



## BOARD CHARTER

### 1. Governance Statement

- i. The Board of Mailpac Group Limited (“MGL”) has been collectively given the mandate by its shareholders to assume full responsibility for the growth, policy, sustainability, general direction, and oversight of the affairs of MGL. The Board, through the Chairman, works closely with Board Committees and management to ensure the Company’s efficient and effective operations.
- ii. The Board is committed to maintaining the highest level of transparency, accountability and integrity in all the company’s operations and will ensure the maintenance of high ethical standards of all employees and Directors.
- iii. The Board of Directors is responsible for ensuring full compliance with the Jamaica Stock Exchange (JSE) Rules and the Companies Act.
- iv. Each Director is required to act honestly and in good faith and to collectively ensure that the organisation carries out activities within its prescribed purpose. Additionally, the Board has collective responsibility for all strategic decisions made by the Board.
- v. This Board Charter (the Charter) which has been adopted by the Company’s Board of Directors is prepared on the basis of and incorporates certain provisions of the Companies Act, MGL Articles of Incorporation and the JSE Rules. This Charter is to be read in tandem with the Terms of Reference (TOR) of the various Board Committees. These principles and policies are in addition to and are not intended to change, supersede or interpret any law or regulation, including the Companies Act, or the Articles of Incorporation of MGL.

### 2. Board Mandate

#### The mandate of the Board is to:

- a. Establish standards of business and ethical behavior for Directors, Senior Management and other personnel and obtain reasonable assurance, on a regular basis, that the Company has an ongoing appropriate and effective process for ensuring adherence to those standards;
- b. Approve the company's strategic direction, objectives, code of conduct, risk tolerances and significant policies and review the company's performance against the strategic direction and objectives;
- c. Recruit and retain a qualified and competent chief executive officer and senior management team and ensure that compensation and incentive plans are appropriate;
- d. Develop and annually review an appropriate succession plan for the chief executive officer and other members of the senior management team. The appropriate succession plan will be developed by the Corporate Governance and Remuneration Committee and approved by the board;
- e. Ensure that the company has a consistent and effective risk management process to manage and control the risks arising from its business activities;
- f. Ensure that the company complies with the laws of the countries in which the company operates;

- g. Establish the governance framework under which management operates by creating and administering policies to protect the financial and operational health of the company;
- h. Ensure that stakeholders receive meaningful information with an appropriate degree of transparency with which to judge reasonably, the effectiveness of the board of directors and senior management in meeting their corporate governance responsibilities;
- i. Ensure that the board is effectively exercising its corporate governance responsibilities.
- j. Upon joining the Board, Directors must familiarise themselves with the Board's policies and the company's corporate profile, organisational structure and corporate governance policies, procedures and practices.

### **3. Board Profile**

#### **3.1. Selection and Composition of the Board**

The Board is responsible for the over-viewing of the interest of all stakeholders on the matters as outlined above. The composition of the Board should be such that these interests are best served and therefore the Directors require diversity in skills and characteristics.

#### **3.2 Size of the Board**

Article 82 of the Company's Articles of Incorporation prescribe that the number of Directors of the Company that shall constitute the whole Board shall not be less than three (3) of which at least one-third shall be independent non-executive directors. There shall be no maximum.

#### **3.3 Definition of Independent Director**

- a. To be considered an independent director the Board will determine that a director has no direct or indirect material relationship with the company.
- b. For the purposes of this definition material relationship is defined as a relationship that could in the view of the board be reasonably expected to interfere with the exercise of a director's judgment independent of management.
- c. Each director has a responsibility to notify the board of any change in his status that may put his or her independence at risk.
- d. On an annual basis the board will determine the independence of each director and will disclose the basis of this determination in the annual report.

