

**MALIN CORPORATION PLC**  
**CORPORATE GOVERNANCE GUIDELINES**

**Adopted on 3 March 2015, Amended on 26 May 2015, Amended on 9 May 2019**

The following Corporate Governance Guidelines (the "Guidelines") and Schedule of Matters reserved to the Board were adopted by the Board of Directors (the "Board") of Malin Corporation plc (the "Company") to assist the Board in the exercise of its responsibilities. The Guidelines are in addition to, and are not intended to modify, any Irish law or regulation, or the Memorandum and Articles of Association of the Company. The Guidelines are subject to modification from time to time by the Board.

**I. MISSION OF THE BOARD**

The Board is responsible for overseeing and guiding the management of the business of the Company. The Board's responsibilities are active and not passive, and include the responsibility to regularly evaluate management policies and the effectiveness with which management implements its policies.

**II. DIRECTOR RESPONSIBILITIES**

Directors are expected to prepare for and participate in all Board meetings and meetings of committees on which they serve. The Board and each committee will meet as frequently as necessary to properly discharge their responsibilities. Directors are expected to review any materials provided in advance of each meeting.

**III. MATTERS RESERVED FOR THE BOARD**

The Board is responsible for the success of the Company, but given the size and complexity of its operations the day-to-day operations of the Company are managed on a delegated basis by certain board committees, the Chief Executive Officer and the senior executives working with the Chief Executive Officer. However, certain matters are reserved for decision by the Board as a whole and detailed description of the formal schedule of matters reserved for the Board is set out in **Schedule 1**.

**IV. BOARD STRUCTURE**

**1. Board Leadership**

*(a) Chairman and Chief Executive Officer*

The Chairman of the Board (the "Chairman") is responsible for the leadership and management of the Board. The Chief Executive Officer of the Company (the "Chief Executive Officer") is responsible for the operation of the business of the Company. The roles of Chairman and Chief Executive Officer will be separated. The Chairman will be elected by the Board for a three-year term and may be re-elected.

**(b) Lead Independent Director**

The chair of the Governance and Conflicts Committee will serve as the "Lead Independent Director". The Lead Independent Director coordinates in a lead capacity the other independent directors and may perform, in particular and as appropriate, the following duties:

- Providing ongoing and direct feedback from the directors to the Chairman and the Chief Executive Officer;
- Participating in the preparation of agendas for Board meetings;
- Consulting with the Chairman as to an appropriate schedule of Board meetings and seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the Company's operations;
- Working with the Chairman to ensure the adequacy and timeliness of information that directors receive;
- Communicating the Board's annual evaluation of the Chairman and the Chief Executive Officer;
- Consulting with the Chairman and the Chief Executive Officer on the designation of Board committees and chairs;
- Recommending to the Chairman the retention of consultants who report directly to the Board; and
- Organising and leading the periodic review of the Board's governance procedures.

In performing the duties described above, the Lead Independent Director is expected to consult with the chairs of the appropriate Board committees and solicit their participation in order to avoid diluting the authority or responsibilities of such committee chairs.

**2. Board Composition and Membership**

**(a) *Size of the Board***

The Company's Memorandum and Articles of Association provide that the number of directors will be no less than three and no more than twelve. The Nominations Committee will regularly review the structure, size and composition of the Board and make recommendations to the Board with regard to any changes.

**(b) *Independent Directors***

At all times at least two members of the Board will be independent. The Board has adopted the definition of independence based upon the standard set out in the UK Corporate Governance Code (the "UK Code").

A director will be considered independent only if the Board affirmatively determines that he or she is independent in character and judgement and has no material relationship with the Company which is likely to affect, or could appear to affect, the director's judgement.

The Board will monitor its compliance with the UK Code requirements for director independence on an ongoing basis and affirmatively determine each director's independence status at least annually. Additionally each independent director is expected to notify the Chairman and the Lead Independent Director as soon as reasonably practicable in the event that his or her personal circumstances change in a manner that may affect the Board's evaluation of such director's independence.

