NUPLEX INDUSTRIES LIMITED
BOARD OF DIRECTORS
CHARTER

(Adopted by the Board on 24th February 2011)

Part 1 Interpretation

1.1 In this Charter:

"Act" means The Companies Act 1993;

"Board" means the board of directors of the Company;

"Business" means the business of the Company;

"MD" means the Managing Director of the Company;

"Chairman" means the chairman of the Board

"Company" means Nuplex Industries Limited and its subsidiaries;

"Company Goals" means the goals of the Company as set out in Part 2;

"Management" means the management personnel of the Company;

"Management Limitations" means the limitations on the actions of Management as set out in paragraph 4.3;

"Secretary" means the Board secretary or the person normally exercising the functions of a Board secretary;

"Shareholders" means the shareholders of the Company.

Part 2 Company Goals

2.1 **General**

2.1.1 The purpose of the Company is to manufacture and supply technical materials which are inputs to manufacturing industry in which it is able to build technical and operational competitiveness.

<u>Our values are:</u>

Integrity: We will act with honesty, integrity and fairness in all aspects of our business.
Employees: We will operate in an environment of mutual respect where loyalty, openness, trust, commitment and equal opportunity are fundamental to success. We will offer challenging work, encourage personal development and value both individual and collective contributions and reward accordingly. We will strive to maintain a balance between responsibilities to work and private life and achieve a safe and harmonious working environment.

Customers & Suppliers: We recognise that our customers are the focus of our business and we seek to anticipate their needs. Our suppliers are crucial to us achieving this goal. In all of our dealings we will endeavour to achieve mutual satisfaction and constantly improve our products and services.

Community: We will operate in an open, professional relationship with regulators and society in general. We are committed to the safety of people, property and products, and the protection of the environment.

Shareholders: By maintaining our standards of quality, service and innovation we strive to be a productive and competitive company offering sustainability, growth and attractive yields on invested

2.1.2 The capital and resources of the Company will be allocated to those assets and activities which will enable it to achieve the Company Goals in a manner best serving the interests of the Shareholders as a whole.

Part 3 Board Governance Process

3.1 Role of the Board

3.1.1 The role of the Board is to effectively represent, and promote the interests of, Shareholders with a view to adding long-term value to the Company.

3.1.2 Having regard to its role the Board will direct, and supervise the management of the Business and affairs of the Company including, in particular:

- ensuring that the Company Goals are clearly established, and that strategies are in place for achieving them;
- establishing policies for strengthening the performance of the Company including ensuring that Management is proactively seeking to build the Business through

innovation, initiative, technology, new products, seeking new markets in new jurisdictions and the development of its business capital;

- monitoring the performance of Management;
- appointing the MD, setting the terms of the MD's employment contract and, where necessary, terminating the MD's employment with the Company;
- deciding on whatever steps are necessary to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensuring that such steps are taken;
- ensuring that the Company's financial statements are true and fair and otherwise conform with law;
- ensuring that the Company adheres to high standards of ethics and corporate behaviour; and
- ensuring that the Company has appropriate risk management/regulatory compliance policies in place.

3.1.3 The board will satisfy itself that the Company is achieving the Company Goals.

3.1.4 Subject to certain exceptions the Board will delegate to the Managing Director the conduct of the affairs and the management responsibilities of the company. The functions which have been reserved as responsibilities of the Board and have not been delegated are set out in Appendix 1.

3.2 The Board's Relationship with Shareholders

3.2.1 The Board will use its best endeavours to familiarise itself with issues of concern to Shareholders.

3.2.2 The Board will regularly evaluate economic, political, social and legal issues and any other relevant external matters that may influence or affect the development of the Business or the interests of Shareholders and, if thought appropriate, will take outside expert advice on these matters.

3.3 Board Procedures

3.3.1 The conduct of Directors will be consistent with their duties and responsibilities to the Company and, indirectly, to Shareholders. The Board will be disciplined in carrying out its role, with the emphasis on strategic issues and policy. Directors will always act within any limitations imposed by the Board on their activities.

3.3.2 Directors will use their best endeavours to attend Board meetings and to prepare thoroughly. Directors are expected to participate fully, frankly and constructively in Board discussions and other activities and to bring the benefit of their particular knowledge, skills and abilities to the Board table. Directors unable to attend a meeting will advise the Chairman at the earliest date possible.

