



# Application of the QCA Corporate Governance Code published in April 2018 (“the New QCA Code”)

Updated 30 November 2019

## DELIVER GROWTH

	Principle	Application
1	<p><b>Establish a strategy and business model which promote long-term value for shareholders</b></p>	<p>An explanation of the Group’s business model and strategy is included on pages 14 to 16 of the Mpac Group plc Annual Report and Accounts for the year ended 31 December 2018 (“2018 Annual Report”). This is also available on our website: <a href="http://www.mpac-group.com/about-us/business-model-and-strategy">http://www.mpac-group.com/about-us/business-model-and-strategy</a></p> <p>The Company’s principal risks and uncertainties and how the Company seeks to mitigate these risks is set out on pages 20 and 21 of the 2018 Annual Report.</p>
2	<p><b>Seek to understand and meet shareholder needs and expectations</b></p>	<p>The Company welcomes contact with its shareholders and the Group Finance Director’s contact details are set out in the Investors section of our website: <a href="http://www.mpac-group.com/investors/ir-contacts">http://www.mpac-group.com/investors/ir-contacts</a></p> <p>Directors are available to discuss any matters that shareholders might wish to raise. They maintain communication with institutional shareholders, other investors and analysts through meetings, particularly following publication of the Group’s interim and full year preliminary results.</p> <p>All shareholders are encouraged to attend the Annual General Meeting at which the Group’s activities will be considered and questions answered. The Directors are available to listen to the views of shareholders informally immediately following the AGM.</p> <p>Investor relations activity and a review of the shareholder register are quarterly items on the Board’s agenda.</p> <p>The Company strives to provide a clear, balanced and comprehensive level of information and written material. The Company maintains a corporate website which contains regularly updated regulatory and other information. The Company also issues both statutory and non-statutory regulatory news announcements throughout the year to update on financial, operational and other matters. The Company offers its larger shareholders, either directly or via its broker, face-to-face meetings on a bi-annual basis at a minimum to present and discuss performance and other matters and obtain any feedback. These meetings are hosted by the Company’s Chief Executive Officer and Group Finance Director. The Company also hosts a briefing for analysts, arranged by the Company’s financial public relations adviser, twice a year to coincide with the announcement of its half year and full year financial results to present and discuss the same matters.</p>



		<p>The Board also regularly receives copies of analysts' and brokers' briefings.</p> <p>Details of all recent Group announcements are available on our website: <a href="https://mpac-group.com/mpac-group-news/">https://mpac-group.com/mpac-group-news/</a></p>
<p><b>3</b></p>	<p><b>Take into account wider stakeholder and social responsibilities and their implications for long-term success</b></p>	<p>The Company's business model which describes the key resources and relationships on which the business relies is available on our website:</p> <p><a href="http://www.mpac-group.com/about-us/business-model-and-strategy">http://www.mpac-group.com/about-us/business-model-and-strategy</a></p> <p>This is also set out on page 15 of our 2018 Annual report.</p> <p>The Board has a good understanding of the needs, interests and expectations of the Company's stakeholders and we will articulate this in more detail in our disclosures going forward.</p>
<p><b>4</b></p>	<p><b>Embed effective risk management, considering both opportunities and threats, throughout the organisation</b></p>	<p>The Group has an established framework of risk management and internal control systems, policies and procedures. The Audit Committee is responsible for reviewing this framework to ensure that it operates effectively.</p> <p>Principal risks identified are set out on pages 20 and 21 of our 2018 Annual Report with details of how the risks are mitigated.</p> <p>Executive Directors meet with senior management at least monthly to review ongoing trading performance versus budget and forecasts and risks associated with ongoing trading and to consider opportunities to develop and grow the business.</p> <p>The Audit Committee considers risk at its meetings and reports its findings to the Board.</p> <p>The Board considers opportunities to develop and grow the business at regular meetings and formally reviews the principal risks to the business at least annually.</p>



