the community, with other organizations, and with the general public. It is imperative that we maintain these relationships by taking extra care when giving or receiving gifts, and when sharing information with outside individuals and organizations. Consider whether a gift can be interpreted as being a means of soliciting a favour that would not otherwise be available.

4.2.12 Whistleblowing

The Board will ensure that the company has in place a confidential mechanism where by an employee, supplier or other stakeholder can (without fear of

retribution) raise issues with regard to potential or suspected breaches of a company's code of ethics or local law.

4.2.13 Honesty and Fairness

The Company aims to satisfy its customers and that means providing value, offering a quality product, and seeking customer feedback so that we can continually improve our service. We must determine the customer's needs, make recommendations that best meet those needs and provide service and support throughout the relationship.

We must treat customers with high standards of honesty, fairness and courtesy. Customers must be able to voice their concerns easily, while complaints and disputes must be dealt with fairly, transparently, and quickly.

All personnel must be careful not to mislead customers in any way. We must never make promises that we cannot keep, or take unfair advantage of a customer. Taking unfair advantage includes manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

4.2.14 Conflict of Interest

A conflict of interest arises whenever an individual's personal interests are at variance with the best interests of the Company, a customer, or the industry in general. A conflict might exist if an employee of the organization or his or her immediate family (i.e. spouse and/or children living at home) has a direct or indirect personal interest in a transaction involving the Company, especially if that interest could affect the result of the transaction. Such a conflict could exist even when a transaction is still in the proposal stage if the individual is in a position to influence decisions on its development.

The policy of the Company is that such situations are to be avoided. This applies not only to actual conflict of interest but also to situations where there might be a perceived conflict.

Major areas of potential conflict of interest are considered below and the policy of the Company is defined. However, conflict can arise in areas without guidelines. In such cases, the individual is expected to take an objective look at his actions. Ask the question whether or not a reasonable, disinterested observer - a customer, a supplier, an acquaintance, or an auditor, or - would be satisfied that fair dealing and the good reputation of the Company had been the primary motivation of those actions.

4.2.15 Relationships with Customers

The highest standards must be maintained in all dealings with customers, other agencies, and the industry in general.

- Business communications, whether written or oral, should be handled in a prompt, courteous, efficient way. This is particularly important when dealing with complaints or other sensitive issues. Anyone receiving complaints, or who is approached on a sensitive issue outside the immediate scope of his or her job, has the responsibility to refer such approaches to the appropriate manager promptly.
- Except for customary gifts of nominal value, no gifts, gratuities or favors that might influence, or appear to influence, the performance of the recipient's duties can be accepted.
- If an employee has to entertain customers, suppliers, or agents, as part of the performance of his or her duties, such entertainment is to be limited to what is reasonable and necessary.
- Employees must avoid business dealings involving a relative or close associate, or a business owned or managed by a relative or close associate. The handling of such business could affect objectivity. No employee is to enter into any business with suppliers from which personal gain may result, and no favors from customers, or suppliers of goods or services should be accepted, including gifts of more than a nominal value. An example is the purchase of goods or services from a company owned by a relative. Such a case must be referred immediately to the GM for a decision.

4.2.16 Other Employment

Other employment includes full or part-time employment with another entity, self-employment activities and private practice. Potentially, such employment presents the same problems as do outside directorships. In practice, however, the major problem is the time, energy and focus required for these activities.

Other employment activities should be declared to the Personnel Manager, and approval requested. Such approval must be based on the following guidelines:

- The employment must be outside normal working hours, and the Company's time or resources are not to be used in carrying out such employment;
- There should be no obvious conflict of interest such as working for a competitor or supplier; and
- The employee's first loyalty is understood to be to the Company.

5.0 CORPORATE SOCIAL RESPONSIBILITY

The Company fully acknowledges, and strives to maintain, its responsibility to operate efficiently and profitably, in order to satisfy its investors, provide a good product for its customers, and to provide a safe and secure environment for its employees. The Company also acknowledges its responsibility to operate at all times within strict ethical guidelines and within the limits of the Laws of Jamaica and the Regulations that govern its operations, as well as its responsibility to its community to ensure that its operations do not adversely impact the surrounding environment or the persons living within it.

In addition, wherever possible, the Company will intervene in a positive manner to improve the quality of life of the inhabitants of the community and in particular, to assist in the education and social development, of young persons.