3.3.3 Board discussions will be open and constructive, recognising that genuinely-held differences of opinion can, in such circumstances, bring greater clarity and lead to better decisions. The Chairman will, nevertheless, seek a consensus in the Board but may, where considered necessary, call for a vote. All discussions and their record will remain confidential unless there is a specific direction from the Board to the contrary, or disclosure is required by law. Subject to legal or regulatory requirements the Board will decide the manner and timing of the publication of its decisions.

3.3.4 The Board has sole authority over its agenda and exercises this through the Chairman. Any Director may, through the Chairman, request the addition of an item to the agenda. The agenda will be set by the Chairman in consultation with the MD and the Secretary.

3.3.5 The Board will normally hold meetings in most months of the year and will hold additional meetings as the occasion requires. Meetings may be held by video and/or telephone conference links when appropriate. In addition strategy and budget review sessions will be held each year. At each normal meeting the Company's interests register will be updated as necessary and the Board will consider:

- an operational report from the MD;
- a report from the chief financial officer;
- reports on their activities from the Company's individual business units;
- specific proposals for capital expenditure and acquisitions; and
- major issues and opportunities for the Company.

In addition the Board will, at intervals of not more than one year:

- review the Company Goals;
- review the strategies for achieving the Company Goals;
- approve the annual budget in the context of a three year plan;
- approve the annual and half-yearly financial statements, reports to Shareholders and public announcements;

- approve the annual report;
- consider and, if appropriate, declare or recommend the payment of dividends;
- review the Board composition, structure and succession;
- review the Company's audit requirements;
- review the performance of, necessity for and composition of Board committees;
- undertake Board and individual Director evaluations see 3.3.6;
- review Directors' remuneration;
- review the MD's performance and remuneration;
- review remuneration policies and practices in general including incentive schemes for management;
- review risk assessment policies and controls including insurance covers and compliance with legal and regulatory requirements;
- review the Company's code of conduct and ethical standards;
- review Shareholder, customer and supplier relations;
- review donations and sponsorships; and
- settle the following year's work plan.
- Review and report to shareholders at least annually on the proportion of women and men in employment at all levels of the economic group controlled by the Company.

3.3.6 The board will use a formal procedure by which it sets goals, reviews and evaluates its performance and the performance of the individual Directors including the Managing Director.

The Board evaluation will be completed by each Board member and subsequently reviewed and discussed.

The individual Board members' evaluations for each Board member will be completed by all the other members and collated and reviewed by the Chairman. The questionnaire for the Chairman is collated and reviewed by the Chairman of the Audit Committee.

A separate review of the performance of the Managing Director is completed by each Board member. The purpose of the evaluation is to ensure that the objectives of the Board are being achieved and whether there is room for improvement in the operating and

administrative performance of the Board, the individual Directors and the Managing Director.

The chairman discusses the individual evaluations with the respective Board members and his evaluation is discussed with the Chairman of the Audit Committee. The Chairmen of the audit and remuneration committees prepare an annual report to the Board on the activities of their committees for the year.

The Managing Director reviews the performance of the senior executive team and provides a report annually to the Board on the performance of each executive.

3.3.7 Directors are entitled to have access, at all reasonable times, to all relevant Company information and to Management by arrangement through the Chairman who will liaise with the Managing Director.

3.3.8 Directors are expected to strictly observe the provisions of the Act applicable to the use and confidentiality of Company information.

3.3.9 In making policy the Board will not reach specific decisions unless it has considered the more general principles upon which they are founded, and in reaching other specific decisions the Board will consider the policies against which the decisions are made.

3.4 **Chairman**

3.4.1 The Board will appoint from among the Directors a Chairman who shall hold office until he or she dies or resigns or until the Directors elect a Chairman in his or her place.

3.4.2 The Chairman will be an independent, non-executive Director.

3.4.3 The Chairman is responsible for representing the Board to Shareholders. He may delegate this responsibility to the MD and the CFO as the Board considers appropriate.

3.4.4 The Chairman is responsible for ensuring the integrity and effectiveness of the governance process of the Board as set out in this Part 3.

3.4.5 The Chairman is responsible for maintaining regular dialogue with the MD over all operational matters and will consult with the remainder of the Board promptly over any matter that gives him or her cause for major concern.

3.4.6 The Chairman will act as facilitator at meetings of the Board to ensure that no Director, whether executive or non-executive, dominates discussion, that appropriate discussion takes place and

that relevant opinion among Directors is forthcoming. The Chairman will ensure that discussions result in logical and understandable outcomes.

3.5 Board Committees

3.5.1 Board committees will be formed when it is efficient or necessary to facilitate efficient decision-making.

3.5.2 Board committees will observe the same rules of conduct and procedure as the Board unless the Board determines otherwise.

