

BOARD CHARTER

**Beta Glass Plc
Iddo House, Iddo, Lagos.**

BETA GLASS PLC

BOARD CHARTER

ARTICLE I - AIMS AND OBJECTIVES

- I. The aim of this Board Charter is to regulate the activities and parameters within which the Board will operate and to ensure the application of the principles of good corporate governance of Beta Glass Plc ("the Company").
- II. The Board Charter sets out the roles, composition and responsibilities of the Board of Directors ("the Board") and other corporate governance issues that govern the activities of the Company and its Board.
- III. This Board Charter shall constitute an integral part of the terms and conditions of services and the letter of appointment of each Board member.
- IV. Certain operational matters relating to the Board which includes the number of meetings per year, notification of interests, and election of directors are governed by the Memorandum and Articles of Association. However, certain issues in connection thereto are reproduced therein.

ARTICLE II - THE BOARD OF DIRECTORS

1. Responsibilities of the Board

- a) The Board is accountable and responsible for the performance and affairs of the Company. The Board defines the Company's strategic goals and ensures that its human and financial resources are effectively deployed towards attaining set goals.
- b) The principal objective of the Board is to ensure that the Company is properly managed. It is therefore the responsibility of the Board to protect and enhance shareholder value and to meet the Company's obligations to its stakeholders.
- c) The Board has the primary responsibility to ensure good corporate governance in the Company. Accordingly, the Board ensures that the Company carries on its business in accordance with its Articles and Memorandum of Association, Securities and Exchange Commission Rules ("SEC") and in accordance with relevant laws whilst observing the highest ethical standards at an environmentally sustainable basis.
- d) The Board shall define a framework for the delegation of its authority and specifying matters that may be delegated and those reserved for the Board. The delegation of any duty or authority to a Board Committee does not in any way diminish the overall responsibility of the Board and its directors as being accountable and responsible for the affairs and performance of the Company.

- e) The Board has the responsibility to ensure that the Company keeps accounting records, which disclose with reasonable accuracy, the financial position of the Company, and to ensure that the financial statements comply with the requirements of the Companies and Allied Matters Act, 2020, acceptable financial standards and the SEC Rules.
- f) The Board has the responsibility to take steps as is reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

2. Duties of the Board

The duties of the Board shall include the following:

- a. Defining a formal schedule of matters specifically reserved for Board decision and matters delegated to Board Committees and Management;
- b. Formulation and management of risk management framework, monitoring its effectiveness, setting the risk appetite and reviewing the risk reports;
- c. Establishment and implementation of succession planning and the appointment, training, remuneration and replacement of board members, board committee and senior management;
- d. Overseeing the internal audit function, approving the internal audit plan and appointing and removing the head of the internal audit function on the recommendation of the Committee responsible for audit;
- e. Providing oversight over information technology governance;
- f. Overseeing the effectiveness and adequacy of internal control systems;
- g. Overseeing the maintenance of the company's communication and information dissemination policy;
- h. Performance appraisal and compensation of board members;
- i. Approving the performance evaluation of the Company Secretary
- j. Developing policy to ensure effective communication and engagement with shareholders;
- k. Ensuring the integrity of financial reports;
- l. Representing the interest of shareholders;
- m. Ensuring the company complies with laws and codes;
- n. Approving major assets acquisitions, divestment and expenditure;
- o. Planning for and selection of new directors; and
- p. Establishing board committees

3. Composition and Structure of the Board

- a) The Board should be of a sufficient size relative to the scale and complexity of the company's operations and be composed in such a way as to ensure diversity of experience without compromising independence, compatibility, integrity and availability of members to attend meetings.

- b) The Board shall be composed by a combination of executive and non-executive directors.
- c) Membership of the Board should not be less than Four (4) nor more than Eleven 11 members.
- d) The members of the Board should be individuals with upright personal integrity, relevant core competence and entrepreneurial spirit. They should have a record of tangible achievement and should be knowledgeable in Board matters. Members should possess a sense of accountability and integrity and be committed to the task of good corporate governance.
- e) The Board is required to be independent in order to carry out its oversight functions in an objective and effective manner.

