

The United Basalt Products Limited

BOARD CHARTER

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BOARD CHARTER
The United Basalt Products Limited
(the “Company”)

1. INTRODUCTION

This Charter governs the operations of the Board of Directors (“the Board”) of the Company. It sets out, inter alia, the role, obligations, rights, responsibilities and practices of the Board and has been endorsed by the Board of the Company on May 10, 2018 and reviewed on September 27, 2022.

This Charter is subject to the provisions of the Companies Act No. 15 of 2001, the Listing Rules of the Stock Exchange of Mauritius Ltd, the Code of Corporate Governance of Mauritius and any other applicable law or regulatory provisions as may be amended from time to time.

The Board is responsible for the affairs and stewardship of the Company and is ultimately accountable to the Shareholders. The Board needs to balance performance with best practices of responsible corporate citizenship and sustainability within a set legal and corporate governance framework. If the Company is not fully compliant with the Code of Corporate Governance, the Board shall explain any departure in the Company’s annual report.

In performing the responsibilities enunciated in this Charter, the Board should aim at all times to create and maintain sustainable value for its stakeholders, inter alia, its Shareholders, clients, employees, business partners, providers of capital and society at large.

Upon his/her appointment, each member of the Board shall sign the Directors’ Charter and abide by its provisions as well as those of this Charter.

The Board shall, by simple majority, review this Charter every five years or as may be required by law from time to time and make any necessary amendment thereto. If any amendment to this Charter also

requires a provision of the Constitution to be amended, such amendment shall be subject to a special resolution of the Shareholders and be made in accordance with the Listing Rules of the Stock Exchange of Mauritius Ltd.

2. COMPOSITION

- 2.1 In relation to its composition, the Board, in consultation with the Corporate Governance Committee, shall ensure that it is of appropriate size and has the adequate competencies considering the nature of the Company's activities and is efficient in achieving the Company's strategy.
- 2.2 The Board shall be constituted as a unitary Board, comprising not less than Seven (7) and not more than Fifteen (15) Directors, who shall be natural persons.
- 2.3 The Board shall have an appropriate balance of Executive, Non-Executive and Independent Non-Executive Directors under the firm and objective leadership of a Chairperson to enable the Board to discharge its duties effectively.
- 2.4 The Board shall have at least two Independent Non-Executive Directors and two Executive Directors. The Board shall favor diversity, including gender, and its members shall be individuals of integrity, who devote enough time to their duties in their capacity as Director and collectively bring a blend of knowledge, skills, objectivity and experience to the Board for the effective execution of its responsibilities. The Board reports on its composition in the annual reports.
- 2.5 The Board, on the recommendation of the Corporate Governance Committee, shall determine/assess whether a Director is independent based on the set criteria in the Companies Act 2001 and the Code of Corporate Governance of Mauritius.
- 2.6 Board Members shall hold office as Director until the next annual meeting of Shareholders, at which they will stand for re-election, upon the recommendation of the Corporate Governance Committee.
- 2.7 In accordance with Section 138 (6) of the Companies Act 2001, Directors aged 70 and above, shall offer themselves for re-election upon the recommendation of the Corporate Governance Committee, to hold office until the next annual meeting.
- 2.8 The age limit to hold office as Director of the Company shall be 75 years.
- 2.9 An Independent director shall hold office for a maximum consecutive period of nine (9) years.

3. DUTIES AND RESPONSIBILITIES

The Board deliberates on matters falling within its competencies in accordance with prevailing laws and the Company's Constitution.

The Board determines the strategic orientation of the Company and monitors the implementation of such strategies. Subject to the powers expressly conferred on the Shareholders and within the limit of the Company's corporate purpose, the Board addresses any issue which may affect the smooth running of the Company and deliberates on such matters.

Directors, both Executives and Non-Executives, shall carry a fiduciary responsibility and shall act in good faith, with due care and skill, without fetter or instruction and in the best interests of the Company. Directors' duties and responsibilities are more specifically set out in the Constitution, the Companies Act 2001, as amended, the Listing Rules of the Stock Exchange of Mauritius Ltd and the Code of Corporate Governance.

