

CABLE & WIRELESS JAMAICA LIMITED

CORPORATE GOVERNANCE POLICY

The Board of Directors of Cable & Wireless Jamaica Limited is committed to the improvement of investor confidence through promotion of the principles of transparency and good governance in the performance of its duties and the operations of the company.

While the Board has always been committed to upholding these principles and has indeed already incorporated in its procedures, international best practices including an Audit Committee charged with reviewing internal controls and processes, it recognizes that continuous systematic evaluation of its processes in the context of developments in the literature and practice related to corporate governance, can only redound to the benefit of shareholders.

In this context, the Board has considered and adopted the following Principles based on the Code on Corporate Governance promulgated by the Private Sector Organization of Jamaica. The Board will, in accordance with the said Principles and as an iterative process, assess and implement best practices as it will determine to be in the best interests of the Company.

A. THE DIRECTORS

A.1 The Board

The Company must be led by an effective Board, which is collectively responsible for promoting the success of the company by directing and supervising the company's affairs.

A.2 Chairman and Chief Executive

The Board will ensure that there is a clear division of responsibilities at the head of the company between the running of the Board (the Chairman) and the executive responsibility for the running of the company's business (the CEO). No one individual will have unfettered powers of decision.

A.3 Board Balance and independence

The Board will include a balance of executive and non-executive directors, such that no individual or small group of individuals can dominate the Board's decision making. Of

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the non-executive directors, two thirds of these will be independent non-executive directors. The Chairman will also normally be an independent non-executive director.

A.4 Appointments to the Board

There will be a formal and transparent procedure for the appointment of directors to the Board.

A.5 Information and Professional development

The Board will be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties. New directors will receive a comprehensive induction to the company affairs on joining the Board and all directors will continually update and refresh their skills and knowledge.

A.6 Performance Evaluation

The Board will undertake a formal annual evaluation of its own performance and that of its committees and individual directors.

A.7 Re-election

All directors will be submitted for re-election at least once every three years, subject to continued satisfactory performance. The Board will ensure planned and progressive refreshing of the Board.

A.8 Duties of non-executive directors: care, skill and diligence

Non-executive directors and executive directors owe the same legal duty of care, diligence and skill to the Company.

B. REMUNERATION

B.1 The level and make-up of Remuneration

Levels of remuneration of the Company's executives and board members will be sufficient to attract and retain and motivate persons of the quality required to run the

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company successfully. A significant proportion of executive directors' remuneration will be structured so as to link rewards to corporate and individual performance.

B.2 Procedure

The Company will establish a formal and transparent procedure for developing policy on the remuneration of Executive directors and for fixing the remuneration packages of individual executive and non-executive directors. No executive director will be involved in deciding his or her own remuneration.

B.3 Disclosure

The Company's annual report will contain a statement of its remuneration policy and a summary report on the remuneration of its executives and directors.

C. RELATIONS WITH SHAREHOLDERS

C.1 Dialogue with institutional Shareholders

There will be regular communication between the Company and its shareholders based on the mutual understanding of objectives. The Chairman and the Board as a whole will maintain sufficient contact with shareholders to understand their issues and concerns.

C.2 Constructive Use of the AGM

The Board will use the AGM as its principal opportunity to inform shareholders and investors on the company's affairs and encourage their participation. It will ensure that shareholders are provided with sufficient information for the AGM to make well-informed decisions on issues put for voting at the AGM.

D. ACCOUNTABILITY AND AUDIT

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D.1 Financial Reporting

The Board will ensure that the company provides its shareholders and investors with information that presents a balanced and understandable assessment of the Company's financial and business position and prospects.

D.2 Internal Control

The Board will ensure that a sound system of internal control and risk management is maintained to safeguard shareholders' investment and the Company's assets.

D.3 Audit Committee and Auditors

The Board will maintain an Audit Committee.

The Board will establish formal arrangements for selecting independent auditors and will ensure that the independent auditors thoroughly check the company's financial accounts, application of financial reporting standards and efficiency of internal control mechanisms. The Board must maintain an appropriate relationship with the company's auditors.