4. Operations of the Board

- a) Board meetings are presided over by the Chairman who sets the agenda, schedules meetings, co-ordinates actions of the Board Committees with the aid of the Company Secretary.
- b) Decisions are made by majority votes and by a show of hands.

ARTICLE III - BOARD LEADERSHIP

1. The Chairman

- a) The Board is led and headed by a Chairman.
- b) The Chairman is elected by the directors of the Board and shall hold the position subject to his re- election as a director of the Company at its Annual General Meeting.
- c) The Chairman shall not serve as Chairman or Member of any Committee of the Board

2. Role of the Chairman

- a) A Board of Directors is required by law to elect one of their number to act as the Chairman. The Chairman provides leadership at the Board level and also at the Annual General Meeting.
- b) The Chairman's primary responsibility is to ensure effective operation of the Board and to ensure that the Board works towards achieving the Company's strategic objectives.
- c) The Chairman's functions should include the following:
 - (i) providing overall leadership and direction for the Board and the company;
 - (ii) setting the annual Board plan;
 - (iii) setting the agenda for Board meetings in conjunction with the Company Secretary;
 - (iv) playing a leading role in ensuring that Board and the Company's management team ('the Management') are composed of the relevant skills, competencies and desired experience;

- (v) ensuring that Board meetings are properly conducted and the Board is effective and functions in a cohesive manner;
- (vi) ensuring that Board members receive accurate and clear information in a timely manner, about the affairs of the Company to enable directors make sound decisions;
- (vii) acting as the main link between the Board and the Management;
- (viii) ensuring that all directors focus on their key responsibilities and play constructive roles in the affairs of the company;
- (ix) ensuring that induction programmes are conducted for new directors and that continuing education programmes are in place for all directors;
- (x) ensuring effective communication and relations with the Company's institutional shareholders and strategic stakeholders;
- (xi) taking a lead role in the assessment, improvement and development of the Board;
- (xii) presiding over general meetings of shareholders;
- (xiii) preserving order;
- (xiv) ensuring that proceedings are conducted in a regular manner;
- (xv) ensuring that the true intention of the meeting is carried out when resolving any issue that arises before it;
- (xvi) ensuring that all questions that arise are promptly decided; and
- (xvii) acting bona fide in the interest of the Company.

3. Strategic Tasks of the Chairman

The Chairman has the strategic task of initiating, instilling and overseeing high standards of corporate governance. The role of the Chairman may be summarised thus:

- a) To manage the Board with the objective of optimising success and enhanced shareholder values.
- b) To develop a robust and constructive relationship with the Management and Board committees which report to the Chairman.
- c) To be the guardian and enforcer of the values of the Board in relation to its stakeholders.
- d) To be the guardian and enforcer of the corporate governance codes applicable to the Company.
- e) To establish with the Board a relationship of confidence with and from shareholders and to be the primary person with whom shareholders share concerns.

4. Contemporary Functions and Roles of the Chairman

In the context of contemporary corporate governance, the role of a Chairman has become crucial to the governance of a company. These include the following:

- a) Leadership – The Chairman is responsible for leadership of the Board, ensuring its effectiveness and all aspects of its role, and setting its agenda.
- b) Information flow and communication – The Chairman is also responsible for ensuring that directors receive accurate, timely and clear information. The Chairman should ensure effective communication with shareholders.

- c) Intra-Board Relations Management – The Chairman should also facilitate liaisons between the Board and Management
- d) Board Building – Chairman is to ensure that the Company has an effective board.