#### **3.4 Board Functions**

##### **3.4.1 Areas of responsibilities**

The Board makes decisions and reviews and approves key policies and decisions of the Company in particular in relation to:

- a. Corporate governance;
- b. Compliance with laws, regulations and the Company's code of business conduct;
- c. Corporate citizenship, ethics, environment;
- d. Strategy and operating plans;

- e. Business development including major investments and disposals;
- f. Financing and treasury;
- g. Appointment, Evaluation or Removal of Directors;
- h. Recommendation for remuneration of Directors
- i. Risk management;
- j. Financial reporting and audit;
- k. Pensions.

### **3.4.2 Specific responsibilities for Chairman, Company Secretary and Directors**

- a. The Chairman is principally responsible for the effective operation and chairing of the Board and for ensuring that information that it receives is sufficient to make informed judgments. He also provides support to the CEO, particularly in relation to external affairs.
- b. The **Company Secretary** is responsible for ensuring that Board processes and procedures are appropriately followed and support effective decision-making and governance. He/she is appointed by, and can only be removed by the Board.
- c. Each **Board member** is expected to commit sufficient time for preparing and attending meetings of the Board, its Committees and, if applicable, of the Independent Directors. Regular attendance at Board meetings is a prerequisite therefore unless explicitly agreed upfront; a Director may not appoint an alternate Director to attend regular Board meetings in his/her absence. Directors who are unable to attend a board meeting have a responsibility to review board papers received prior to the meeting and submit any general comments or questions to the Company Secretary for discussion at the board meeting.
- d. In-depth knowledge of the particulars of the Company's business is vital for each Director in making informed and objective decisions and management should be allowed direct involvement and review of operational activities. Similarly, management should communicate to Board members opportunities to interact in strategy and day-to-day business settings. Board members are strongly encouraged to take advantage of such opportunities as frequently as feasible. The Directors have complete access to the Leadership of the Company.

### **3.5 Election, terms, re-election and retirement**

Every appointed member shall be eligible for re-appointment based on performance and through the rotation mechanism as outlined in Article 99 and 101. As stated in Article 100, no person shall be appointed or re-appointed to the board if he or she has attained the age of 80 years.

A director who is invited to join the board of directors or similar governing body of another public or private company should consult with the Chairman and the Company Secretary before accepting a seat on such board.

A member of the Board may at any time resign or retire his or her office through instrument in writing addressed to the Chairman.

### **3.6 Board Compensation**

The Company aims to set remuneration at levels which are sufficient to attract and retain the Directors required to effectively run the Company successfully, taking into consideration all relevant internal and external factors. Directors are therefore remunerated in accordance with MGL board approved compensation policy.

### **3.7 Director Orientation and Education**

The Board and Management will conduct a comprehensive orientation process for new Directors to become familiar with the Company's vision, strategic direction, core values, financial matters, corporate governance practices and other key policies and practices through a review of background material, meetings with senior management and visits to the Company's facilities.

The Board also recognises the importance of education for its Directors. It is the responsibility of the Board to advise the Independent Directors about their education, including corporate governance issues. Directors are encouraged to participate in continuing Director educational training programs.

## **4. Conflicts of Interest/Disclosure**

- a. Any dealings in the Company's shares by any Director must be promptly reported to the Company Secretary who is obliged to disclose such information promptly to the Jamaica Stock Exchange.
- b. With respect to 'black out dates', no Director should trade in the MGL's shares during the period from which the Company declares the payment of a dividend to the payment date of such dividend.
- c. 'Black out' periods start thirty (30) days after the end of each quarter and end twenty-four (24) hours after the release of interim or final Financial results.
- d. A Director who has an interest in the Company or in any transactions with the Company which could create or appear to create a conflict of interest must disclose such interests to the Company. These would include:
  - i. Any Interest in contracts or proposed contracts with the company
  - ii. General disclosure on interest in a firm, which does business with the company
  - iii. Interest in securities held in the Company
  - iv. Emoluments received by the Company
  - v. Loans or Guarantees granted by the Company to/for the Director.
- e. Disclosure shall be made at the first opportunity to the Board in writing and such disclosure shall be recorded in the Minutes of the Board Meetings.