3.5.3 Board committees will only speak or act for the Board when so authorised. The authority conferred on a Board committee will not derogate from the authority delegated to the MD.

3.5.4 The Board has four standing committees, namely the Audit, Nomination, Remuneration and Safety Health and Environment committees. Other committees may be formed for specific purposes and disbanded as required. The purposes and membership of the standing committees are as follows:

The Audit Committee consists of three Directors all of whom will be non-executive. The committee provides a forum for the effective communication between the Board and the external and internal auditors. The committee reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of management information systems and systems of internal control, and the efficiency and effectiveness of the external and internal audit functions.

The Nomination Committee is comprised of not less than three non-executive directors currently in office of whom a majority, including the chairman of the committee, shall be independent. The objectives of the committee include: to assist in planning the board's composition: evaluating the competencies required of prospective directors (both non-executive and executive); identifying those prospective directors, establishing their degree of independence; developing succession plans for the board to maintain an appropriate mix of skills, experience, expertise and diversity; and developing and implementing a plan for identifying, assessing and enhancing director competencies

The Remuneration Committee consists of three non-executive Directors Remuneration packages for senior management are reviewed annually and independent external advice is used as a basis for establishing competitive packages.

Remuneration packages are a combination of cash and non cash benefits. Packages for senior managers include a cash bonus opportunity linked to company performance in areas subject to the manager's control. From time to time long term incentives may be used to more closely align the interests of selected senior management with Shareholders. This form of incentive may be equity based.

The Safety Health & Environment Committee is comprised of not less than three non-executive directors at least one member of whom shall have a background demonstrating experience in the management of safety, health and environment programmes. The purpose of the Committee is to assist the Board in discharging its responsibilities by assessing the effectiveness of the safety, health and environment (SHE) programmes, initiatives and policies with a view to ensuring compliance with all legislative and regulatory requirements

3.6 Board Composition and Mix

3.6.1 The composition of the Board will reflect the duties and responsibilities it is to discharge and perform as representative of the interests of Shareholders, and in setting the Company's strategy and seeing that it is implemented.

3.6.2 Generally, the qualifications for Board membership are the ability experience and expertise to make sensible business decisions and recommendations, an entrepreneurial talent for contributing to the creation of Shareholder value, the ability to see the wider picture, the ability to question, preferably some experience in the industry sector, high ethical standards, sound practical sense, and a total commitment to furthering the interests of Shareholders and the achievement of the Company Goals. These attributes will normally be demonstrated by a sustained and successful business career.

3.6.3 Non-executive Directors will be active in areas which enable them to relate to the strategies of the Company and to make a meaningful contribution to the Board's deliberations. They will be independent of Management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

3.6.4 The size of the Board will be such that the common purpose, involvement, participation, harmony and sense of responsibility of the Directors are not jeopardised. It must be large enough to ensure a range of knowledge, views and experience. Generally, the number of Directors will be between six and eight of which the majority will be non-executive and independent (as defined in clause 3.6.3).

3.6.5 Subject to any limitations imposed by Shareholders, it is anticipated that non-executive Directors will hold office initially for three years following their first appointment (or, if appointed by the Board between annual meetings, from the date of the meeting next following the appointment), subject to any obligation to retire by rotation in accordance with the Company's constitution.

3.7 Induction of New Directors

3.7.1 Genuine potential Directors are encouraged to carry out "due diligence" on the Company before accepting an appointment to the Board.

3.7.2 On their first appointment, non-executive Directors will have the benefit of an induction programme aimed at deepening their understanding of the Company and the Business and the environment and markets in which the Company operates. As part of the programme Directors will receive a folder of essential Board and Company information and will meet key Management.

3.7.3 Directors are expected to keep themselves abreast of changes and trends in the Business and in the Company's environment and markets and to keep abreast of changes and trends in the economic, political, social and legal climate generally.

3.8 Directors' Remuneration

3.8.1 The Board will determine the level of remuneration paid to Directors within any limitations imposed by Shareholders.

3.8.2 Non-executive Directors will be paid a basic fee as ordinary remuneration and will be paid, as additional remuneration, an extra fee as members of Board committees, an extra fee as chairman of a Board committee and an extra fee for any special service as a Director. The Chairman will be paid a level of fees appropriate to his or her office. Remuneration will be reviewed annually by the Board after taking independent advice.

3.8.3 Executive Directors will receive no fees but will be paid as employees of the Company in accordance with their contracts of employment with the Company.

