

THE UNITED BASALT PRODUCTS LIMITED

RISK MONITORING COMMITTEE CHARTER

1. Constitution

The Risk Monitoring Committee (the “RMC”) is duly constituted as a sub-committee of the Board of Directors (the “Board”) of The United Basalt Products Limited (the “Company”). This Charter has been endorsed by the Board of the Company on May 8, 2017.

2. Role

The RMC shall assist the Board in the discharge of its duties relating to the definition of the risk philosophy and risk policies of the group, including the setting up of the risk appetite as well as the monitoring of the risk governance process. The RMC shall also approve all major policies proposed by management with respect to risk management before being presented to the Board. The RMC shall review and assess the integrity of the risk control systems and ensure that the risk policies are effectively managed. The RMC shall provide to the Board an independent and objective oversight of its findings as regards the key risks of the group - defined in clause 6.2.2 below – and recommend an appropriate treatment.

3. Membership

3.1 Chairman

- 3.1.1 The Chairperson of the RMC shall preferably be an independent non-executive Director, nominated by the Board.
- 3.1.2 The non-independent Chairperson of the Board shall not be eligible to be appointed as the Chairperson of the RMC.
- 3.1.3 In the absence of the Chairman of the RMC, the remaining members present shall elect one of themselves to chair the meeting.

3.2 Members

- 3.2.1 The members of the RMC shall be nominated by the Board of the Company.
- 3.2.2 The RMC shall consist of an equal number of executive and non-executive directors.
- 3.2.3 One of the members of the RMC shall be the Chief Risk Officer of the Group.
- 3.2.4 At least one person of the RMC shall be the Chairperson of the Audit Committee.

3.3 Secretary

- 3.3.1 The Secretary of the Company shall act as Secretary to the RMC.

4. Authority

- 4.1 The RMC is concerned with the business of the Company, its subsidiaries and associates (the “Group”) and is authorized by the Board to investigate any matter relating to the Group within its terms of reference.

5. Meetings

5.1 Frequency of Meetings

- 5.1.1 The RMC shall meet at least twice a year and at such other times as may be required by circumstances.
- 5.1.2 The Chairperson of the RMC or any of its members may call a meeting to consider any matter falling within these terms of reference.
- 5.1.3 Meetings should be organized so that attendance is maximized.

5.2 Notice of Meetings

- 5.2.1 The notice of each meeting of the RMC, 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 seven working days prior to the date of the meeting.

5.3 Quorum

- 5.3.1 Any three members present shall constitute the quorum.
- 5.3.2 A duly convened meeting of the RMC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

5.4 Attendees

- 5.4.1 Other Directors, members of the management team and external advisors may be invited to attend the meetings, as deemed necessary by the Chairperson.

5.5 Proceedings

- 5.5.1 The meetings and proceedings of the RMC shall be governed by the Company's Constitution regulating the meetings and proceedings of Directors, unless varied by these terms of reference.
- 5.5.2 The Secretary of the RMC 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 request copies of the RMC's minutes.

6. Duties

- 6.1 The duties and responsibilities of the members of the RMC shall be in addition to those set out for a member of the Board. In performing its duties the RMC shall maintain effective working relationship with the Board, the Audit Committee, management, and the external and internal auditors.
- 6.2 The principal responsibility of the RMC shall consist in the monitoring of the risk portfolios of the company set against the risk appetite as decided by the Board.
 - In order to achieve this objective the RMC shall perform the following tasks:
 - 6.2.1 Review with the company's legal adviser any legal matters, brought to its attention by the Chairman and/or the CEO, that could have a significant impact on the Company's business.

- 6.2.2 Review and assess the risk policies recommended by the executive management and ensure compliance of such policies with the risk philosophy as well as the risk appetite of the Group defined by the Board. The key risks relevant to the Group are those defined in the Enterprise Risk Management Framework, which may reviewed from time to time.
- 6.2.3 Consider and approve the remit of the risk management function and ensure that it has adequate resources and appropriate access to information to enable it to perform its function effectively and in adequate independence.
- 6.2.4 Gain an understanding of the current areas of greatest business and financial risks and assess how management is managing these effectively.
- 6.2.5 Consider and approve the Business Continuity Plans and Crisis Communication Plans proposed by management, in relation to identification of major risks, for efficient recovery after incidents.
- 6.2.6 Ensure that the Risk Register is regularly reviewed by the Chief Risk Officer and management and is updated according to changing circumstances.
- 6.2.7 Review with management and with the internal and external auditors the adequacy, implementation and overall effectiveness of the Group's risk management function.
- 6.2.8 Review and assess internal and external auditors' reports on the significant risks and exposures of the Group observed during their audit and ensure that risks identified are being monitored effectively.
- 6.2.9 Assess the risk exposures pertaining to new investments opportunities.
- 6.2.10 Ensure that large exposures are within the limits set by the risk appetite. Obtain explanations for any excess and ensure that corrective measures are undertaken.
- 6.2.11 Review , with appropriate expert assistance , the adequacy of insurance coverage
- 6.2.12 Review the Group's policies and ensure adherence thereto, paying special attention to sections dealing with the prevention of frauds and bribery.
- 6.2.13 Recommend to the Board the appointment and/or removal of a Chief Risk Officer.

7. Remuneration of Members

- 7.1 The Board, through its Nomination and Remuneration Committee, shall determine the remuneration to be paid to the members of the RMC who are non-executive directors, in respect of their appointment, having regard to the functions performed by them in addition to their function as Directors.

8. Reporting and Disclosure

- 8.1 The Chairperson shall report to the Board the matters considered by the RMC and make whatever recommendations in any area within its remit which it deems appropriate.
- 8.2 The RMC shall liaise with the Board in respect of the drafting of a report of the committee's activities and the Company's risk management and policies to be included in the Company's annual report.

9. Resources

- 9.1 The RMC shall have access to relevant information it requires to fulfill its responsibilities.

9.2 The RMC is authorized by the Board to seek professional advice, both inside and outside the Company, as it considers necessary to perform its duties.

10.General

10.1 The RMC shall arrange for periodic reviews of its own performance.

10.2 These terms of reference may from time to time be amended, as required, subject to the approval of the Board.