

**THE UNITED BASALT PRODUCTS LIMITED**

**CORPORATE GOVERNANCE COMMITTEE CHARTER**

**Document Information**

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## **1. Constitution**

- 1.1 The Corporate Governance Committee (the “Committee”) is duly constituted as a sub-committee of the Board of Directors of The United Basalt Products Limited (the “Company”). This Charter has been endorsed by the Board of the Company on November 12, 2015 and reviewed on September 23, 2020.

## **2. Membership**

- 2.1 The members of the Committee shall be nominated by the Board of the Company.
- 2.2 The Committee shall consist of not less than three members, with a majority of non-executive Directors, who shall preferably be independent.
- 2.3 The Chairperson of the Committee shall preferably be an independent non-executive Director, nominated by the Board. The non-independent Chairperson of the Board may be the Chairperson of the Committee, provided the majority of the members of the Committee are independent non-executive directors. If this is not the case, then the non-independent chairperson of the Board can be a member of the committee but preferably not its chairperson.
- 2.4 The Company Secretary shall act as Secretary to the Committee.

## **3. Meetings**

- 3.1 The Committee shall meet at least once a quarter and at such other times as may be required by circumstances.
- 3.2 The Chairperson of the Committee or any member of the Committee may call a meeting.
- 3.3 Meetings should be organized so that attendance is maximized.
- 3.4 The notice of each meeting of the Committee, confirming the venue, time and date and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be circulated to each member of the Committee not less than four working days prior to the date of the meeting.
- 3.5 The quorum for decisions of the Committee shall be any two members present and voting on the matter for decision.
- 3.6 Other Directors, members of the management team and external advisors may be invited to attend the meetings, as deemed necessary by the Chairperson.

## **4. Proceedings of Meetings**

- 4.1 The meetings and proceedings of the Committee shall be governed by the Company’s Constitution regulating the meetings and proceedings of Directors, unless varied by these terms of reference.
- 4.2 The Secretary of the Committee shall take minutes of meetings, which shall be circulated to the members of the Committee. The Chairperson may, at his discretion, decide to circulate the minutes of the meetings to other members of the Board. Any Director may, provided that there is no conflict of interest and with the agreement of the Chairperson, obtain copies of the Committee’s minutes.

- 4.3 No Committee attendee shall participate in any discussion or decision pertaining to any remuneration specific to him.

## **5. Duties**

### **5.1 General**

- 5.1.1 The Committee shall determine, agree and develop the corporate governance policy of the Company in line with the applicable Code of Corporate Governance, for approval by the Board.
- 5.1.2 The Committee shall be responsible for the preparation of the corporate governance report to be published in the Company's annual report, for approval by the Board.
- 5.1.3 The Committee shall ensure that disclosures, as required by the applicable Code of Corporate Governance, are made in the annual report.
- 5.1.4 The Committee shall inform the Directors of their rights and obligations in respect of dealings in the shares of the Company in accordance with prevailing laws.
- 5.1.5 The Committee shall ensure that adequate processes are in place to carry out an evaluation of the Board and of its Committees, in accordance with the Board Charter.
- 5.1.6 The Committee shall propose to the Board, the name of its representative who shall be recommended as Director and/or Chairperson of the Board of its subsidiaries and associate companies (where applicable), for approval by the Board of the respective companies.
- 5.1.7 The Committee shall determine donations to political parties by the group, in accordance with prevailing laws, for approval by the Board.

### **5.2 Remuneration**

- 5.2.1 The Committee shall determine and recommend to the Board the remuneration of non-executive Directors.
- 5.2.2 The Committee shall determine and recommend to the Board the remuneration structure for the executive Directors. The Committee shall ensure that executive Directors are being fairly and responsibly remunerated for their individual contribution to the performance of the Company.
- 5.2.3 The Committee shall determine, agree and review the general remuneration policy of the group and make necessary recommendations to the Board.
- 5.2.4 Review the on-going appropriateness and relevance of the remuneration policy.
- 5.2.5 The Committee shall validate the yearly salary review proposal of the management.
- 5.2.6 The Committee shall review the terms and conditions of the Chief Executive Officer's service agreements after each three years.
- 5.2.7 The Committee shall establish and monitor the Key Performance Indicators (KPIs) of executive Directors
- 5.2.8 Oversee any major changes in employee benefit structures throughout the group.

### 5.3 Nomination

- 5.3.1 The Committee shall ensure the right balance of independence, skills, expertise and diversity on the Board and regularly review its structure, size and composition and recommend appropriate adjustments to the Board.
- 5.3.2 The Committee shall determine the independence of potential directors in accordance with prevailing codes, laws and regulations.
- 5.3.3 The Committee shall be responsible for identifying and nominating candidates to fill Board vacancies as and when they arise, and make recommendations to the Board. In identifying suitable candidates, the Committee shall consider:
- Candidates from a wide range of backgrounds;
  - Candidates against the set of required competencies and objective criteria, including board diversity; and
- The use of the services of external advisers or open advertising.
- 5.3.4 The Committee shall ascertain whether potential Directors are fit and proper, are not disqualified from holding office as such and are free from actual material conflicts of interest which may be recurrent and which may compromise their independence of judgement.
- 5.3.5 The Committee shall review the membership of the Board's Committees and make necessary recommendation to the Board.
- 5.3.6 The Committee shall ensure that on appointment to the Board, non-executive Directors receive a formal letter of appointment setting out what is expected of them.
- 5.3.7 The Committee shall ascertain, that upon joining the Board, Directors participate in an induction program.
- 5.3.8 The Committee shall oversee the recruitment process of senior members of the management team and make recommendations to the Board.
- 5.3.9 The Committee shall ensure adequate succession planning for the Chairperson and Chief Executive Officer.
- 5.3.10 The Committee shall recommend Directors who are retiring by rotation, for re-election.
- 5.3.11 The Committee shall make recommendations to the Board for the continuation (or not) in service of any Director who has reached the age of 70.
- 5.3.12 The Committee shall ensure that those Directors who, in the opinion of the Board, have either acted in accordance with the instructions of a third party or have not discharged their duties to the satisfaction of the Board, are not nominated for re-election.
- 5.3.13 The Committee shall ensure that Directors are reasonably provided with appropriate opportunities in view of enhancing their professional development.
- 5.3.14 The Committee shall consider matters relating to the continuation in office of Directors.

## **6. Remuneration of Members**

- 6.1 Members of the committee shall be paid such specific fee in respect of their appointment as shall be approved by the Board , having regard to the functions performed by them in addition to their functions as Directors in relation to the activities of the Committee and pursuant to the specific power conferred upon the Board by the Constitution of the Company.
- 6.2 Such specific fee shall be in addition to the annual fees payable to the Directors.

## **7. Reporting**

- 7.1 The Chairperson of the Committee shall report the matters considered by the Committee to the Board and make whatever recommendations the Committee deems appropriate.

## **8. General**

- 8.1 The Committee is authorized by the Board to investigate any activity within its terms of reference.
- 8.2 The Committee shall have access to relevant information it requires to fulfill its responsibilities.
- 8.3 The Committee is authorized by the Board to seek professional advice, both inside and outside the Company, as it considers necessary to perform its duties.
- 8.4 These terms of reference may from time to time be amended, as required, subject to the approval of the Board.