

AMG PACKAGING & PAPER COMPANY LIMITED

CORPORATE GOVERNANCE BOARD CHARTER

APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY

ON JANUARY 9, 2018

TABLE OF CONTENTS

	Page Number
1. Objective	4
2. Board Membership	4
3. Independence	4
4. Duties and responsibilities of the Board	5
5. Matters Reserved to the Board	6
5.1 Financial	6
5.2 Appointments, Training, Evaluation and Committee Charters	6
5.3 Management	7
5.4 Transactions	7
5.5 Loans, Guarantees, Indemnities, Securities	7
5.6 Share Capital and Financing	7
6. Board Self-Assessment	7
7. Ethics	8
7.1 Directors' Code of Conduct	8
8. (Re) Appointment; Term of Office; Resignation	9
8.1 Election by Shareholders	9
8.2 Nominations of New Directors and Reappointment of Existing Directors ...	9
9. Chairperson and Vice-Chairperson	9
9.1 Election	9
9.2 Duties	9
9.3 Responsibilities	9
10. Role of the Company Secretary	10
11. Committees	10
11.1 Board Responsibility for Committees	10
11.2 Committee Reporting	10
11.3 Committee Charters	10
12. Annual General Meeting; Record Date; Venue	11
12.1 Compliance with Law	11
12.2 Attendance at Annual General Meeting of External Auditor	11
13. Board Meetings	11
13.1 Frequency	11
13.2 Notice and Agenda	11
13.3 Venue	11
13.4 Attendance of and Admittance to Meetings	12
13.5 Chairperson of the Meeting; Minutes	12

	Page Number
14. Decision-Making within the Board	12
14.1 Preference for Unanimity	12
14.2 Individual Vote	12
14.3 Majority Vote	12
14.4 Quorum	12
14.5 Emergency Procedures	12
15. Conflicts of Interest of Board Members	13
15.1 Duty to Disclose	13
15.2 Related-party transactions	13
15.3 Abstention by Conflicted Party	13
15.4 Requirements to approve conflicts of Interest	13
16. Director Compensation	13
16.1 Approval by Annual General Meeting	13
16.2 Loans and Guarantees	14
17. Induction Programme, On-going training and Education	14
17.1 Induction programmes	14
17.2 Training for Directors	14
18. Other Positions	14
19. Confidentiality	14
19.1 Duty to keep information confidential	14
19.2 Return of Confidential Information	14
20. Miscellaneous	14
20.1 Acceptance by Directors	14
20.2 Amendment	15
20.3 Interpretation	15
20.4 Partial Invalidity	15
21. Review and Disclosure	15

1. Objective

The Board of Directors ("the Board") of AMG PACKAGING & PAPER COMPANY LIMITED ("the Company") is committed to ensuring a sound corporate governance framework and sets high standards for the Company's directors, officers and employees. It is the duty of the Board to serve as a prudent fiduciary for shareholders and to oversee the management of the Company's business. To fulfill its responsibilities and to discharge its duty, the Board follows the protocols and standards that are outlined in this Charter. The Charter is subject to modification from time to time as the Board deems appropriate in the best interests of the Company or as required by applicable laws and regulations. The Charter supports the Articles of Incorporation of the Company; however the Articles of Incorporation take precedence in the event of any inconsistency.

The Charter is posted on the Company's website www.amgpackaging.com

2. Board Membership

The number of directors shall not be less than one and not more than ten. The appointment of directors shall be recommended by the Corporate Governance Committee in accordance with the Company's Articles of Incorporation, and will be subject to approval by the Board of Directors.

The Chairperson shall be a non-executive director, and the roles of the Chairperson and Chief Executive Officer shall be separated.

The Board shall use its best efforts to ensure that:

- Its members act critically and independently of one another;
- Each Board member has sufficient expertise to perform his or her role;
- At least one Board member has expertise in financial administration and accounting, and
- No less than a third of the Board members are independent as defined below.