5. Powers / Duties of the Chairman

a) Preservation of Order

- i. The Chairman has a duty to preserve order and also the power to take such measures as are reasonably necessary to do so. The Chairman has extensive powers to preserve orderliness in the conduct of proceedings in a meeting. In this connection, the Chairman may expel from the meeting any person or persons whose conduct constitutes disorder, but should consider adjourning a meeting if he suspects that violence may erupt in an attempt to evict a group of several persons where it is necessary to restore order.
- ii. In ensuring that proceedings are conducted in a regular manner when facing disorder, the Chairman should make “earnest and sustained efforts to restore order”. If these efforts are in vain, the Chairman should attempt to put into effect any provisions for adjournment which appear in the laws, the memorandum and articles of association, but that if this seems impossible he should use his inherent power to adjourn the meetings for a short while, taking due steps to ensure so far as possible that all know of the adjournment.

b) Conduct Meetings

- i. To ensure regularity of the proceedings, it is the Chairman’s duty to declare the meeting opened and, immediately all items on the agenda have been discussed, to declare the meeting closed.
- ii. The Chairman should use his/her skill to allocate adequate time and opportunity for the discussion of all items on the agenda.
- iii. The Chairman should ensure the conduct of proceedings with the utmost care and attention, peacefully and with dignity.

c) Lead the Meeting to a Decision

- i. The Chairman must decide on all points of order raised in the meeting as well as the duty to adhere to decisions already taken.
- ii. The Chairman must lead the meeting to a decision on every matter raised or discussed either by obtaining unanimity or by taking a vote.
- iii. The Chairman must ensure that the appropriate majority is obtained on any particular issue in accordance with the Articles and/or CAMA.

d) Maintain Quorum at Meeting

- i. The law confers on the Chairman the power to prevent a capricious abortion of proceedings by members who wish to take undue advantage of the contentious rule that a meeting must have a quorum not only at the start of business but also throughout the proceedings by staging walkouts.

- ii Accordingly, where a member(s) withdraws from a meeting for what appears to the Chairman to be insufficient reasons and for the purpose of reducing the quorum and in fact the quorum is no longer present, the meeting may continue with the number present, and their decision shall bind all the stakeholders.
- iii However, where the quorum is reduced where only one member is present, such member may seek direction of the Federal High Court to take a decision in accordance with the provisions of CAMA

e) Confirm Resolutions Passed

- i. At any meeting at which a resolution is to be passed, a declaration of the Chairman that the resolution is carried shall, unless a poll is demanded, be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.
- ii. Where a poll is demanded, the Chairman has power to direct when and where such poll shall be taken. However, where a poll is demanded on the election of a Chairman or on a question of adjournment, it shall be taken immediately. The Chairman, as a shareholder could demand a poll. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting shall be entitled to a second or casting vote.

f) Power to Adjourn Meetings

The Chairman has the power to adjourn a meeting. If with the consent of any members at the meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

6. Additional Duties of the Chairman at Annual General Meetings (AGM)

- a. The Chairman shall preside as chairman at AGMs. If he fails to be present within 15 minutes or is unwilling to preside, members present shall choose some member of the Board of Directors/Management Committee present to preside as Chairman.
- b. The Chairman may, with the consent of any meeting at which a quorum is present adjourn the meeting.
- c. Where a resolution is put to vote, it shall be decided by a show of hands. The Chairman can declare that voting may be by poll. The Chairman also has the power to direct that the result of the poll shall be deemed to be the resolution at the meeting at which the poll was demanded.
- d. No poll can be demanded on the election of a Chairman of a General Meeting, or on any question of adjournment.

- e. The Chairman is entitled to a second or casting vote in the case of an equality of votes, whether by a show of hands or by a poll.