The role of the Board, inter alia, includes:

3.1 Strategy

- Evaluating, approving, and reviewing the Company's/Group's business plans and strategies as proposed by the CEO;
- Monitoring and assessing the Company's/Group's performance against strategic plans to generate economic profit, to enhance Shareholder value and to operate in a sustainable manner, while taking into consideration financial and non-financial key performance indicators, as reported by the CEO;

3.2 Risk Management and Internal Control

- Ensuring the establishment of a Group-wide risk management framework, thereby setting the level of acceptable risk and identifying, assessing, addressing and monitoring key risks;
- Ensuring that effective compliance and internal control processes are in place and regularly monitored and reviewed to safeguard the Company's assets and reputation.

3.3 CEO

- The appointment and removal of the CEO;

- Ensuring that the Board is informed of the appointment of the Company's/Group's key executives and that such appointment is done in an efficient and transparent manner;
- Developing clear responsibilities for the CEO to ensure the proper running of the Company's/Group's business and setting specific limits of authority for management;
- Delegating the day-to-day decision-making and implementation of the strategies approved by the Board to the CEO;
- Upon the recommendation of the Corporate Governance Committee, approving the policy for the remuneration of the CEO. The CEO shall abstain from participating in any discussion or decision pertaining to any remuneration specific to him/her.

3.4 Accounting and Financial Monitoring

- Approving the Financial Statements;
- Monitoring the Company's/Group's financial position as reported by the Audit Committee.

3.5 Operations

- Evaluating and approving the Company's investments, acquisitions & dis-investments;
- Approving the Company's operating and capital expenditure budgets;
- Approving the Company's debt policy and debt contracting.

3.6 Corporate Governance and Ethics

- In collaboration with the CEO, defining the Group's values consistent with the Code of Ethics;
- Ensuring ethical behavior and compliance with the Company's/Group's policies and procedures;
- Monitoring the Company's compliance with its corporate governance standards.

3.7 Relations with Chairperson

- Selecting and appointing the Chairperson;

- Approving the remuneration of the Chairperson, upon recommendation of the Corporate Governance Committee. The Chairperson shall abstain from participating in any discussion or decision pertaining to any remuneration specific to him/her.
- Ensuring that there is a sound relationship between the Chairperson and the CEO.

3.8 Relations with Board Committees

- Establishing Board Committees, which may either be permanent or ad-hoc to assist the Board in fulfilling its duties and responsibilities;
- Appointing the members and approving the terms of reference of the respective Committees.

3.9 Relations with Directors

- Upon the recommendation of the Corporate Governance Committee, deciding on the remuneration of the Directors in conformity with the Company's Constitution;
- Reporting on the remuneration philosophy and remuneration of the Directors individually in the annual report.

3.10 Relations with the subsidiaries

- Ensuring that sound corporate governance policies prevail within the subsidiaries.

3.11 Relations with Shareholders

- Deciding on the dividend distribution, in conformity with the Companies Act 2001;
- Ensuring effective communication with Shareholders to keep them informed of the Company's activities, strategy and projects.

3.12 Communication with Stakeholders

- Approving the broad orientations pertaining to the Company's external communication, as presented by the CEO.
- The CEO, being the Group's spokesperson, along with the Chairperson ensures effective communication with the Company's Stakeholders.

4. BOARD COMMITTEES

The Board shall delegate certain duties to Board Committees, to ensure a proficient and comprehensive evaluation of specific issues. This delegation shall not mitigate or discharge the Board of its overall responsibility.

4.1 Establishment of Committees

The Company shall maintain an Audit Committee, a Risk Monitoring Committee and a Corporate Governance Committee. The Corporate Governance Committee shall also assume the responsibilities of the Remuneration and Nomination Committee. The Board may set up ad-hoc committees, as may be required from time to time. The Board shall, as relevant, determine the remuneration of the members of the Committees, upon the recommendation of the Corporate Governance Committee.