3. Independence

An independent director is one who:

- 3.1 Is not, and has not been employed by the Company at any time during the past two years;
- 3.2 Is not, and has not been affiliated with a Company that acts as an advisor or consultant to the Company or its related parties, and has not acted in such capacity at any time during the past two years;
- 3.3 Is not, and has not been affiliated with any significant customer or supplier of the Company or its related parties at any time during the past two years;
- 3.4 Does not currently have, nor has had any personal service contracts with the Company, its related parties or its senior management at any time during the past two years;
- 3.5 Does not receive and has not received any additional remuneration from the Company apart from a director's remuneration, nor participates in the Company's performance-related payment plans, nor is a participant of the Company's pension plan;
- 3.6 The director's remuneration does not constitute a significant portion of the his or her annual income;

- 3.7 Is not a member of the immediate family of any individual who is, or has been at any time during the past two years, employed by the Company or its related parties as an executive officer;
- 3.8 Is not, nor has been at any time during the past two years, affiliated with or employed by a present or former auditor of the Company; and
- 3.9 Is not a controlling shareholder of the Company or such person's adult brother, adult sister, parent, child, aunt, uncle, or a spouse, widow, in-law of any of the foregoing.

4. Duties and responsibilities of the Board

- 4.1 The Board is responsible for overseeing the general business of the Company. The entire Board is responsible for such supervision and oversight.
- 4.2 Directors are required to perform their duties acting in the best interests of the Company and taking into consideration the interests of the Company's shareholders and other stakeholders.
- 4.3 The Chairperson and the Managing Director shall see to it that the management, in a timely manner, provides the Board and its committees with the information they need to properly function.
- 4.4 Directors each have a responsibility to obtain from the management and the internal and external auditors all information needed to carry out their duties. If the Board thinks it is necessary, it may obtain information from officers and external advisors to the Company. The Board may require certain officers and external advisors to be in attendance at meetings of the Board. Only Directors shall have voting rights at meetings of the Board.
- 4.5 Each member of the Board shall have access to the books and records of the Company, if they are useful in the performance of their duties. Unless the Charter of a committee states otherwise, Directors shall consult with the Chairperson of the Board and the Company Secretary before exercising this right.
- 4.6 The Board may hire experts to assist or advise Directors. The cost of such experts shall be agreed to by the Board and shall be paid by the Company. A Board member may rely upon the advice of a relevant expert so long as the Director has no reason to question the expert's report or conclusion.
- 4.7 In supervising the management, the Board shall consider:
 - the achievement of the Company's objectives;
 - the strategy and risks in the Company's activities;
 - the structure and operation of the internal risk management, and audit and control systems;
 - the financial reporting process;
 - compliance with laws and regulations; and
 - any other matters the law requires the Board to consider.
- 4.8 The Board is responsible for the financial and operational performance of the Company and in so doing:
 - ensures the Company's long-term viability and enhances its financial position;
 - formulates and oversees the implementation of the corporate strategy;
 - approves Company policies;
 - approves the annual business plan and budget, including agreeing on key performance indicators (KPIs);

- monitors and assesses the performance of the Company, management and major projects;
 - supervises the Company's financial reporting in accordance with policies established by the Board;
 - oversees the risk management framework and monitors business risks;
 - monitors developments in the industry and the operating environment;
 - provides oversight of the Company, including its control and accountability systems
 - approves and monitors the progress of major capital expenditure, capital management and acquisitions and divestments.
- 4.9 An external auditor shall be appointed by the Company's shareholders at the annual general meeting. The Board nominates a candidate for this appointment, based on an open, transparent and competitive selection process, and may recommend replacement of the external auditor. The audit committee shall advise the Board on such matters. The compensation of the external auditor and instructions to the external auditor to provide non-audit services shall be closely reviewed and approved by the Board on the recommendation of the audit committee, thus ensuring for the auditor's independence.
- 4.10 The Board shall carefully consider and, if accepted, put into effect any recommendations made by the external auditor. This will include recommendations by the external auditor on the Company's internal controls, as expressed in the 'management letter'.
- 4.11 The Board, in consultation with the audit committee, supervises compliance with written procedures for the preparation and publication of the audited and monthly financial statements.
- 4.12 The Board shall prepare an annual report describing the activities of the Company in each financial year, and containing the statements and information required by law and the Company's Articles of Incorporation.

