



**STATIONERY &
OFFICE SUPPLIES
LTD.**



Agents for



Kingston: 23 Beechwood Avenue, Kingston 5, Jamaica, West Indies. Tel: (876) 926-5688, 926-2649 Fax: (876) 968-8200
Montego Bay: Unit #8, Fairview Office Park, Alice Eldermire Drive. Tel: (876) 953-6351 Fax: (876) 953-6386
Website: www.sosjm.com Email: mail@sosjm.com

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Stationery & Office Supplies Ltd. Corporate Governance

CORPORATE GOVERNANCE STATEMENT

The Board of Directors of Stationery & Office Supplies Limited (“The Company”) is responsible for the corporate governance of the Company and is committed to complying with the Corporate Governance Guidelines of the Jamaica Stock Exchange (JSE). The Board is tasked with steering and developing the overall wellbeing of the Company in the interest of its shareholders. The Board requires the Company to preserve the highest standard of business, and with exceptional levels of ethics and integrity at all times.

ROLE AND RESPONSIBILITY OF THE BOARD

The Board’s role and function include the following:

- 1) To oversee and guide the management of the Company with the aim of ensuring that the interests of its shareholders are being met and also overseeing the business and wellbeing of the company
- 2) The Board is responsible for ensuring that the company takes a proactive approach to ensuring business risks are minimized and focusing on procedures to manage those risks.
- 3) The Board is tasked with setting the plan of action that needs to be implemented for the Company to progress towards its vision to fulfil its goals.
- 4) The Chairman is responsible for guiding the Board on the vision of the company and chairing the meetings and to assure the Board efficiency. The Chairman should foster the contribution of non-executive directors and to manage positive relationships between the executive and non- executive directors.



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5) The Managing Director is responsible for the day-to-day management of the Company assisted by the Deputy Managing Director. Responsibilities include:

- Developing and executing the company's business strategies in order to attain company goals
- Provide strategic advice to the Board and Chairperson
- Prepares and implements comprehensive business plans
- **Plan cost-effective operations and market development activities**
- **Establish company policies and legal guidelines**
- **Build long term relationships with shareholders, business partners and authorities**
- **Oversee the company's financial performance and other business ventures**
- **Ensures a positive work environment through training and professional development activities which rewards performance.**
- **Analyse problematic situations and provide solutions to ensure company survival and growth.**
- **Further develop and enhancement of company culture**

6) The Company Secretary is responsible for recording Board decisions and for administering the Board's agreed policies and procedures.

THE COMPOSITION OF THE BOARD

The composition of the Board is determined in accordance with the following principles and guidelines:

- The Board will include independent non-executive directors and executive directors
- The Board will comprise of directors with an appropriate range of experience and expertise



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The Board currently comprises of nine Directors: three independent Non-Executive Directors, and six Executive Directors. Details of these Directors are included in the Company's yearly Annual Report.

The Board looks for a diverse mix of skills and experience in the membership of its Board members. The Board notes that together the Directors have the appropriate range of background and knowledge needed to drive the Company's business in the right direction, which includes attaining its objectives and producing achievable goals to sustain the company and appeal to long term customers and shareholders.

MEETINGS OF THE BOARD

- The Board will meet once per quarter
- The Chairman may call additional board meetings if necessary
- All materials required for the meeting are distributed to the Board members approximately five working days before the scheduled meet.
- The quorum for a meeting is three Directors.
- The Chair of the Committee shall report the minutes to the Board on a regular basis. The Chair shall highlight any key actions taken by the Committee or recommendations being made to the Board with respect to the Board's mandate.

BOARD COMMITTEES

The Board Committees include:

- Audit Committee
- Corporate Governance Committee
- Remuneration Committee



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AUDIT COMMITTEE

This committee serves to assist the Board in the supervision of the Company's internal and external audit functions, financial reporting processes and acceptance of legal and regulatory requirements. Productive internal controls include the preservation of established accounting records, preserving Company assets, managing and minimizing business risks and the reliability of authentic financial information.

The Committee will be chaired and include the Independent Non-Executive Directors of the Company. The Committee will meet at least four times for the year, which reflects the Company's financial reporting schedule.

The Chair of the Committee shall report the minutes to the Board on a regular basis. The Chair shall highlight any key actions taken by the Committee or recommendations being made to the Board with respect to the Board's mandate.

The duties of the Audit Committee will include:

- To ensure accurate accounting policies and procedures are followed and maintained.
- Review and oversee the integrity of the Company's financial statements and other documents for precision and to guarantee an honest stance of the Company before the presentation to the Board.
- Approve the annual audited documents put forward by the external auditors, and monitor the efficiency of the external auditor.
- Evaluate the effectiveness of the Company's external auditor.



