

**Adopted by the Directors  
of GLOBALTRANS INVESTMENT PLC**

**Resolution of 26 January 2021**

**GLOBALTRANS INVESTMENT PLC  
TERMS OF REFERENCE  
ESG COMMITTEE**

## TABLE OF CONTENTS

1. GENERAL PROVISIONS.....	3
Article 1 Regulations on the ESG Committee.....	3
Article 2 Objectives of the ESG Committee .....	3
2. COMPOSITION OF THE ESG COMMITTEE.....	3
Article 3 General requirements to the structure of the ESG Committee.....	3
3. RESPONSIBILITIES OF THE ESG COMMITTEE .....	3
Article 4 Rights of the ESG Committee.....	3
Article 5 Responsibilities of the ESG Committee .....	4
Article 6 Election and termination of the members of the ESG Committee .....	4
Article 7 Duty of the officers of the Company and its subsidiaries to comply with the requests of the members of the ESG Committee .....	4
4. CHAIRMAN OF THE ESG COMMITTEE .....	5
Article 8 Election and termination of the Chairman of the ESG Committee.....	5
Article 9 Duties of the Chairman of the ESG Committee .....	5
5. REMUNERATION OF THE MEMBERS OF THE ESG COMMITTEE .....	5
Article 10 Remuneration to the members of the ESG Committee.....	5
6. MEETING OF THE ESG COMMITTEE .....	5
Article 11 Convocation of the meeting of the ESG Committee .....	6
Article 12 Place and time of the meeting of the ESG Committee .....	6
Article 13 Minutes of the meeting of the ESG Committee .....	6
Article 14 Written resolutions of the ESG Committee.....	7
7. EVALUATION OF THE OPERATIONS OF THE ESG COMMITTEE.....	7
Article 15 Evaluation of the operations of the ESG Committee and individual members .....	7
8. DISCLOSURE OF INFORMATION ABOUT THE ESG COMMITTEE.....	7
Article 16 Disclosure of information on the ESG Committee’s activities in the annual report ..	7

## **1. GENERAL PROVISIONS**

### **Article 1: Regulations on the ESG Committee**

- 1.1 These Terms of reference (hereinafter *Terms*) shall, in accordance with the legislation of Cyprus, applicable listing rules, the Articles of association of Globaltrans Investment Plc (hereinafter the *Company*, together with its subsidiaries – *the Group*) and Company's Environmental, Social and Governance (*ESG*) Policy, describe the Environmental, Social and Governance Committee (hereinafter *ESG Committee*) activities, rights and duties of the members of the ESG Committee, the nomination and remuneration of its members and other matters related to the operations of the ESG Committee.
- 1.2 The Company strives to comply with generally accepted principles of corporate governance which is reflected in these Terms.
- 1.3 These Terms may be amended, when required, which is subject to approval by the Board of Directors.

### **Article 2: Objectives of the ESG Committee<sup>1</sup>**

- 2.1 The Committee is to assist the Board in providing direction on, and overseeing the development and implementation of, the corporate environmental and social responsibility initiatives of the Group comprising corporate sustainability initiatives (anti-corruption and bribery matters, social, employee matters, occupational safety and health matters, respect for human rights and environmental protection initiatives).
- 2.2 Where the ESG Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board of Directors on actions needed to address the issue or to make improvements.

## **2. COMPOSITION OF THE ESG COMMITTEE**

### **Article 3: General requirements to the structure of the ESG Committee**

- 3.1. The Board of Directors shall create, from among its members, the ESG Committee.
- 3.2. The number of members of the ESG Committee of the Company is established by an appropriate resolution of the Board of Directors. The ESG Committee shall comprise at least two members.
- 3.3. All members of the ESG Committee shall be Non-Executive Directors. At least one member shall be an Independent Director.
- 3.4. The Chairman of the ESG Committee shall be elected and approved at the meeting of the Board of Directors.
- 3.5. The Chairman of the Board of Directors may not be a member of the ESG Committee.
- 3.6. No one other than the ESG Committee Chairman and members will be entitled by right to attend or vote at a meeting of the ESG Committee. The Chairman of the Board of Directors, and any relevant senior management of the Company and its subsidiaries, may attend by invitation.