5. Matters Reserved to the Board

The matters exclusively reserved to the Board for decision/approval are as follows:

5.1 Financial

- 5.1.1 Approval of the annual operating and 5- year strategic plans and budgets.
- 5.1.2 Approval of the annual capital budget for expenditure in excess of J\$1 million
- 5.1.3 Approval of the audited financial statements.

5.2 Appointments, Training, Evaluation and Committee Charters

- 5.2.1 Appointment and removal of directors.
- 5.2.2 Appointment of any director as Chairperson or Vice Chairperson of the Board and ending such appointments.
- 5.2.3 Determination of the independence of any director or proposed director.
- 5.2.4 The scope and extent of delegations to the Chairperson, Vice Chairperson, and Managing Director
- 5.2.5 Approval of the Charters of all Board Committees.
- 5.2.6 Performance evaluation of the Board at least once each year.
- 5.2.7 Approval of the policy on Executive Directors' remuneration.

- 5.2.8 Approval by the Chairperson and Executive Directors of the remuneration and terms of appointment of Non-executive Directors of the Company.
- 5.2.9 Ensuring that a satisfactory dialogue with all shareholders takes place.

5.3 Management

- 5.3.1 Review and approval of operating policies.
- 5.3.2 Review and approval of any material changes to the levels and nature of the insurance cover and other risk management matters concerning the Company.
- 5.3.3 Approval of, and significant changes to, the Company's internal controls system.
- 5.3.4 Approval of, on the recommendation of the Audit Committee, the Management Representation Letter to the Auditors and the Audit Plan and Fees.

5.4 Transactions

- 5.4.1 Approval of capital and operating expenditure in excess of J\$2m outside of an approved budget, including acquisition or disposal of financial assets and write off of bad debts.
- 5.4.2 Approval of commencement of any business activity by the Company, where such activity has not previously been transacted and it is expected to represent, in its first full year of trading, more than 1% of gross income of the Company in the recent financial year.
- 5.4.3 Approval of cessation, by the Company, of any activity previously conducted, representing more than 1% of gross expenses of the Company in the most recent financial year.

5.5 Loans, Guarantees, Indemnities, Securities

- 5.5.1 Approval of the provision of any loans to the Company, or guarantee, indemnity or security by the Company.

5.6 Share Capital and Financing

- 5.6.1 Approval of any increase/reduction in the issued share capital within the Authorised Share Capital approved by Shareholders.
- 5.6.2 Approval of the issue or repayment of any share capital or debt securities or any other borrowings by the Company other than:
 - where such issue, repayment, subscription or borrowing is in the ordinary course of business and has been approved as part of the Company's Business Plan.

6. Board Self-Assessment

At least once a year, the Board shall evaluate its own performance, the contributions of individual directors to the functioning of the Board and its composition and competence of the Board. The manner in which the performance evaluation is assessed and the timing for this evaluation is determined by the Board.

The Board may delegate any of its responsibilities to committees of the Board.

7. Ethics

The Board has adopted, and from time to time amends, a Directors' Code of Conduct. Although Directors are individually elected by shareholders or by appointment under the Articles of Incorporation, upon accepting the office of Director, each becomes bound by the overriding fiduciary duty to act in good faith and in the best interests of the Company as a whole.

In discharging the duties and responsibilities of being a Director of the Company, each individual must operate within the framework and structure of a collective Board.

The Directors' Code of Conduct is not intended to be exhaustive, nor to derogate any obligations imposed by law.

7.1 **Directors' Code of Conduct**

This Directors' Code of conduct sets the ethical and behavioural standards expected of all Directors of the Company.

- A Director must act honestly, in good faith and in the best interests of the Company as a whole.
- A Director has a duty to use care and diligence in fulfilling his/her functions and in exercising the powers attached to that office.
- A Director must use the powers of office for a proper purpose, in the best interests of the Company as a whole.
- A Director must recognise that the primary responsibility is to the Company as a whole, but should, where appropriate, have regard for the interests of all stakeholders of the Company.
- A Director must not make improper use of information acquired as a Director of the Company.
- A Director should properly manage any conflict with the interests of the Company and shall declare to the Board any personal interest, whether direct or indirect, he or she may have in matters brought before the Board. This declaration shall be recorded in the minutes and the interested Director shall not be present for the deliberations, discussion or voting on the resolutions to be adopted in this respect.
- A Director has an obligation to be independent in judgment and actions, and must take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board.
- Confidential information received by a Director in the course of the exercise of directorial duties remains the property of the Company and it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorized by the Board, or is required by law.
- A Director should not engage in conduct likely to discredit the Company or in conduct that may be detrimental to the interests of the Company.
- A Director has an obligation, at all times, to comply with the spirit, as well as the letter of the law and with the principles of this Code.

