

2. Quality of information and advice **(15 points)**
  - opportunities in relation to risk appetite
  - timeliness of dispatch of market data
3. Quality & Dissemination of Research **(10 points)**
  - availability of research material
  - utilization of research material by brokerages
  - level of informed staff
4. Use of Technology for dissemination of information **(10 points)**
  - account access on-line
  - e-mail
  - mobile/text messaging
  - other cutting edge communication
5. Quality of Client Service **(25 points)**
  - attitude/friendliness/responsiveness/helpfulness
6. Range of product and services **(15 points)**

Awardees will be selected based on questionnaire administered randomly to brokerages clients.

#### **(5) JSE BEST PRACTICES WEBSITE AWARD (TO INCLUDE STOCKBROKERAGES)**

*“To encourage listed companies and stockbrokerages to raise the quality and efficiency of the dissemination of information to the investing public via the website”.*

#### **Judges will assess:**

- (i) Content of website (Listed Companies = 36 points; Stockbrokerages = 32 points)
- (ii) Usability (Listed Companies = 15 points; Stockbrokerages = 15 points)
- (iii) Interactivity/Innovativeness (Listed Companies = 14 points; Stockbrokerages = 18 points)
- (iv) Presentation Style (Listed Companies = 25 points; Stockbrokerages = 25 points)
- (v) Functionality (Listed Companies = 10 points; Stockbrokerages = 10 points)

#### **Members of the JSE Best Practices Awards Committee:**

Chairman: Professor Neville Ying, Executive Director, Mona School of Business

#### **MEMBERS**

Prof. Neville Ying	- Executive Director, MSB
Mr. Christopher Bovell	- Attorney-At-Law, DunnCox
Mr. Alvaro Casserly	- Director, JCSD
Mr. Rezworth Burchenson	- MD Prime Asset Management
Dr. Brian Langrin	- Chief Economist, BOJ
Dr. Noel Reynolds	- Lecturer, UWI
Mrs. Audrey Richards	- Financial Consultant
Mr. Errol Anderson	- Ja. Computer Society
Miss Nsombi Jaja	- MD QMC Co. Ltd.
Mr. Sushil Jain	- Financial Analyst
Mrs. Marlene Street Forrest	- JSE
Mr. Robin Levy	- JSE
Miss Suzette McNaught	- JSE
Mr. Neville Ellis	- JSE

Awards will be presented to the winner and runner-up in each category.

We welcome your feedback. Please call us at: 967-3271 or send us an e-mail at: info-jse@jamstockex.com.



## OUTLINE AND CRITERIA FOR AWARDS



*The JSE Best Practices Awards were established in 2004 by the Jamaica Stock Exchange. The following are the objectives of the Awards:*

#### OBJECTIVES:

1. To provide an avenue to recognize listed companies and stockbrokers, in the securities industry, who uphold best practices standards;
2. To enhance the relationship between the JSE and its stakeholders;
3. To create an awareness of the standards for best practices in the areas to be adjudged.

A fourteen-member Committee was established to act as a Judging Panel for the Awards.

#### TERMS OF REFERENCE:

The following Terms of Reference for the Committee were agreed to:

- i. The Best Practices Awards Committee will examine and develop criteria for each Award;
- ii. Five sub-committees will establish the criteria for each Award;
- iii. The sub-committees will report to the main committee which will consider and if thought fit, ratify their decisions;
- iv. The sub-committees will be able to co-op external members if deemed necessary.

Awards are to be made in the following categories:

#### (1) JSE BEST PRACTICES ANNUAL REPORT AWARD:

*"To encourage public listed companies to produce clearer more reader-friendly annual reports and to provide greater insight into companies' financial affairs, governance practices and business activities."*

##### Criteria:

##### A. General Management Information And Analysis: (45 POINTS)

- (i) Strategic Directions (10 points)
- (ii) Vision & Philosophy (5 points)
- (iii) Corporate Governance Practices (10 points)
- (iv) Corporate Social Responsibilities (5 points)
- (v) Risk Management Practices (5 points)
- (vi) Profiles of Directors and Executives. The composition of Committees.(5 points)

- (vii) Industry and Business Segment Discussion including relevant macro economic consideration. (5 points)

##### B. Financial Information (25 POINTS)

- (i) Analyses of trends (including narrative, charts, and graphs ); (10 points)
- (ii) Ten-year historical data or number of years listed (key ratios); (5 points)
- (iii) Transparency and consistency in treatment and presentation of items including recurring items; (5 points)
- (iv) Disclosure and discussion on earnings from on-going operations and discontinued operations. (5 points)

##### C. Layout & Design: (15 POINTS)

- (i) Aesthetic Appeal : Layout and Design (5 points)
- (ii) Readability: Use of type-fonts, clarity of expressions; graphics, photos, charts and organization of information. (10 points)

**NB:** Note will be taken regarding frequency of errors and repetitiveness of information.

##### D. Timeliness of Submission (15 POINTS)

- (i) Timeliness : Companies submitting their Annual Reports within 120 days to JSE. (15 points)

#### (2) THE JSE BEST PRACTICES CORPORATE DISCLOSURE AND INVESTOR RELATIONS

*"To recognize and encourage companies to make timely and accurate reports and announcements to the JSE and maintain good investor relations with the wider investing Public."*

##### Criteria:

1. Submission of timely and accurate quarterly and audited annual reports to the JSE and the share holders. (20 points)
2. Timely and accurate information in respect to corporate actions as required by the JSE "Listing Agreement" and "Policy on Timely Disclosure" (10 points)
3. AGM timeliness and provision of opportunities for shareholders to participate effectively (10 points)
4. Investor briefings and media relations (10 points)
5. Dividend policy and payment (10 points)

6. Timeliness in effecting transfers of shares (10 points)
7. Disclosure of Corporate Governance Practices (15 points)
8. Disclosure of Corporate Social Responsibilities (5 points)
9. Disclosure of Risk Management Framework/Policy (10 points)

#### (3) JSE BEST PERFORMING COMPANY

*"To identify and recognize outstanding performance by listed companies in enhancing shareholder value in the areas of return on capital, improved profitability and direct return on shareholdings. "*

Criteria	Weightings
1. Capital efficiency ratios: Return on Equity Return on Assets	20 points 20 points
2. Profitability: Growth in Net Profits Growth in Operating Profits	20 points 15 points
3. Direct Return on Shares (Dividends paid and increase in share price)	25 points

**ASSESSMENT:** Each criteria is assessed on both a one-year and three-year (average annualized) basis, with substantially greater weight being given to the one-year measure. Measures for growth (item 2) are weighted for firm size.

#### (4) BEST PRACTICES INVESTOR RELATIONS STOCKBROKERAGES AWARD

*"To recognize excellence in the service provided by stockbrokerages to investors."*

The Award will be presented to the stockbrokerage that provides investors with the best services.

Judges will assess and evaluate for:

1. Efficiency of execution and settlement (25 points)
  - informing & confirming
  - settlement of transaction
  - contract note delivery
  - timeliness of response to queries