## **3. RESPONSIBILITIES OF THE ESG COMMITTEE**

### **Article 4: Rights of the ESG Committee**

- 4.1. Members of the ESG Committee shall have the right to:
  - demand the officers and employees of the Company furnish him/her with any information required (documents and materials) at the expense of the Company;
  - receive a fee for, and/or reimbursement of the expenses incurred by him/her in connection with, the discharge by him/her of his/her duties as a member of the ESG Committee in situations and in the amount stipulated by the appropriate resolution of the Annual General Meeting of Shareholders;

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<sup>1</sup> Objectives of the ESG Committee also cover ESG in terms of Corporate Social Responsibility (CSR) adopted by the European Directive as regards disclosure of non-financial and diversity information by certain large undertakings and groups 2014/95/EU which came into effect in Cyprus Companies Law (Amendment) (No. 3) of 2017, the purpose of which is to harmonise national legislation with the EU Directive.

- review the minutes of the meetings of the ESG Committee and other collective governing bodies of the Company, and receive copies of such minutes;
- demand that his/her dissenting opinion on matters on the agenda and resolutions approved be noted in the minutes of the meeting of the ESG Committee.

4.2. The delegation of the right to vote by any member of the ESG Committee to a third person, including another member of the ESG Committee/ the Board of Directors, shall not be allowed.

#### **Article 5: Responsibilities of the ESG Committee**

5.1 The ESG Committee's responsibilities shall include the following:

- providing direction on and review of the Group's ESG vision, objectives and strategy, and make recommendations to the Board for the approval of the relevant ESG initiatives;
- monitoring and reviewing emerging ESG trends and issues, provide guidance on the development of the Group's ESG vision in light of the same, and act as a sounding board for the management on current and emerging sustainability, social responsibility, occupational safety and health matters affecting the Group;
- monitoring and reviewing the Group's ESG policies and practices to ensure that they remain relevant and fit for purpose and compliant with the applicable legal and regulatory requirements and international standards; including by, at the discretion of the Committee, engaging external consultants or advisers at the expense of the Company;
- reviewing management information on employee activities in support of the ESG initiatives, monitoring internal and external feedback on the implementation of the ESG initiatives, and making recommendations to improve the coverage and effectiveness of the relevant initiatives;
- providing guidance on the environmental and social impact of how the Group conducts its business;
- overseeing how the Group engages with its stakeholders and ensuring that the appropriate communications policies are in place and working effectively to promote the Group's relationship with its stakeholders and protect its reputation, provided however that decision-making authority with respect to philanthropic and community investment activities rests with the Board of Directors of the Company or the equivalent body of its subsidiaries or other Group companies, as the case may be;
- overseeing the Group's reporting and disclosure with respect to ESG matters: reviewing the Sustainability report and making recommendations to the Board for approval;
- reviewing and evaluating the performance of the ESG Committee and these terms of reference to ensure that it is operating at maximum effectiveness, and recommending any changes it considers appropriate for the Board's approval; and
- undertaking any such steps as are necessary to enable the ESG Committee to discharge its responsibilities.

5.2. In carrying out its responsibilities, the ESG Committee shall work and liaise as necessary with all other Board committees, and give due consideration to all relevant laws, rules, regulations and regulatory requirements and guidance applicable to the Group.

#### **Article 6: Election and termination of the members of the ESG Committee**

- 6.1. New appointments to the ESG Committee should be made by the Board of Directors based on recommendations from the Nomination Committee.
- 6.2. Appointments for independent members will be for a period not exceeding their terms as members of the Board of Directors.
- 6.3. The ESG Committee shall annually review its own effectiveness and if necessary the ESG Committee Chairman should refer the question of termination of ESG Committee members' duties to the Nomination Committee for further consideration.

#### **Article 7: Duty of the officers of the Company and its subsidiaries to comply with the requests of the members of the ESG Committee**

7.1. The CEO of the Group shall, if and when so requested by a member of the ESG Committee, furnish him/her with any information, whether related or unrelated to the operations of the Company and/or its subsidiaries, to the extent permitted by the applicable legislation, with the exception of, e.g., information about their private lives and information violating their right to

privacy, private family matters, and private matters contained in their correspondence, telephone conversations, letters, emails and other messages.

