

CORPORATE GOVERNANCE POLICY & BOARD CHARTER

Corporate Governance Principles

The primary objective of Kingston Properties' Corporate Governance Policy is to adhere to global best practices in Corporate Governance while fulfilling our mission to be the premier real estate investing company in Jamaica. The Board must conduct periodic reviews of the Company's governance systems and structures including internal controls, business continuity, communications policy and risk management policy and framework. This ensures a high level of transparency in our operations for the benefits of our shareholders. Cognizant of the impact the Company's actions have on our various stakeholders and the environment we will remain committed to open and active engagement with our shareholders through our website, annual reports, stock exchange filings and news releases, the media, annual general meetings, investor briefings and our weekly newsletter.

Board of Directors

The process for the selection and review of directors is to be examined annually and should be consistent with both the JSE regulations and the PSOJ Corporate Governance Code (<https://psoj.org/wp-content/uploads/2016/12/PSOJ-CG-Code-2016-Final-11302016.pdf>). Directors are selected based on expertise, judgment, character and independence.

The Board of Directors is principally responsible for:

1. Ensuring that the Company's vision and mission are fulfilled for the benefit of shareholders
2. Providing oversight of the executive management to ensure that the strategic objectives of the Company are achieved and agreed policies are adhered to and do not conflict with any laws or regulations.
3. Reviewing the internal control process to ensure long term shareholder value is maintained.

There are three broadly defined categories of directors, namely:

1. Independent Director (I) :- A member of the board who is (i) not employed by the Company or has not been a staff member for at least five years prior to their appointment to the board and (ii) not related to any employee of the Company.
2. Non-Executive Director (NE):- A member of the board who receives no remuneration from the Company save and except for board attendance fees or dividends from their personal shareholdings in the Company's stock.

3. Executive Director (E):- A member of the board who is currently employed as part of the executive management of the Company

Board responsibilities

The Board is responsible for the corporate governance of Kingston Properties Limited. The Board monitors the related areas of risk and financial performance, business operations, and adherence to the regulatory and legal environments to ensure continued growth in shareholder value.

Strategic Imperatives

- Reviewing the Company's strategic plans as presented by the Executive
- Using their best judgment in arriving at decisions which balances the interests of all stakeholders.
- Providing the appropriate channels and systems for the report of activities that would not be compliant with the laws of the land or agreed policy.
- Adhering to good governance principles and practices to the benefit of all stakeholders

Performance and Conduct

- Conducting risk management assessments on the Company's operations.
- Monitoring related party transactions to ensure that they are undertaken on normal commercial terms and are not prejudicial to the interests of the shareholders.

Organization and Activity

- Reviewing and monitoring the policies of the Company periodically
- Reviewing internal control mechanisms established to ensure accuracy and transparency in the Company's operations.
- Maintaining compliance with regulatory requirements.
- Reviewing and approval process for new property acquisitions or disposals in line with established guidelines

Board operations

The Board of Directors should meet monthly to provide the necessary oversight required by virtue of the diverse markets within which the Company operates. At each meeting of the Board, each director is to be provided with Minutes, management accounts and a set of comprehensive reports detailing the operations of the Company, and the portfolio of assets. Where necessary, ad hoc meetings may be held to address critical issues.

Board Composition

The rules governing the composition of the Board are to be reviewed annually. The composition is to reviewed annually to ensure that the Board of Directors has the appropriate mix of expertise and experience.

1. The Chairman of the Board should be a non-executive, independent Director;
2. The Board should comprise Directors with a range of commercial and financial experience including expertise in real estate, asset management, law and financial management; and
3. At least one-third of the Board should comprise Independent Directors.

Committees of the Board

The Committees of the Board should comprise directors from the Main Board. Non-members of the Main Board may be co-opted member to sit on any board committee following the approval of the Corporate Governance and Nominations Committee. Each Board committee is to be constituted under a charter which outlines the roles and responsibilities of each committee and its members. The committees assist in the governance of the Company.

The Committees of the Board are:

- Corporate Governance and Nominations
- Audit
- Human Resources and Compensation
- Investment and Risk

The minutes of each board committee meeting are to be presented at the main board as well as the subsequent committee meeting.

The Corporate Governance and Nominations Committee

A high standard of corporate governance best practices protects shareholders' interests while enhancing long-term shareholder value. The Board will adopt Corporate Governance guidelines that reflect those of the PSOJ's Code of Corporate Governance model along with the JSE's guidelines on Corporate Governance (JSE Rule 414). The Company's Corporate Governance documents should be distributed to all stakeholders including shareholders, regulators, staff and outsourced service partners. Distribution may be done via our website at www.kpreit.com, newsletters and the annual reports.

Audit Committee

The role of the Audit Committee is to monitor and evaluate the effectiveness of the Company's systems of internal controls. The Audit Committee also reviews the quality and reliability of information prepared for inclusion in financial reports and is responsible for the nomination of

external auditors and reviewing the adequacy of external audits in respect of cost, scope and performance.