4.2 Mandate of Committees

The Board shall establish the terms of reference of each Board Committee, thereby enunciating their respective objective, purpose, composition, delegated authorities, tenure, reporting mechanism to the Board and agreed procedure to seek independent outside professional advice, as and when required.

4.3 Constitution of Committees

The Board shall ensure that the Board Committees are appropriately constituted with due regard to the skills and expertise required by each Committee.

Each Board Committee shall be composed of at least three (3) Directors of the Board, elected by the Board of Directors for a term not exceeding their term as Directors of the Board. The chairperson of each Board Committee shall be elected by the members of the corresponding Board Committee. The composition of each Board Committee shall be in line with the principles of the Code of Corporate Governance of Mauritius, taking into consideration the recommendations regarding the mix of independent, non-executive and executive directors and the characteristics of the Chairperson appointed on each Board Committee therein. Any divergence from the recommendations of the Code of Corporate Governance of Mauritius and

such other exceptional circumstances are reported and justified in the Corporate Governance Report of the Company. Each Director of the Board shall not be appointed on more than two Board Committees, unless in exceptional circumstances which shall require the approval of the Board of Directors and justified in the Corporate Governance Report of the Company.

4.4 Reporting

The respective Chairperson of the Board Committees shall provide a summary of the Committee's deliberations, advice and recommendations to the Directors at the subsequent Board meeting convened, on a general principle of transparency and disclosure, while drawing the Board's attention to particularly pertinent matters.

Material information on the Board Committees shall be disclosed in the annual report.

The Charters and composition of the Board Committees shall be posted on the Company's website.

5. PROCEEDINGS OF BOARD MEETINGS

5.1 Meetings and quorum

The Chairperson shall convene all meetings.

A notice of meeting shall be sent to every Director, and the notice shall include the date, time and place of the meeting and the matters to be discussed. Exceptionally, the Board may consider items proposed by one of the Directors and which have not been included in the agenda but shall only take a decision on such matters with the unanimous approval of the Directors present.

Board meetings shall be chaired by the Chairperson, or in his/her absence, by a designated Director.

The quorum for a meeting of the Board shall be:

- Four (4) Directors when the Board consists of Seven (7) Members; and
- Five (5) Directors when the Board consists of more than Seven (7) Members.

No business shall be transacted at a meeting of Directors if a quorum is not present.

Every Director shall have one vote and the Chairperson shall have a casting vote. A resolution of the Board shall be passed if it is agreed to by a majority of the Directors present.

If need be, any Director may request that the Board be held by means of audio or audio and visual communication by which all Directors participating and constituting a quorum can simultaneously hear each other throughout the meeting. Save in exceptional circumstances, such arrangements may be requested by any Director to the Company Secretary at least 2 working days prior to the meeting.

The Board shall meet at least four times a year. Meetings may be held more frequently if required.

The Directors shall, save in exceptional circumstances, receive Board papers and any other pertinent document pertaining to the items on the agenda at least 3 working days before the Board meeting. Documents requiring the prior validation of respective committees shall be circulated further to their recommendation.

The Chairperson and the CEO shall also ensure that the Directors are kept informed of any matter pertaining to the Company/Group which is deemed essential to enable them to perform their duties and responsibilities.

Unless required to do so by law, no Board member shall, during his or her membership on the Board or afterwards, disclose any information of a confidential nature regarding the business of the Company and/or any companies in which it holds a stake, that came to his or her knowledge in the capacity of his or her work for the Company and which he/she knows or should know to be of a confidential nature. A Board member may disclose such information to fellow Board members as well as to staff members of the Company and companies in which the Company holds a stake who, in view of their activities for the Company and companies in which the Company holds a

stake, should be informed of the information. A Board member shall not use such confidential information for his or her personal benefit.

At the end of each Board member's terms of office, he/she shall return all confidential documents in his or her possession to the organization or guarantee their disposal in a manner that ensures confidentiality is preserved.