3.9 Shareholdings by Directors in the Company

3.9.1 Directors are encouraged to hold shares in the Company, recognising that this has the capacity, in many cases, to increase the focus of Directors on Company performance and share value and therefore be in the interests of all Shareholders.

3.9.2 When buying or selling shares Directors must strictly observe the provisions of the Company's constitution, the Company's own internal rules and all relevant legislative or regulatory procedures.

3.10 **Provision of Business or Professional Services by Directors**

3.10.1 Because a conflict of interest (actual or perceived) may be created, Directors should not, generally, provide business or professional services of an ongoing nature to the Company.

3.10.2 Notwithstanding the general rule, the Company is at liberty to:

- for the purpose of a special assignment, engage the services of any Director having special expertise in the particular field; or
- engage the services of another member of a Director's organisation

so long as the terms of engagement are competitive, are clearly recorded and all legal requirements for disclosure of the engagement are properly observed.

3.11 **Other Board Appointments**

3.11.1 Any Non-Executive Director is, while holding office, at liberty to accept other Board appointments so long as the appointment is not in conflict with the Business and does not detrimentally affect the Director's performance as a Director.

3.12 **Independent Professional Advice**

3.12.1 Any Director is entitled to obtain independent professional advice relating to the affairs of the Company or to his or her other responsibilities as a Director.

3.12.2 If a Director considers such advice is necessary the Director shall first discuss it with the Chairman and, having done so, shall be free to proceed.

3.12.3 Subject to the prior approval of the Chairman, the cost of the advice will be reimbursed by the Company but the Director will ensure, so far as is practicable, that the cost is reasonable.

3.13 **Indemnities and Insurance**

3.13.1 The Company will indemnify the Directors and will provide Directors with, and will pay the premiums for, indemnity and insurance cover while acting in their capacities as Directors, to the fullest extent permitted by the Act.

3.14 The Secretary

3.14.1 The appointment of the Secretary is made on the recommendation of the MD and must be approved by the Board.

3.14.2 The Secretary is responsible for ensuring that Board procedures are followed, that the applicable rules and regulations for the conduct of the affairs of the Board are complied with and for all matters associated with the maintenance of the Board or otherwise required for its efficient operation.

3.14.3 All Directors, particularly the Chairman, have access to the advice and services of the Secretary for the purposes of the Board's affairs and the Business.

Part 4 Board-Management Relationship

4.1 Position of MD

4.1.1 The Board will link the Company's governance and management functions through the MD.

4.1.2 All Board authority conferred on Management is delegated through the MD so that the authority and accountability of Management is considered to be the authority and accountability of the MD so far as the Board is concerned.

4.1.3 The Board will agree with the MD to achieve specific results directed towards the Company Goals.

4.1.4 Between Board meetings the Chairman maintains an informal link between the Board and the MD, expects to be kept informed by the MD on all important matters, and is available to the MD to provide counsel and advice where appropriate.

4.1.5 Only decisions of the Board acting as a body are binding on the MD. Decisions or instructions of individual Directors, officers or committees are not binding except in those instances where specific authorisation is given by the Board.

4.2 Accountability of MD to Board

4.2.1 The MD, in association with the Chairman, is accountable to the Board for the achievement of the Company Goals and the MD is accountable for the observance of the Management Limitations.

4.2.2 At each of its normal monthly meetings the Board should expect to receive from or through the MD:

- the operational and other reports and proposals referred to in paragraph 3.3.5; and
- such assurances as the Board considers necessary to confirm that the Management Limitations are being observed.

4.3 Management Limitations

4.3.1 The MD is expected to act within all specific authorities delegated to him or her by the Board.

4.3.2 The MD is expected to not cause or permit any practice, activity or decision that is contrary to commonly accepted good business practice or professional ethics.

4.3.3 In allocating the capital and resources of the Company the MD is expected to adhere to the Company Goals and policies.

4.3.4 The MD is expected to not cause or permit any action without taking into account the health, safety, environmental and political consequences and their effect on long-term Shareholder value.

4.3.5 The assets of the Company are expected to be adequately maintained and protected, and not unnecessarily placed at risk. In particular, the Company must be operated with a comprehensive system of internal control, and assets or funds must not be received, processed or disbursed without controls that, as a minimum, are sufficient to meet standards acceptable to the Company's external auditors.

4.3.6 The MD is expected to not permit employees and other parties working for the Company to be subjected to treatment or conditions that are undignified, inequitable, unfair or unsafe.

4.3.7 The MD is expected to not cause or permit payments to be made unless they are in return for contributions towards progressing the goals of the company and otherwise comply with the law and accepted business practice.