Other responsibilities include:

1. Reviewing the non-audit services performed by external auditors;
2. The continuous monitoring of accounting procedures in place to ensure compliance with Accounting Rules and applicable legislation
3. Reviewing of the policies and procedures established to deal with related party transactions.

(See Terms of Reference)

Human Resources and Compensation

The Human Resources and Compensation committee oversees and provides guidance on employee and compensation matters of the Company. The Committee is comprised of the Board Chairman and Company Secretary and should meet at least once per year. (See Terms of Reference)

Investment & Risk Committee

The Investment & Risk Committee provides oversight on the investment and financing strategy for the Company's assets and ensures compliance with agreed policy and targets. (See Terms of Reference)

Board Remuneration

The Company should adopt and maintain a transparent and equitable remuneration policy for its board members. All non-executive directors are eligible to be paid board fees. Directors are remunerated based on board meeting attendance only. There will be no fee paid for attending committee meetings or retainer.

Director Training

The Board will review at the start of each financial year a training plan for directors. Each director should participate in a minimum of two (2) hours training in a field of study that covers any of the following area: (1) financial reporting requirements, (2) real estate markets, (3) taxation, and (4) corporate governance.

Internal Audit

The Company should place great emphasis on the monitoring and management of risks primarily through oversight by both the Audit Committee and the Investment Committee. The Board should utilize an internal audit consultant to assist in its oversight

Conflict of Interest and related party transaction

Each Director in exercising his/her powers and discharging his/her duties should act honestly and in good faith with a view to the best interest of the Company and its shareholders. The Board recognizes that private and/or personal interests can cloud a Director's ability to make sound, objective decisions in the best interests of the Company. Directors are therefore required to avoid conflicts of interest and even the appearance of such conflicts. The Company's Conflict of Interest Policy provides a transparent framework to guide individual directors and each year directors are required to sign a Conflict of Interest Statement. A copy of the Company's Conflict of Interest policy is available on our website at www.kpreit.com.

Whistleblower Policy

The members of the board, executive and employees of Kingston Properties Limited (KPREIT) and its subsidiaries, strive to observe high standards of business and personal ethics in the conduct of their duties and responsibilities. All employees and trustees receive and are required to sign KPREIT's *Code of Ethics*, a document which provides the standards which are designed to encourage and promote integrity and to minimize or eliminate wrongdoing in the workplace. The Board will create a channel through which incidences of inappropriate action may be reported to a responsible officer (to be designated by the Board of Directors) as well as the Chairman of the Audit Committee.

Dividend Policy

As part of the Mission and Vision to operate using accepted best practices of real estate investment trusts globally, the Company's policy is to pay up to 90% of its annual total comprehensive income in dividends to shareholders on record. The declaration of dividends is at the absolute discretion of the board of directors of the Company and dividends are subjected to available cash flow and any need the Company may have, from time to time, to re-invest earnings as part of its growth strategy. The board reviews the level of pay out of dividends on an annual basis with the intention of increasing the level of pay out in a bid to move closer to the standard for REITs globally.

Dividends therefore may be paid twice annually, with the final dividend being paid once audited financial statements have been submitted to the JSE.

COMMUNICATIONS WITH SHAREHOLDERS

The Company maintains a policy of regular communication with our key stakeholders such as, shareholders, the Stock Exchange, our financiers and prospective investors to ensure that they are well informed about the activities and performance of the Company and the Company receives timely feedback.

The main communication channels are via (i) the Company’s website, (ii) our annual reports and quarterly financial reports, (iii) the various disclosures and announcements to the Jamaica Stock Exchange that are also sent electronically via e-mail to shareholders and the media. We remain very responsive to shareholders’ questions and comments and these are easily facilitated via e-mail, telephone and social media.

These activities support our tagline “...gateway to global real estate investing.”

CORPORATE SOCIAL RESPONSIBILITY

Kingston Properties is committed to the principles of Corporate Social Responsibility and engages in a series of programmes that are designed to give back to the communities in which the Company operates. The Company adopts a policy of ensuring that all business transactions, deals and relationships with all our customers, suppliers and partners are transparent and ethical, and executed in accordance with high corporate governance standards.

Our mandate is to ensure that our employees operate with decency, honesty and respect towards every individual who they interact with regardless of class, race, gender, and socio economic background. We monitor and ensure that our business activities comply with the spirit of the law, accepted ethical standards and international norms.

We are firm believers in education and development and continue to foster programmes that are targeted towards young people.

We also contribute to the growth and development of our local communities through volunteerism, and making donations to charitable organizations. We continue to have a focus on the environment by engaging in and supporting social initiatives and activities geared towards environmental protection and sustainability.

Action	Body	Date
<i>Reviewed and Approved</i>	Corporate Governance and Nominations Committee	March 28, 2018
<i>Reviewed</i>	Corporate Governance and Nominations Committee	April 15, 2019
<i>Approved</i>	Board of Directors	April 15, 2019