- 7.2. Refusal to disclose information shall be communicated by the member of the ESG Committee to the Board of Directors.
- 7.3. The Company Secretary shall, if and when so requested by a member of the ESG Committee, grant to the latter access to information and an opportunity to make copies of documents and materials.

#### **4. CHAIRMAN OF THE ESG COMMITTEE**

##### **Article 8: Election and termination of the Chairman of the ESG Committee**

- 8.1. The Chairman of the ESG Committee shall be elected from the members of the Board of Directors by a majority vote of the entire Board of Directors.
- 8.2. In the absence of the Chairman, the ESG Committee members present will elect one of them to chair the meeting.
- 8.3. The Board of Directors may at any time replace or re-appoint the Chairman of the ESG Committee.
- 8.4. The Board may, based on personal evaluation results and recommendations of the Nomination Committee, either make a recommendation to shareholders on the termination of the member who is ESG Committee Chairman, or leave him in the Board, but terminate his duties as ESG Committee Chairman.

##### **Article 9: Duties of the Chairman of the ESG Committee**

- 9.1. The Chairman of the ESG Committee shall:
  - organize the work of the ESG Committee, convene and chair its meetings, and ensure that minutes are maintained at all meetings of the ESG Committee;
  - be responsible for the preparation of the agendas for meetings of the ESG Committee;
  - organize the proceedings at the meetings of the ESG Committee so that discussion of the matters on the agenda thereof be open, comprehensive, concise, representative of diverse points of view, and conducive to the approval of specific agreed resolutions;
  - organize development of efficient resolutions on the matters on the agenda and, if necessary, encourage free discussion of the relevant issues, and ensure that the meetings of the ESG Committee are conducted in a supportive and constructive atmosphere;
  - ensure that all members of the ESG Committee receive accurate, timely and clear information;
  - initiate development of draft resolutions on the matters under consideration;
  - ensure that the members of the ESG Committee continually update their skills and knowledge and familiarity with the Company as required to fulfill their role on the ESG Committee.
- 9.2. The Chairman of the ESG Committee may attend the Annual General Meeting to answer questions from shareholders if there is an item in the agenda of the Annual General Meeting concerning ESG matters.
- 9.3. In the absence of the Chairman of the ESG Committee, the person performing the functions of the Chairman of the ESG Committee may exercise any powers vested in the Chairman of the ESG Committee.

#### **5. REMUNERATION OF THE MEMBERS OF THE ESG COMMITTEE**

##### **Article 10: Remuneration to the members of the ESG Committee**

- 10.4. The Board of Directors may make appropriate recommendations to the Annual General Meeting regarding the remuneration of the members of the ESG Committee.
- 10.5. The Annual General Meeting may resolve that those members of the Board of Directors who are also members of the ESG Committee be paid additional remuneration for the work performed by them during their terms in office and/or reimbursed for the expenses associated with the discharge of their duties. The amount of such remuneration and reimbursement shall be established by resolution of the Annual General Meeting of Shareholders.
- 10.6. The payment of such remuneration and reimbursement to the members of the ESG Committee shall constitute a separate matter on the agenda of the Annual General Meeting of Shareholders.