## MAINTAIN A DYNAMIC MANAGEMENT FRAMEWORK

	Principle	Application																																
5	<p><b>Maintain the board as a well-functioning, balanced team led by the chair.</b></p>	<p>The names of the directors who served during the year ended 31 December 2018 are as follows:</p> <p>Andrew Kitchingman            Dr Tony Steels            Will Wilkins (appointed 22 June 2018)            John Davies            Doug Robertson (appointed 1 November 2018)            Jim Haughey (resigned 22 June 2018)            Phil Moorhouse (resigned 19 April 2018)</p> <p>The names of the current directors are available on our website:  <a href="https://mpac-group.com/investors/board/">https://mpac-group.com/investors/board/</a></p> <p>The Board comprises three independent Non-Executive Directors (including the Chairman) and two Executive Directors. The Board considers that the Non-Executive Directors bring an independent judgement. The Chairman was independent on appointment as Chairman.</p> <p>Our 2018 Annual Report provides details of the number of board and committee meetings during the year ended 31 December 2018 and the attendance of directors at those meetings.</p> <table border="1" data-bbox="778 1240 1401 1771"> <thead> <tr> <th></th> <th>Board</th> <th>Audit</th> <th>Remuneration</th> </tr> </thead> <tbody> <tr> <td>Andrew Kitchingman</td> <td>7/7</td> <td>4/4</td> <td>5/5</td> </tr> <tr> <td>John Davies</td> <td>7/7</td> <td>4/4</td> <td>7/7</td> </tr> <tr> <td>Doug Robertson</td> <td>1/1 (appt. 1 Nov 2018)</td> <td>1/1</td> <td>1/1</td> </tr> <tr> <td>Tony Steels</td> <td>7/7</td> <td>-</td> <td>-</td> </tr> <tr> <td>Will Wilkins</td> <td>3/3 (appt. 22 Apr 2018)</td> <td>-</td> <td>-</td> </tr> <tr> <td>Phil Moorhouse</td> <td>3/3 (resigned 19 Apr 2018)</td> <td>2/2</td> <td>2/2</td> </tr> <tr> <td>Jim Haughey</td> <td>4/4 (resigned 22 Apr 2018)</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>The Non-Executive Directors are expected to devote such time as is necessary for the proper performance of their duties. Overall, the Non-Executive Directors are expected to spend a minimum of 24 days a year, working for the Company. The Executive Directors are full time employees of the Company.</p>		Board	Audit	Remuneration	Andrew Kitchingman	7/7	4/4	5/5	John Davies	7/7	4/4	7/7	Doug Robertson	1/1 (appt. 1 Nov 2018)	1/1	1/1	Tony Steels	7/7	-	-	Will Wilkins	3/3 (appt. 22 Apr 2018)	-	-	Phil Moorhouse	3/3 (resigned 19 Apr 2018)	2/2	2/2	Jim Haughey	4/4 (resigned 22 Apr 2018)	-	-
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<p>6</p>	<p><b>Ensure that between them the directors have the necessary up-to-date experience, skills and capabilities</b></p>	<p>The names, background and experience of the current directors is available on our website: <a href="https://mpac-group.com/investors/board/">https://mpac-group.com/investors/board/</a></p> <p>The Board considers that the experience and knowledge of each of the Directors is appropriate for the Company's current operations and strategy and gives them the ability to constructively challenge strategy, scrutinise performance and assess risk.</p> <p>The Board considers that the Non-Executive Directors are independent.</p> <p>Directors keep their skillset up to date with a combination of attendance at industry events, individual reading and study and experience gained from other board roles. The Company Secretary ensures the Board is aware of any applicable regulatory changes and updates the Board as and when relevant. Directors are able to take independent professional advice in the furtherance of their duties, if necessary, at the Company's expense.</p> <p>Directors also have direct access to the advice and services of the Company Secretary.</p> <p>Page 24 of our 2018 Annual Report provides details on the skills, experience and strengths each director brings to the Board and any other internal advisory roles and external commitments.</p> <p>Page 27 of our 2018 Annual Report provides information on director training and how the directors keep their skillset up to date.</p> <p>The Company's external advisers are set out on the Company's website at <a href="https://mpac-group.com/investors/corporate-advisers/">https://mpac-group.com/investors/corporate-advisers/</a></p>
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<p><b>7</b></p>	<p><b>Evaluate board performance based on clear and relevant objectives, seeking continuous improvement</b></p>	<p>Succession planning continues to be an area for consideration by the Remuneration and Nomination Committee and the Board and an explanation of the Company’s approach to succession planning will be included in our 2019 Annual Report and reflected on our website as appropriate.</p> <p>All directors who have been in office for the whole of the financial year put themselves forward for re-election at the AGM every year. Directors appointed during the year seek election at the next AGM.</p> <p>The Board carries out a board evaluation process annually, to consider its performance over the previous year. The process for 2018 was informed by a detailed questionnaire completed by each director. The responses were analysed and fed back to the Board. Further details of the 2019 process will be disclosed in our 2019 Annual Report and on our website in due course.</p>
<p><b>8</b></p>	<p><b>Promote a corporate culture that is based on ethical values and behaviours</b></p>	<p>The Board recognises that a corporate culture based on sound ethical values and behaviours is an asset. In accordance with the Company’s values, it endeavours to conduct its business with integrity, in an ethical, professional and responsible manner, treating our employees, customers, suppliers and partners with courtesy and respect.</p> <p>The Company ensures that ethical values and behaviours are followed with a set of internal policies and procedures and by ensuring that appropriate systems and controls are in place to ensure compliance with those policies and procedures. Group policies are available on our website: <a href="https://mpac-group.com/about-us/policies/">https://mpac-group.com/about-us/policies/</a></p> <p>The Board further develop its assessment of the recognition of corporate culture and ethical values during the year including a review of its Ethics policy and the introduction of a Whistleblowing policy, both of which are on our website.</p>