- f. The Director shall then excuse himself from the Board meetings when the Board is deliberating over any such contract and shall not vote on any such issue.

## **5. Access to outside advisors and funds**

The Company will make such funds available to the Board and in particular the Independent Directors as is reasonably required for those Directors to objectively make decisions. This may include providing funds to access outside advisors and cover cost associated with travel and the gathering of relevant information for the execution of their responsibilities.

## **6. Code of Conduct**

The Board expects all Directors, as well as officers and employees, to act ethically at all times and to adhere to all the Company's codes and policies as well as MGL's Codes and Policies. The Board will not permit any waiver of any of these policies for any Director or Executive officer. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the Chairman. If a conflict exists and cannot be resolved, the Director should resign.

## **7. Board Committees & Reporting**

### **7.1 Establishment of Committees:**

- a. To support the Board in effectively performing its duties the Board may from time to time establish Sub-Committees and the Board shall determine the members of any such committees.
- b. The Board has established the following committees to govern areas of its operations:
  - Corporate Governance & Remuneration Committee
  - Audit Committee
- c. The Chairpersons of Board Committees shall be chosen by the Board.
- d. The validity of the proceedings of a committee shall not be affected by any vacancy among the members thereof or any defect in appointment of a member thereof.

### **7.2 Invitees:**

- a. Invitees to meetings shall not constitute part of the quorum and shall not be entitled to vote.

### **7.3 Board Responsibility for Committee Action:**

- a. The Board remains collectively responsible for the decisions and actions taken by any committee.
- b. A committee may only perform the tasks delegated to it by the Board and its powers may not exceed powers of the Board as a whole.

### **7.4 Committee Reporting:**

- a. Each committee must promptly inform the Board of major developments of which it becomes aware.
- b. Each Director shall have unrestricted access to all committee meeting records.

- c. The Board shall, as set forth in the Terms of Reference of the committee concerned, receive a report from the committee describing the committee's actions and findings.

## **8. Meetings**

### **8.1 Frequency of Meetings**

During each financial year, there will be a minimum of four (4) regular Board meetings. Special Board meetings may occur at such other times as any member of the Board may request.

### **8.2 Distribution of Board Material**

All Board materials should be distributed at least four (4) days in advance of a Board meeting.

### **8.6 Selection of Agenda Items for Board Meetings**

The Chairman and Company Secretary will establish the agenda for each Board meeting. Each Board member may suggest the inclusion of item(s) on the Agenda.

Information important to the Board's understanding of the business will be distributed electronically and or in writing to the Board before the Board meetings.

As a general rule, presentations on specific subjects should be sent to the Board members in advance to save time at Board meetings and focus discussion on the Board's questions. On those occasions in which the subject matter is extremely sensitive, the presentation will be discussed at the meeting.

### **8.7 Additional attendees to the meeting**

Furthermore, the Board encourages the Management to, where it assists the ability of the Board members to execute their responsibilities, bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.

## **9. Board Relationships**

Board relationships will include:

1. Interaction with the CEO
2. Contact with Investors, Media, Suppliers and Customers
3. Access to management and employees

## **10. Communication with Stakeholders**

The Board of directors will ensure that the company has in place a policy to enable the company to effectively communicate with its stakeholders. The Board is committed to providing timely, accurate and balanced disclosure of all material information about the company and will provide fair and equal access to such information.

The Board requires that management has in place a process to support the company's policy of providing true, full and timely disclosure of financial results and other material information to appropriate stakeholders including shareholders, regulators, employees, rating agencies, analyst and stockbrokers.

**11. Charter Review:**

The Board shall review this Charter at least every two (2) years.

**DOCUMENT CONTROL**

<i>Version</i>	<i>Date Approved by Board</i>	<i>Area Changes made</i>
1 <sup>st</sup>	March 11, 2021	