**(c) *Board Membership Criteria***

The Nominations Committee will regularly review with the Board the appropriate skills and characteristics required of Board members in the context of the current composition of the Board and in light of anticipated needs. There are no firm prerequisites to qualify as a candidate for the Board, although the Board seeks a diverse range of candidates who possess the background, skills and expertise to make a significant contribution to the Board, the Company and its shareholders.

**(d) *Selection of New Directors***

Directors are elected by ordinary resolution of the Company's shareholders present or represented by proxy at the annual general meeting of the Company. Directors are elected from those persons properly nominated to stand for election at the annual or special meeting. Directors are required to retire no later than the third annual general meeting following their last appointment or re-appointment at a general meeting of the Company.

The Board has the right to fill casual vacancies as they arise. The Nominations Committee is responsible for identifying and nominating for the approval of the Board, candidates to fill board vacancies as and when they arise. The invitation to become a member of the Board should be extended by the Board itself via the Chairman, together with the Lead Independent Director as appropriate.

**(e) *Term Limits and Mandatory Retirement***

Each member of the Board must retire not later than the third annual general meeting following his last appointment or re-appointment. The Board has not adopted a mandatory retirement age. The Nominations Committee will, in conjunction with the Chairman and the Chief Executive Officer, review each director's continued service on the Board before such director's third nomination to serve on the Board. This approach also allows each director an appropriate opportunity to confirm his or her desire to continue as a member of the Board. Such review will be in addition to the review conducted in connection with a director's nomination to serve on the Board.

**3. *Board Compensation and Evaluation***

**(a) *Stock Ownership***

Directors are encouraged to acquire and maintain equity stakes in the Company to strengthen the alignment of interests between the directors and the shareholders.

**(b) *Compensation of Directors***

Management of the Company will report annually to the Remuneration Committee regarding the status of the Board's compensation in relation to peer companies. The

Remuneration Committee may utilise an independent remuneration consultant, who does not work for management, to determine compensation amounts. Changes in Board compensation, if any, will be made on the recommendation of the Remuneration Committee, after approval by the Board.

**(c) *Prohibition on Loans***

Directors and officers of the Company may not receive, either directly or indirectly, a loan from the Company or any of its subsidiaries.

**(d) *Assessment of Board Performance***

The Board, through the Nominations Committee, will conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively.

**4. Leadership Development**

**(a) *Formal Evaluation of the Chairman and the Chief Executive Officer***

On behalf of the Board, the Nominations Committee will conduct separate annual evaluations of the Chairman and of the Chief Executive Officer, the results of which will be reviewed with the other independent directors. The Remuneration Committee will use the evaluation of the Chief Executive Officer in the course of its deliberations when reviewing and considering his compensation.

**(b) *Succession Planning***

The Nominations Committee will work with the Board to develop policies and principles for Chief Executive Officer selection, as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Nominations Committee will give full consideration to succession planning for directors and senior management personnel. The Chief Executive Officer will work with the Nominations Committee to prepare, on a continuing basis, a short-term succession plan that delineates a temporary delegation of authority if some or all of the senior officers become unable to perform their duties.

**(c) *Director Development***

The Nominations Committee will develop and monitor an appropriate orientation program for new directors as well as a program of ongoing education for all directors with an emphasis on enhancing their knowledge of corporate directors' responsibilities and the businesses in which the Company is engaged.

**5. Board Committees**

**(a) *Number, Structure and Independence of Committees***

There are four standing committees of the Board: the Audit Committee, the Remuneration Committee, the Nominations Committee, and the Governance & Conflicts Committee. The Board may create additional special committees as needed for a limited purpose and duration. The Board will review its committee structure at least annually and on an ad hoc basis as the need may arise.

***(b) Assignment and Rotation of Committee Members***

The Nominations Committee will recommend to the Board, after consultation by the chair of the Nominations Committee with the Chairman and the Chief Executive Officer and consideration of the desires of individual Board members and appropriate skills and characteristics, directors to serve as members and chairs of the Board committees. The full Board will be responsible for appointing members and chairs of Board committees. Non-director members may also be considered and appointed to the Board committees to provide expertise as needed. The Board will have the authority to remove any committee member at any time without cause.