9	<b>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</b>	<p>The Board continues to develop procedures to ensure effective corporate governance of the Group.</p> <p>The Chairman and Chief Executive Officer have separate, clearly defined roles. The Chairman is responsible for overseeing the Board and the Chief Executive Officer is responsible for implementing the Group’s strategy and for its operational performance.</p> <p>The Board holds regular meetings and has a number of matters reserved for its approval, including major capital expenditure and dividend policy. The Board is responsible for reviewing, formulating and approving Group strategy and for approving Group budgets. Certain key areas are subject to regular reporting to the Board including financial reporting, capital expenditure and legal matters.</p> <p>The Board has an Audit Committee and a Remuneration and Nomination Committee, which operate under written terms of reference.</p> <p>The Audit Committee has responsibility for ensuring that the financial performance of the Group is properly measured and reported on and for monitoring the quality of internal financial controls and risk management systems. It reviews the scope and planning for the Group’s external audit process and consider reports from the auditor. It also considers and approves the internal audit plan each year.</p> <p>The Remuneration and Nomination Committee works closely with the Board to consider succession planning and remuneration policy, having regard to the interests of its shareholders and other stakeholders.</p> <p>The Board committees’ Terms of Reference are available on our website: <a href="https://mpac-group.com/investors/board-committees">https://mpac-group.com/investors/board-committees</a></p> <p>Other than the appointment of an additional Non-Executive Director, there are currently no plans in place for evolution of the corporate governance framework in line with the Company’s plans for growth as the Board believe that the current structure of the Board is suitable for the Company’s growth plans in the short to medium</p>
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## BUILD TRUST

	Principle	Application
10	<p><b>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</b></p>	<p>Copies of previous Annual Reports and information about shareholder voting at previous Annual General Meetings of the Company are set out on our website: <a href="http://www.mpac-group.com/investors">http://www.mpac-group.com/investors</a></p> <p>Our 2018 Annual Report includes an Audit Committee report and a Remuneration and Nomination Committee report which give details of the work undertaken by these Committees during the year.</p>