ARTICLE IV - APPOINTMENT TO THE BOARD

1. The Board shall ensure its continuity subject to the performance and eligibility of its directors for re-election in accordance with CAMA and Codes of Corporate governance
2. Save for Independent Directors, Board members have no fixed term of appointment, however in accordance with the provisions of CAMA, one third in number are required to retire by rotation annually.
3. In determining the eligibility for re-election of directors who retire by rotation, the Board shall seek to maintain a balance between the need for board continuity and experience, the appropriate mix amongst directors of skills and experience, board diversity and the desirability for the board to be infused with new personalities and fresh ideas.
4. Board members appointed to fill a vacancy will only hold office until the next annual general meeting, at which the appointment will be approved
5. Where the terms and conditions of service or the employment contract of a director is terminated, this will result in the termination of his or her membership of the Board, unless the Board determines otherwise.
6. Any board appointment for a period beyond nine years may be subject to a particularly rigorous assessment by the board, of not only the performance of the director, but also the factors that may impair his independence at that time. The factors to be considered shall include an independent assessment by the board, there are no relationships or circumstances likely to affect, or appearing to affect, the director's judgement. The assessment should show that the director's independence of character and judgement is not in any way affected or impaired by the length of service

ARTICLE V – INDEPENDENT DIRECTOR

1. Appointment

- a. The appointment of Independent Director(s) to the Board of Directors of the Company is subject to the provisions of the Companies and Allied Matters Act, 2020 applicable to all directors.
- b. The appointment may be terminated in accordance with the provisions of the Articles of Association of the Company or on failure to meet the parameters of independence as defined under Section 5.5 of the Securities and Exchange Commission's Code of Corporate Governance, 2011 and Section 7.2 of the Nigerian Code of Corporate Governance 2018.

- c. Upon termination or upon resignation for any reason, an Independent Director shall not be entitled to any compensation for loss of office.

2. Status of Appointment

An Independent Director shall not be an employee of the Company and their appointment letter shall not constitute a contract of employment. They will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board from time to time. Further, they will be entitled to Directors' Fees as may be approved by the Board and the Shareholders from time to time.

3. Conflict of Interest

- a. It is accepted and acknowledged that an Independent Director may have business interests other than those of the Company. As a condition to their appointment they are required to declare any such directorships, appointments and interests to the Board in writing at the time of their appointment and of any changes that may happen from time to time.
- b. In the event that their circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that they are independent, this should be disclosed to the Board.

4. Confidentiality

- a. All information acquired during the appointment is confidential to the Company and should not be released, either during the appointment or following termination (by whatever means) to third parties without prior approval of the Board unless required by law or by the rules of any Regulatory body. In such a case, the Independent Director(s) will promptly inform the Board of such request before it can be made to such third party. On reasonable request, they shall surrender any documents and other materials made available to them by the Company.
- b. The Independent Director(s) should avoid making any statements or performing any transactions that might risk a breach of the requirements under the applicable regulations and the Insider Trading Policy without prior approval of the Board.

ARTICLE VI - LIABILITIES OF THE BOARD

1. Directors must manage the Company in good faith and with full responsibility. Every member of the Board of Directors is personally liable for any loss suffered by the Company if he/she acts wrongfully or fails to perform his/her duties in the manner stated above. Where more than 1 director of the Board of Directors is responsible, the above liability will apply jointly among each of the members of the Board.

2. However, a Director will not be personally held liable if he/she can prove that:
 - a) the loss suffered by the Company was not due to his/her wrongful action or a failure to perform his/her duties;
 - b) he/she managed the Company in good faith and prudently for the benefit of the Company and in accordance with the purpose and objectives of the company;
 - c) he/she has no conflict of interest either directly or indirectly in the management of the Company that caused the loss;
 - d) he/she had taken all the necessary actions to prevent the occurrence or continuance of the loss.
3. Further, the Board of Directors may also be held liable in the following transactions/situations:
 - a) Inaccurate or misleading financial reports;
 - b) Failure to report their share ownership;
 - c) Liability for bankruptcy losses