8. (Re) Appointment; Term of Office; Resignation

8.1 Election by Shareholders

The annual general meeting elects members of the Board.

8.2 Nominations of New Directors and Reappointment of Existing Directors

A nomination or recommendation to the annual general meeting for appointment or reappointment of a director shall state the reasons for the nomination or recommendation. Before recommending a member of the Board for reappointment, the Board must carefully consider the director's past performance evaluations as well as consider any pertinent incidents that may have occurred during the director's tenure.

9. Chairperson and Vice-Chairperson

9.1 Election

The Board shall elect a Chairperson and a Vice-Chairperson from among its members. The Vice-Chairperson replaces and assumes the powers and duties of the Chairperson when the Chairperson is absent.

9.2 Duties

The Chairperson of the Board is primarily responsible for the activities of the Board and its committees; acts as the spokesperson for the Board and is the principal contact for the Managing Director. The Managing Director and the Chairperson of the Board shall meet regularly. The Chairperson of the Board presides over the annual general meeting.

9.3 Responsibilities

The Chairperson ensures that:

- 9.3.1** Board members, when appointed, participate in an induction programme and, as needed, additional education or training programmes;
- 9.3.2** The Board members receive all information necessary for them to perform their duties;
- 9.3.3** The Board has sufficient time for consultation and decision-making;
- 9.3.4** The committees function properly;
- 9.3.5** The performance of the Board members is evaluated at least annually; and
- 9.3.6** The Board elects a Vice-Chairperson.

In addition, the Chairperson is primarily responsible for:

- 9.3.7** Ensuring that the Board satisfies its duties to shareholders and key stakeholders and promotes the sustainability of the Company;
- 9.3.8** Determining the agenda of Board meetings, chairing such meetings and ensuring that minutes are properly kept of such meetings;
- 9.3.9** Consulting with external advisors appointed by the Board;
- 9.3.10** Addressing problems related to the performance of individual directors; and,
- 9.3.11** Addressing internal disputes and conflicts of interest concerning individual directors and the possible resignation of such members as a result.

10. Role of the Company Secretary

The Company secretary is the secretary of the Board and assists the Board by:

- notifying all directors of board meetings and communicating with them between meetings;
- seeing to it that the Board follows the correct procedures and that it complies with its obligations under Company Law and the Company's Articles of Incorporation and the Board Charter;
- works with the Chairperson to prepare the agenda for board meetings and organises the recording of minutes of board meetings;
- assisting the Chairperson in the conduct of the annual general meeting.

11. Committees

While the Board recognizes its responsibility for the oversight of management on behalf of stakeholders, to do so more effectively it may appoint committees from among its members to perform specific tasks. Accordingly, the Board has established the following standing committees to assist in the execution of its responsibilities:

- Audit and Finance Committee
- Compensation Committee
- Corporate Governance Committee

The Board may, at its discretion, establish other committees as it sees fit.

In addition to the three standing committees listed above, and any other standing committees that the Board may establish, the Board may also establish 'ad hoc' committees from time to time. Such 'ad hoc' committees are typically established to address a particular matter, and for a specific period of time.

11.1 Board Responsibility for Committees

The Board is collectively responsible for the decisions and actions taken by any committee. A committee may only perform the tasks delegated to it by the Board and may not exceed the authority or powers of the Board as a whole. Decisions that, by law, must be taken by the Board may not be delegated to a committee.

11.2 Committee Reporting

Each committee must promptly inform the Board of the actions it has taken and major developments of which it becomes aware.

Each director shall have unrestricted access to all committee meetings and records. The Board shall, as set forth in the charter of the committee concerned, receive a report from the committee describing the committee's actions and findings.