#### **6. MEETINGS OF THE ESG COMMITTEE**

### **Article 11: Convocation of a meeting of the ESG Committee**

- 11.1. The ESG Committee shall meet at least two times a year on dates determined in the schedule approved by the Board of Directors. The ESG Committee will meet at other times on the request of the Chairman or any member of the ESG Committee.
- 11.2. For each meeting of the ESG Committee the following items shall be determined:
  - date, time and place of the meeting;
  - agenda of the meeting;
  - list of the matters to be put to a vote;
  - list of information (materials) to be furnished to the members of the ESG Committee prior to the meeting.
- 11.3. The agenda for the meetings will be determined by the Chairman of the ESG Committee, taking into account the views of other members of the Committee as appropriate. The agenda and supporting papers, unless otherwise agreed, will be circulated to each member of the Committee no fewer than four working days prior to the date of the meeting.
- 11.4. The quorum is at least two members of the ESG Committee.
- 11.5. The Chairman of the ESG Committee shall have a casting vote when the ESG Committee consists of more than two Directors.
- 11.6. When there are two members of the ESG Committee including the Chairman he/she shall not have a casting vote. If the two Directors do not reach a single opinion a decision should be taken by the Board of Directors.
- 11.7. The Company Secretary or his or her nominee shall act as the Secretary of the ESG Committee.
- 11.8. The Company Secretary will also keep a record of the membership of and the dates of any changes to the membership of the ESG Committee.
- 11.9. All materials used for the meetings of the ESG Committee will be in English.

### **Article 12: Place and time of meetings of the ESG Committee**

- 12.1. The Directors shall use their reasonable efforts to ensure that, to the extent practicable, meetings of the ESG Committee shall be convened in Cyprus.
- 12.2. Provided it is agreed by each member of the ESG Committee, meetings may be held through telephone conferences.
- 12.3. All members of the ESG Committee shall be notified of the convocation of the meeting of the ESG Committee in advance in order to enable them to properly organize their schedule.
- 12.4. If circumstances arise which make it impossible or difficult to conduct the meeting of the ESG Committee in the place and/or at the time of which the members of the ESG Committee were notified, a meeting with the same agenda may be conducted in a different place and/or at a different time.
- 12.5. All members of the ESG Committee shall be notified of the change of place and/or time of the meeting of the ESG Committee by the Secretary on behalf of Chairman of the ESG Committee within a timeframe reasonably sufficient to ensure their attendance. The notice of the aforementioned changes shall be delivered to the members of the ESG Committee in any form which guarantees receipt thereof at their physical or electronic addresses.

### **Article 13: Minutes of the meeting of the ESG Committee**

- 13.1. The minutes of the meeting of the ESG Committee shall contain the following information:
  - full name of the Company;
  - date, place and time of the meeting;
  - persons attending the meeting;
  - persons who have furnished their written opinions on the matters on the agenda;
  - agenda of the meeting;
  - matters put to the vote, and the outcome of voting thereon;
  - resolutions approved;
  - signature of the Chairman of the meeting prior to circulation.
- 13.2. The minutes of the meeting of the ESG Committee shall be prepared no later than seven days after the meeting and be signed by the person chairing the meeting of the ESG Committee and the Secretary of the meeting as soon as reasonably possible. The minutes (originals and/or copies) should be stored by the Secretary.
- 13.3. The Company shall ensure that the shareholders, the members of the Board of Directors, the members of the ESG Committee, and the auditor of the Company have access to the minutes of the meetings of the ESG Committee.

#### **Article 14: Written resolutions of the ESG Committee**

14.1. Members of the ESG Committee may also adopt written resolutions without convening the ESG Committee meeting. In such a case the resolution shall include:

- full name of the Company;
- matters put for resolution;
- resolutions approved;
- signature of the Chairman of the meeting and all members of the ESG Committee.

#### **7. EVALUATION OF THE OPERATIONS OF THE ESG COMMITTEE**

##### **Article 15: Evaluation of the operations of the ESG Committee and individual members**

15.1. The operations of the ESG Committee and individual Directors shall be subject to annual evaluation.

15.2. The evaluation of the ESG Committee and individual Directors' performance shall be made through self-assessment and cross-assessment or by an external third party.

15.3. The results of annual performance evaluation shall be communicated to the Chairman of the Board of Directors.

#### **8. DISCLOSURE OF INFORMATION ABOUT THE ESG COMMITTEE**

##### **Article 16: Disclosure of information on the ESG Committee's activities in the annual report**

16.1. A separate section of the annual report should describe the work of the ESG Committee in discharging its responsibilities. This section shall include:

- a description of the role and composition of the ESG Committee;
- information about the number of meetings of the ESG Committee and the attendance;
- a description of the specific policies in relation to the remunerations of the members of the ESG Committee (or cross refer to the Directors' Remuneration Report);
- a description of the activities carried out.