ARTICLE VII - BOARD COMMITTEES

1. To assist the Board in fulfilling its duties and responsibilities, the Board may establish such committees as may be necessary to facilitate efficient decision-making and effect the objectives of the Company.
2. The Committees of the Board shall include:
 - a. The Governance and Remuneration Committee
 - b. The Board Risk and Audit Committee
3. The Committees of the Board shall be established with formal Terms of Reference, which shall determine the membership, purpose, powers and authority of each Committee.
4. The Board shall ensure that each Committee is provided with requisite information in a timely manner. Furthermore, Committees shall be free to seek independent professional advice at the expense of the Company subject to the approval of the Board.
5. Only directors shall be members of Board committees, however, senior management may be in attendance.
6. The Managing Director or an Executive Director shall not serve as Chairman of any Board Committee
7. The Managing Director or an Executive Director shall not serve as a member of any of the Governance and Remuneration Committee and the Board Risk and Audit Committee.

ARTICLE VIII - PROCEEDINGS OF THE BOARD

1. **Meetings of the Board of Directors**
 - a) The Board shall meet at least 4 times per year to effectively perform its oversight functions, with additional meetings at the discretion of the Directors.
 - b) A quorum for all Board Meetings shall be 3 directors.
 - c) Every director is required to attend at least 2/3 of all Board Meetings. Such attendance shall be a criterion for the re-nomination of a director.
 - d) To pass a resolution:
 - i. If only 3 directors are present, then unanimity is required.
 - ii. If more than 6 directors are present, then a simple majority is required.
 - iii. If 3 directors are present (meaning that a quorum is met) and any have a conflict of interest, the remaining directors may vote and unanimity is required.
 - e) The Chairman shall have a casting vote where there is equality of votes.
 - f) A Director may appoint an Alternate Director to attend a Board Meeting where the Principal Director is unable to attend the Meeting.
 - g) A Director may only appoint an Alternate Director subject to the prior approval of the Board of Directors.
 - h) An Alternate Director shall have the power to speak, vote and do all such other things as though the substantive Director were physically present.
 - i) A Director and his Alternate cannot be physically present at the same Meeting
 - j) Where a Director envisages that technical Information or expertise is required at a Meeting, he may invite such person(s) with the required technical Knowledge or expertise with prior approval of the Board and such person(s) shall hold the status of an observer only and may only contribute when required.
2. **Induction**

When appointed to the Board, all new directors will receive an induction pack from the Company Secretary which shall include the Memorandum and Articles of Association, the Board Charter, and all necessary Board papers and policy documents of the Company.

3. Multiple Directorships

Serving directors should notify the Company Secretary in writing of their appointments on the Board(s) of any other Company.

4. Family & Interlocking Directorship

To safeguard the independence of the Board, not more than 2 members of the same family (bearing the same surname including husband and wife), can sit on the Board at the same time.

5. Conflict of Interest

- (a) Directors should promptly disclose any real or potential conflict of interest that they may have regarding any matters that may come before the Board or the Management Committee.
- (b) A Director should abstain from discussion and voting in any matter in which the director has or may have conflict of interest.
- (c) If a Director is not certain whether he is in a conflict of interest situation, the director concerned should discuss the matter with the Chairman.
- (d) If any question arises before the Board as to the existence of a real or perceived conflict, the Board should by a simple majority determine if a conflict exists. The director concerned shall then not participate in any discussion and shall not vote on the issue.
- (e) Directors, who are aware of a conflict of interest on the part of a fellow director, have a responsibility to promptly liaise the issue for clarification, either with the director concerned or with the Chairman.
- (f) This disclosure of a conflict of interest shall be recorded in the minutes of the meeting.

6. Tenure and re-election of Directors

- (a) Subject to the Articles, all directors should be submitted for re-election at regular intervals or at least once every 3 years.
- (b) The profiles of directors who are put up for election shall be distributed to shareholders prior to the AGM at which their election will be considered.
- (c) An Independent Director shall be appointed to the Board for a period of three (3) years and may be re-appointed for such further period as may be approved by the Board.

