

THE UNITED BASALT PRODUCTS LIMITED

CORPORATE GOVERNANCE COMMITTEE CHARTER

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 12 November 2015.

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.
- 2.4 A Secretary shall be nominated for 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 in respect of his own remuneration.

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.
- 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.
- 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.

5.2 Remuneration

- 5.2.1 The Committee shall determine and recommend to the Board the fees payable to the non-executive Directors.
- 5.2.2 The Committee shall determine and recommend to the Board the remuneration packages for the executive Directors. The Committee shall ensure that executive Directors are being fairly and responsibly remunerated for their individual contribution and performance of the Company.
- 5.2.3 The Committee shall determine, agree and review the general remuneration policy of the Company and make necessary recommendations to the Board.
- 5.2.4 The Committee shall validate the yearly salary review proposal of the management and make necessary recommendations to the Board.
- 5.2.5 The Committee shall review the terms and conditions of the Chief Executive Officer's service agreements after each three years, taking into account information from comparable companies where relevant.
- 5.2.6 The Committee shall establish and monitor the Key Performance Indicators (KPIs) of executive Directors.

5.3 Nomination

- 5.3.1 The Committee shall ensure the right balance of independence, skills and expertise on the Board and regularly review its structure, size and composition and recommend appropriate adjustments to the Board.
- 5.3.2 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.
- 5.3.3 The Committee shall ascertain whether potential Directors are fit and proper, are free from material conflicts of interest and are not disqualified from holding office as such and must ensure that the Directors are fully cognizant of what is expected from them.

- 5.3.4 The Committee shall ensure that there is a clearly defined and transparent procedure for shareholders to recommend potential candidates.
- 5.3.5 The Committee shall oversee the recruitment process of senior members of the management team and make recommendations to the Board.
- 5.3.6 The Committee shall ensure adequate succession planning for the Chairperson and Chief Executive Officer.
- 5.3.7 The Committee shall recommend Directors who are retiring by rotation, for re-election.
- 5.3.8 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.
- 5.3.9 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.

6. Remuneration of Members

- 6.1 The Board shall fix the special remuneration of the members of the Committee in respect of their appointment, 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 special remuneration shall be in addition to the annual fees payable to the Directors.

7. Reporting

- 7.1 The Chairperson 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.