11.3 Committee Charters

The Board shall establish (and may amend) charters for each committee. The charters shall indicate the role and responsibilities of the committee, its composition and how it should perform its duties. The charter shall require that the committee has no less than two members (or, if the committee is composed of three or fewer members, one member) who are independent, as defined in this Charter.

12. Annual General Meeting; Record Date; Venue

The Board shall determine the date and place of any annual general meeting and a record date for the exercise of the voting and any other rights attached to the Company's securities at such meeting.

12.1 Compliance with Law

The Board shall ensure all laws are complied with, regarding the rights of the annual general meeting and of individual shareholders.

12.2 Attendance at Annual General Meeting by External Auditor

The Board shall ensure that the responsible partner (or certifying auditor) of the external auditor attends the annual general meeting and is available to address the meeting. The external auditor may be questioned at the annual meeting in relation to the audit of the Company's financial statements.

13. Board Meetings

13.1 Frequency

The Board will meet no less than four times a year. An annual calendar of Board and committee meetings scheduled for the year shall be circulated to Board members in advance. The Board shall meet earlier than scheduled if deemed necessary by the Chairperson of the Board or two other members of the Board.

13.2 Notice and Agenda

13.2.1 Meetings of the Board are called by the Chairperson. Except in urgent cases, as determined by the Chairperson, the agenda and papers to be discussed at the meeting shall be sent to all directors at least three calendar days before the meeting.

13.2.2 The Chairperson shall consult with the Managing Director prior to convening the meeting on the content of the agenda. Each director and the Managing Director has the right to request that an item be placed on the agenda for a Board meeting; provided that the item is notified to the Chairperson at least six days prior to the meeting.

13.2.3 Directors who have taken part in a meeting may not object to resolutions adopted at the meeting on the grounds of an invalid notice.

13.3 Venue

Board meetings will take place at location(s) agreed by the Board. In addition, meetings of the Board may be held by conference call, video conference or by any other means of communication, provided all participants can communicate with each other simultaneously.

13.4 Attendance of and Admittance to Meetings

13.4.1 Undue Absence

A director who is frequently absent from Board meetings, shall be required to explain such absences to the Chairperson. Failure to attend four consecutive meetings may be cause for a request to resign from the Board.

13.4.2 Attendance by Non-members

The admission to a meeting of persons other than Board members, the Company secretary and (if invited) other staff, shall be decided by majority vote of the directors present at the meeting.

13.5 Chairperson of the Meeting; Minutes

13.5.1 Chairperson

Board meetings are presided over by the Chairperson of the Board or, in the absence of the Chairperson, by the Vice Chairperson. If both are absent, one of the other directors designated and approved by a resolution of the Directors present at the meeting, shall preside.

13.5.2 Minutes of Meetings

The Company secretary (or any other person designated for such purpose by the Chairperson of the meeting) shall prepare minutes of the meeting. The minutes shall include the names of all directors present at the meeting, describe the decision making process at the meeting and include all resolutions approved by a majority of the directors. Any abstentions or objections to resolutions should be so noted. The minutes are to be signed by the Chairperson of the meeting and added to the Company's records. Each director shall receive a copy of the minutes and they shall be adopted by the Board at its next meeting.

14. Decision-Making within the Board

14.1 Preference for Unanimity

The Directors shall try to unanimously adopt resolutions. However, directors are encouraged to voice dissenting opinions and record these in the minutes when unanimity cannot be reached.

14.2 Individual Vote

Each director has the right to cast one vote.

14.3 Majority Vote

Where unanimity cannot be reached and the law, the Company's Articles of Incorporation or this Charter do not prescribe a larger majority, all resolutions of the Board are adopted by a majority of the votes cast. In the event of a tie, the Chairperson of the Board has the deciding vote. At a meeting, the Board may only pass resolutions if a quorum of the directors is present or represented.

14.4 Quorum

The quorum necessary for the transaction of business at a meeting of the Board shall be three.

14.5 Emergency Procedures

The Board may deviate from the provisions under this section if this is deemed necessary by the Chairperson of the Board, considering the urgent nature and other circumstances

of the case, provided that all directors are allowed the opportunity to participate in the decision-making process.