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CORPORATE GOVERNANCE COMMITTEE

Corporate governance entails the areas of environmental awareness, ethical behaviour and corporate strategy. The basic principles of corporate governance are accountability, transparency, fairness, and responsibility.

The Corporate Governance Committee of the Company has the responsibility of assisting the Board of Directors in ensuring that its composition, structure, policies and processes for managing the Company are in keeping with the Jamaican corporate governance best practice standards and adhere to the relevant legal and regulatory framework. The basic guidelines set out herein were mainly extracted and compiled from the Private Sector Organisation of Jamaica and the Corporate Governance and Regulations guidelines issued by the Jamaica Stock Exchange.

The Committee will be chaired and include all Independent Non-Executive Directors of the Company. The Committee will meet at least once a year. Additional meetings will be held if the committee deems it necessary.

The Chair of the Committee shall report the minutes to the Board on a regular basis. The Chair shall highlight any key actions taken by the Committee or recommendations being made to the Board with respect to the Board's mandate.

The Committee's responsibilities shall include:

- To assist the Board of Directors in organizing itself to discharge its duties and responsibilities properly and effectively.
- Evaluate the structure of the organization and succession planning.
- To review, evaluate and recommend changes to the company's corporate governance and nomination guideline.
- Evaluate the systems and procedures of the company's operations to observe, report and outline the company's strategies, plans and concepts.



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- To assist the board of directors in ensuring proper attention and effective response to stockholder concerns.

REMUNERATION COMMITTEE

The role of the remuneration committee is to have an appropriate reward policy that attracts and motivates executives to achieve the long-term interests of shareholders.

The Committee will guide the Board in reviewing the functions of the company's remuneration. This would include the company's compensation and benefits for directors and senior officers.

This Committee will be chaired and include all Independent Non-Executive Directors of the Company. The Committee will meet at least once a year. Additional meetings will be held if the committee deems it necessary.

The Chair of the Committee shall report the minutes to the Board on a regular basis. The Chair shall highlight any key actions taken by the Committee or recommendations being made to the Board with respect to the Board's mandate.

DIRECTOR REMUNERATION

Attendance at Board and Committee meetings attract fees to be paid to Non-Executive Directors and the Company Mentor. Fees are not associated with the company's performance. Executive Directors are not eligible for Board fees.

The Committee Chairman is paid \$30,000.00 for each meeting attended while the other Non-Executive Directors are paid \$25,000.00 for their attendance.



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COMMUNICATION WITH SHAREHOLDERS

The Company has developed policies and procedures in order to comply with its reporting requirements under the Jamaica Companies Act and the JSE's Junior Market Listing Rules. The Policy ensures that information revealed by the Company to shareholders and the public is pertinent to all aspects of the Company's operations and accordant with all legal conditions.

This policy is intended to provide a constructive framework to allow the prompt distribution of information to the stockholders and public with full disclosure and in compliance of the Jamaica Stock Exchange on which the Company's shares are listed.

The Company acknowledges the significance of shareholder involvement in general meetings and encourages the participation of all who can attend.

CODE OF CONDUCT AND ETHICS

The Company's achievements and character are built upon the principles of honesty and integrity of all directors and employees working for the company. The Company is dedicated to the highest standards of professionalism in business dealings.

The Company's pursuit of excellence relies on the loyalty and confidence from the consumers, employees, shareholders, contractors, and suppliers.

The Code of Conduct and Ethics is a guide for all in the company to strive to achieve in the work place and daily life.

These policies are to guide actions and working relationships with customers, fellow employees, competitors and all others. It is the responsibility of management and supervisory personnel to ensure compliance to the Code. Each individual is responsible for reporting any violations which can include concerns



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regarding questionable accounting, theft, harassment, discrimination and substance abuse just to name a few.

CONFLICTS OF INTEREST

A conflict of interest exists when an individual's personal or professional interest is averse to the interest of the company. This is to say when a person chooses personal gain over the duties to an organization in which they are a stakeholder or exploits their position for personal gain in some way.

All corporate board members have fiduciary duties and a duty of loyalty to the corporations they oversee. If one of the directors chooses to take action that benefits them at the detriment of the firm, they are harming the company with a conflict of interest.

Any situation that involves a conflict of interest with the company must be disclosed to the Corporate Governance Committee. The conflict is noted in the minutes of the next scheduled meeting and the said Director is excused for the deliberations and voting on the resolutions to be decided on the matter.