If a Board member intends to disclose to third parties information which he/she has become aware of in his or her duties and which may be confidential, he/she must inform the Chairperson of his/her intent and the identity of the person who is to receive the information with sufficient notice for the Chairperson to assess the situation and advise the Board member. This section applies to both official and personal statements and to any person attending Board meetings which in terms of their content and form are clearly only intended for the Board.

The information communicated to the Director within the framework of his/her functions is *intuitu personae* given to him/her. Directors are bound by a duty of confidentiality with regards to information obtained and discussions in which they participate. All Board papers, discussions and recordings shall remain strictly confidential, unless directed otherwise by the Board or if disclosure is required by law. The Directors' Charter further details the duty of confidentiality of the Directors.

Professional advisors and members of senior management may be in attendance in meetings of the Board by invitation of the Chairperson and shall not be entitled to vote. The Chairperson must inform him/her of his/her obligations to maintain confidentiality in respect of the information discussed during and/or prior to and/or post the board meeting.

Directors shall endeavor to attend all meetings of the Board and are expected to act independently and participate fully and constructively in Board discussions.

A register of attendance shall be circulated at each board meeting and signed by the Directors physically present and as relevant, shall include the name of those participating by means of audio or audio and visual communication. Attendance of each Director at meetings of the Board and at

Board Committee meetings shall be recorded by the Company Secretary and disclosed in the annual report.

The Company Secretary shall be the secretary of the Board and shall keep the minutes of meetings of the Board at the registered office.

The minutes of the meeting of the Board shall be submitted for adoption at the following Board meeting and shall thereafter be duly signed by the Chairperson of the meeting and the Secretary of the meeting.

6. CHAIRPERSON

The Chairperson shall be a duly-elected Non-Executive member of the Board of Directors, appointed in accordance with the Constitution of the Company. The Chairperson represents the Board and, save in exceptional circumstances, has the exclusive authority to speak on behalf of the Board.

The key functions of the Chairperson are further detailed in his/her Position Statement (Annex 1).

7. CEO

The CEO shall be appointed by the Board. The CEO is responsible for the executive management of the Company and is responsible for the day-to-day operations. The CEO acts within the limits of the powers conferred by the Board, subject to the reserved powers of the Board and of the Shareholders and to governance rules of the Company.

The CEO of the Company also acts as the Group CEO.

The CEO embraces the Group's values and provides exemplary leadership to the management team in consistency with the strategy and commercial objectives agreed with the Board.

The key functions of the CEO are further detailed in his/her Job Specification (Annex 2).

8. COMPANY SECRETARY

The Board shall appoint the Company Secretary, upon the recommendation of the Nomination Committee. The role and responsibilities of the Company Secretary are defined by the prevailing legislations and the Code of Corporate Governance.

The Company Secretary is responsible for the logistical organisation of Board meetings and, as relevant, of the Board Committees. The Company Secretary assists the Chairperson of the Board with the agenda and compilation of information, ensures that Board procedures are followed and keeps minutes and records of Board, Board Committee and Shareholders' meetings.

The Company Secretary shall further guide the Directors individually and collectively in respect of their duties and responsibilities and ensure that the Board is kept abreast of any amendment in prevailing laws, codes and regulations impacting the governance of the Company.

The key functions of the Company Secretary are further detailed in his/her Job Specification.

9. CONFLICT OF INTEREST

By virtue of his/her position as Director of the Company, each Director must act in the best interests of the Company and not in his/her personal interest and/or that of a third-party.

The Directors shall be bound by The Conflict of Interest and Related Party Transaction Policy of the Company which outlines the procedures for addressing issues arising in these areas.

10. REMUNERATION OF DIRECTORS

10.1 The remuneration of the Chairperson shall be approved by the Board, upon the recommendation of the Remuneration Committee and in accordance with prevailing market trend. The Chairperson should not be involved in such a decision.

10.2 The Remuneration Committee shall determine the level of remuneration for Non-Executive Directors for review and approval by the Board. No Director should be involved in specifically deciding his or her own remuneration.