The Chairperson of the Board and the Company secretary shall then prepare a report on the decision taken, which shall be added to the documents for the next meeting of the Board.

15. Conflicts of Interest of Board Members

15.1 Duty to Disclose

A Board member shall immediately report to the Chairperson of the Board any conflict of interest or potential conflict of interest and shall provide all relevant information, including information concerning a spouse or other life companion, and relatives by blood or marriage up to the second degree. The Board member concerned shall not take part in the assessment by the Board of whether a conflict of interest exists.

15.2 Related Party Transaction

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party, and the Company shall develop a policy on how to ensure that the rights of shareholders are protected during such transactions. A related party includes the following:

15.2.1 The Board members of the Company

15.2.2 The Managing Director and key officers, including anyone who directly reports to the Board or the Managing Director.

15.2.3 Any significant shareholder owning or controlling more than 10% of the voting shares having the ability to control, or exercise a significant influence on, the outcome of resolutions voted on by shareholders, or directors of the Company, or associated companies.

15.2.4 The father, mother, adult sons, adult daughters, husband, or wife of any of directors

15.2.5 Any business owned jointly or severally by a director with at least 20% of the voting rights.

15.3 Abstention by Conflicted Party

A director shall not take part in any discussion or decision-making regarding any subject or transaction in which there is a conflict of interest with the Company.

15.4 Requirements to Approve Conflicts of Interest.

All transactions in which there are conflicts of interest with Board members shall be agreed on terms that are customary for arm's-length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with directors require the approval of the Board.

16. Director Compensation

16.1 Approval by Annual General Meeting.

The matter of compensation of the Directors is determined by the annual general meeting. The Board shall submit proposals on the nature and timing of its compensation to the annual general meeting.

16.2 Loans and Guarantees

The Company does not grant personal loans, guarantees or the like to directors, save as part of its usual business operations.

17. Induction Programme, Ongoing Training and Education

17.1 Induction Programmes

Upon election, each director shall participate in an induction programme that covers the Company's strategy, general financial and legal affairs, financial reporting by the Company, any specific aspects unique to the Company and its business activities, and the responsibilities of a director.

17.2 Training for Directors

In its annual evaluation, the Board shall identify areas where the Directors require further training or education. The costs of any training or education shall be paid for by the Company.

18. Other Positions

Directors must inform the Chairperson of the Board and the Company secretary of their other positions which may be of importance to the Company or affect the performance of their duties before accepting such positions. If the Chairperson determines that there is a risk of a conflict of interest, the matter shall be discussed by the Board in accordance with the appropriate section of this Charter. The Company Secretary shall keep a list of the outside positions held by each director.

19. Confidentiality

19.1 Duty to Keep Information Confidential

Unless required to do so by law, no Board member shall, during membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company that came to his or her knowledge while being a Director of the Company and which the Board Member knows (or should know) to be of a confidential nature. A director may disclose such information to fellow directors as well as to staff members of the Company who, in view of their activities for the Company, should be informed of the information. A director shall not use such confidential information for personal benefit.

19.2 Return of Confidential Information

At the end of each director's term of office, the person shall return to the Company, all confidential documents in their possession or guarantee their disposal in a manner that ensures confidentiality is preserved. The minutes are excluded from this provision.

20. Miscellaneous

20.1 Acceptance by Directors

Anyone who is appointed as a director must, upon assuming office, declare in writing to the Company that the person accepts and agrees to comply with the provisions of this Charter. A corresponding reference to this extent is included in a director's appointment letter.

20.2 Amendment

This Charter may be amended by the Board at its sole discretion without prior notification.

20.3 Interpretation

In case of uncertainty or difference of opinion on how a provision of this Charter should be interpreted, the opinion of the Chairperson of the Board shall be decisive.

20.4 Partial Invalidity

If one or more provisions of this Charter are (or become) invalid, this shall not affect the validity of the remaining provisions. The Board may replace the invalid provisions by provisions which are valid and the effect of which, given the contents and purpose of this Charter, is, to the greatest extent possible, similar to that of the invalid provisions.

21. Review and Disclosure

The Board shall review and reassess the adequacy of this Charter biennially and amend it if necessary. The Board shall ensure that this Charter is disclosed on the Company's website.