7. Terms and Conditions of Service

The terms and conditions of service on the Board shall be in writing and be issued to the directors in the form of a contract.

ARTICLE IX - BOARD MEETING PROCEDURE

Below are the rules and guidelines by which the Board conducts its meetings. The procedure prior to a meeting is as follows:

1. Submission of Agenda

- a. Where a member wishes to place on the agenda of a meeting an item(s) that needs to be considered by the Committee or Board, he/she shall submit their proposal in writing to the company secretary before the time agenda is circulated to members, which shall be forwarded to the Chairman.
- b. The Company Secretary with the Chairman shall prepare an agenda, which shall be circulated to members at least 3- 14days before a Board meeting or at least 21days before a General Meeting.
- c. The Chairman shall consider the proposals submitted and if necessary call for further particulars of any proposal before it is placed on the Agenda.

2. Notices of Meetings

- a. The Company Secretary must serve to the members a written notice of a meeting showing the date, time and venue for the meeting. The Agenda shall be communicated at least 3 days and not earlier than 14 days before the meeting. Such notice shall be 14 days' notice in writing for every Board meeting, 21 days' notice in writing at least for every AGM and at least 7 days' notice in case of Committee meetings.
- b. The Chairman may on his/her own initiative, or management at the request of a member, call a meeting of the Management to deal with an urgent matter.

3. General Rules/Protocols

- a. A point of order shall only be called during a meeting if a member is of the opinion that the speaker has deviated from the rule of order. If a point of order has been called, the Chairman shall conclude the point of order before proceeding with the meeting.
- b. The Chairman shall recognise members indicating that they want to speak and shall announce the turn in order of such indication. No person shall speak unless recognised by the Chairman.
- c. Voting shall be by a show of hands. Once voting has occurred, the Chairman shall indicate for purposes of the minutes, how many votes for and against the proposal were recorded.
- d. Rulings of the Chairman shall be final and binding and in accordance with the Articles of Association and the Companies and Allied Matters Act ('CAMA'), 2020.

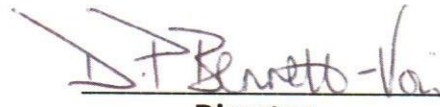
- e. Rowdy or rude behaviour (including disrespect towards others) will not be tolerated and any person guilty of such conduct must excuse themselves when requested to do so by the Chairman.
 - f. The operation of mobile phones is prohibited when meetings are in progress except by prior agreement with the Chairman.
- 4. Procedure to be followed when 3rd parties are invited to make presentations at Meetings**
Requests for presentations by a 3rd party at Management, or Board Meeting shall be approved by the Chairman and all members should be informed accordingly.
- 5. Procedure after Meetings**
Copies of the minutes of the meeting held immediately prior to the relevant meeting should be made available to members at least 7 working days prior to the said meeting and must, after confirmation by the meeting, be signed by the Chairman of the relevant meeting.
- 6. Postponement of meeting**
- a. Request for postponement of a meeting by a party should be done in writing with reasons provided to the Company secretary.
 - b. Should circumstances arise which require the postponement of a meeting, the Secretary shall obtain the view of majority of members before such a postponement is made.
 - c. A postponement can only be granted upon the approval of the Chairman.
 - d. The Company Secretary shall inform parties immediately of the postponement of a meeting.

ARTICLE X - EVALUATION OF THE BOARD

- 1. The Board shall endeavour to evaluate its performance from time to time and to benchmark its performance against the standards of the SEC Code of Corporate Governance and the Nigerian Code of Corporate Governance 2018.
- 2. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, amongst others.
- 3. The Board shall also endeavour to regularly review the performance of each of the Board committees to ensure that their composition, mandate and authority enables them to provide effective assistance to the Board in the key areas in which they function.

This **Board Charter** is hereby approved by the Board of Directors of Beta Glass PLC
this 24th day of **March, 2022**


Chairman


Director