- 10.3 The remuneration of Non-Executive Directors shall commensurate with their experience, membership of Board Committees and overall contribution to the Board.
- 10.4 The CEO and the Executive Directors shall be remunerated in accordance with their respective service contract with the Company and the recommendation of the Remuneration Committee.
- 10.5 The emoluments and benefits received by Directors shall be disclosed in the annual report.
- 10.6 Expenses incurred by Directors exclusively in the exercise of their duties and in the interest of the Company shall be reimbursed, upon justification and in accordance with the Company's policy. The reasonableness of such costs shall be approved by the Chairperson of the Board (other than costs incurred by himself).
- 10.7 The Board may grant exceptional remuneration to some of its members for assignments or mandates with which they have been entrusted. Such remuneration shall exclusively be in relation to tasks which exceed the usual mandate of the Director and shall be fair and reasonable and commensurate with the task performed.

11. BOARD, COMMITTEE AND DIRECTOR EVALUATION

- 11.1 Every two years, the Board shall undertake a formal and rigorous evaluation of its effectiveness and its proper functioning and that of its committees and individual directors. Such process shall be reported on in the Company's annual report.
- 11.2 Following the performance review, the Board shall act on the results of the evaluation and devise appropriate actions to improve the functioning of the Board and its Committees; and shall establish the goals and objectives of the Board for the upcoming review period.

12. DIRECTORS' AND OFFICERS' INDEMNITY INSURANCE

The Company shall have an insurance policy in place to indemnify the Directors and the Company Secretary, to the extent permitted by law, for liabilities incurred while performing their duties.

13. INDEPENDENT PROFESSIONAL ADVICE

- 13.1 In the fulfillment of their duties, Directors may, if necessary, seek independent professional advice, at the expense of the Company.

- 13.2 Prior written notice of the Director's intention to seek independent advice must be provided to the Chairperson for his/her approval. If the matter concerns the Chairperson, the latter shall seek the approval of the independent non-executive Director having served on the Board for the longest period.
- 13.3 The prior written notice shall be accompanied with an explanatory note providing the following details:
- i. The nature of and reason for which the independent professional advice is being sought;
 - ii. The costs and fees for the independent professional advice; and
 - iii. The key details of the mission and the selection process for the independent professional adviser.
- 13.4 Any independent professional advice sought shall be made available to the Board and shall be for the benefit of the Board as a whole.
- 13.5 Any Director may seek independent professional advice in respect of the fulfillment of his/her fiduciary duties at his/her own cost provided that such independent professional advice shall be subject to confidentiality principles of the Directors' Charter and the Companies Act 2001.

14. DIRECTOR SELECTION & APPOINTMENT, TRAINING AND DEVELOPMENT

14.1 Director Selection and appointment

The procedure for the selection of the Directors shall be in conformity with the prevailing Code of Corporate Governance of Mauritius.

Appointments to the Board shall be on recommendation of the Nomination Committee.

Shareholders are ultimately responsible for electing and removing Board members. The Board shall provide Shareholders with all material information in the possession of the Company, relevant for the election or removal of the individual as a Director.

14.2 Training and Development

An induction program shall be devised for new Directors, to familiarise them with the Company's/Group's operation, the business environment, senior management as well as with

their fiduciary duties and responsibilities to enable them to fulfill their role both on the Board and Board committees.

New Directors shall receive, inter alia:

- A corporate profile;
- Details of the Group's structure;
- Details of Board and Board Committees' composition;
- The latest annual report;
- The latest interim and annual financial results;
- Details of the Company's budget;
- Recent notices to Shareholders;
- The Board Charter;
- The Code of Ethics; and
- Any further pertinent information and/or document.

On-going relevant training and developments programs shall be devised to enable Directors to meaningfully contribute to the affairs of the Board.

15. INCONSISTENCY WITH THE COMPANY'S CONSTITUTION

To the extent that there is any inconsistency between the Company's Constitution and this Board Charter, the Constitution shall prevail.