6.0 RISK MANAGEMENT

6.1 Credit Risk

Credit Risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company has no significant concentration of risk attached to trade receivables as the Company has a diverse customer base with no significant balances arising from any single economic or business sector, or any single entity or group of entities. Cash and cash equivalents are held with reputable banks and are maintained at a level sufficient to protect the company from any adverse effects that could arise from the failure of any customer to clear its debt in a timely manner.

6.2 Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rate. The Company's interest rate risk arises from long-term borrowings. The Company accepts exposure to the effects of fluctuations in the prevailing levels of market interest rate on its financial position and cash flow.

6.3 Market Risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. The Company therefore endeavours to maintain a limited exposure to market risk at all times.

6.4 Liquidity Risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial Instruments. The Company practices prudent liquidity risk management by maintaining an appropriate level of cash at all times and by ensuring the continued availability of funding through an adequate amount of committed credit facilities.

6.5 Currency Risk

The Company undertakes certain transactions denominated in currency other than the Jamaican Dollar, resulting in exposure to exchange rate fluctuations. The Company limits this exposure to a manageable level at all times.

6.6 Operational Risk

Operational risk factors include primarily the inability of the Company meet its production targets through equipment failure, unavailability of critical manpower, shortage of production materials, major damage to the facility, or environmental or social matters outside the control of the Company.

The company limits the risk exposure by maintaining its equipment and facilities in good condition through a properly documented and managed maintenance program, applying sound manpower training and management programs, including cross-training and succession planning, and by ensuring the availability at least six months' supply of production materials. Stand by electrical power availability and a water storage facility also allow for the loss of these utilities for limited periods of time.

7.0 HUMAN RESOURCES

7.1 Employment & Promotion

When employing non-management staff, the Company generally recruits through the print media, seeking persons with basic academic qualifications applicable to the particular job vacancy. Preference will be given to persons who are experienced in the applicable field and to those whose qualifications indicate their capacity to accept further training and to be promoted in future.

For supervisory and management staff, the Company will seek to fill positions by promoting persons within the organization wherever possible, and selection will be on the basis of the most qualified and best suited person being given preference. The annual performance evaluation is a critical component in the selection process to identify the most suitable candidate for promotion.

Where no suitable candidate can be found internally, the Company will recruit externally, either through the print media, or through professional recruitment organizations, providing clearly defined qualification requirements.

Gender, race, age and religion are not taken into account when offering employment for any position. However, for certain specific positions, the physical ability of the person to perform the required tasks associated with the job may have to be taken into account.

7.2 Orientation

Each new employee is introduced to the organization on his first working day by being given a tour of the facilities and being introduced to the persons with whom he will be working. The employee is also given a full briefing on the Company's Safety Management system and the safety practices that must be adhered to. At this time, he will also be issued with the items of safety equipment applicable to his job.

7.3 Training and Development

Each new employee will be assigned to a senior who will be delegated the task of carrying out the necessary on-the-job training with the employee. A checklist detailing the tasks that the employee must be able to accomplish must be used and must be signed by the senior and given to the Personnel manager when the senior is satisfied that the new employee is competent.

Employees must be encouraged to improve their academic and technical qualifications in order to make them better suited for promotion. Where possible, through staff loans, loan guarantees, or flexible time arrangements, the Company should support such efforts.

7.4 Performance Evaluation

A Performance Evaluation is done at least once each year for every employee, using the form provided by the Company. It is carried out by the person to whom the employee reports and, after review by the Department Head, or the GM where the

Department Head has done the review, the completed form is returned to the Personnel Manager for processing.

Notwithstanding this, all persons who have staff reporting to them are encouraged to discuss the performance of each individual with that individual at least once every three months. This ensures that the individual is made aware of any failings, or areas for improvement, in a timely manner, so that the individual is given ample opportunity to correct any problems.

7.5 Separation Procedure

Whenever a person retires, resigns, or has his/her service, or service contract, terminated, the Personnel Manager must ensure that any Company property assigned to that person is returned, including identification and/or electronic access cards, keys, uniforms and safety equipment, all of which, for security reasons, must be accounted for. In the interests of maintaining good employee relations, it is essential that an exit interview be held with each resigning employee. The interview panel should include the Personnel Manager and the Department Head, with the GM being present where management personnel are involved.