***(c) Frequency and Length of Committee Meetings***

The chair of each committee will, in consultation with committee members, determine the frequency and length of the meetings of the committee. The Audit Committee will meet at least four times annually. The Governance and Conflicts Committee will meet at least twice annually. The other committees will meet at least once annually.

All directors shall have a standing invitation, but not an obligation, to attend meetings of committees of which they are not members. Such attendance will, as a matter of courtesy, be discussed with the chair of the committee beforehand.

***(d) Written Charters***

Each standing committee will maintain a written charter approved by the Board, which will be reviewed at least annually by the respective committee and the Board.

**IV. BOARD OPERATIONS**

**1. Board Meeting Proceedings**

***(a) Schedule of Meetings***

The Chairman will consult with the Lead Independent Director as to an appropriate schedule of Board meetings, seeking to ensure that the independent directors can perform their duties responsibly while not interfering with the Company's operations. The Board and each of the Committees will establish an annual calendar which shall be integrated.

***(b) Selection of Agenda Items***

The Chairman, in coordination with the Lead Independent Director, will set the agenda for each Board meeting, taking into account input and suggestions from members of the Board.

Management will review with the Board annually the Company's major financial and other risk exposures and policies with respect to risk assessment and management including the steps taken to monitor and control such exposures.

***(c) Distribution of Board Materials***

Information that is important to the Board's understanding of the business will be distributed in writing or made electronically available to the Board prior to each Board meeting. Any presentation on specific subjects should be provided to Board members in

advance so that time may be conserved at the Board meeting and discussion may be focused on questions that the Board may have about the material covered in the presentation. The Lead Independent Director may request the inclusion of certain material in Board packages.

## **2. Sessions of Non-Executive Directors**

The non-executive directors of the Board will meet in the absence of the executive directors at regularly scheduled executive sessions with adequate time, and at such other times as they deem appropriate.

## **3. Board and Independent Director Access to Top Management**

The Lead Independent Director and all other Board members are free to contact, and will have complete access to, members of senior management, although they are encouraged to coordinate their contacts with the Chief Executive Officer. Non-Board members may attend Board meetings with the agreement of the Chairman and the Chief Executive Officer.

The senior executives of the Company are encouraged to initiate direct contact with the Lead Independent Director if they believe that there is a matter that should be brought to the attention of the Board.

## **4. Independent Advice**

The Board or any committee of the Board will have the authority to retain legal counsel or other consultants to advise it. The Board or any committee may request any officer or employee of the Company or the Company's outside counsel to attend any of its meetings or to meet with any of its members or consultants. Generally, such independent advice should be sought with the knowledge of the Chief Executive Officer. The Lead Independent Director may recommend to the Chairman the retention of consultants who report directly to the Board.

## **5. Board Interaction with Institutional Investors, Research Analysts and Media**

As a general rule, the Chief Executive Officer or his designee will speak on behalf of the Company. Director meeting with shareholders will be coordinated by the Chairman to ensure a consistent message based on full factual information and that the feedback from the meeting is shared with the full Board. The Board should continue to engage in shareholder communications and should monitor its effectiveness.

## **Schedule 1 – Matters Reserved to the Board**

The following matters are reserved for decision by the Board:

### **1. Strategy and management**

- 1.1 Responsibility for the overall management of the Company.
- 1.2 Approval of the Company's long-term objectives and commercial strategy.
- 1.3 Approval of the annual operating and capital expenditure budgets and any material changes to them.
- 1.4 Oversight of the Company's operations ensuring:
  - 1.4.1 competent and prudent management;
  - 1.4.2 safe and secure operations;
  - 1.4.3 sound planning;
  - 1.4.4 an adequate system of internal control in respect of risk and conflicts of interest;
  - 1.4.5 maintenance of adequate accounting and other records;
  - 1.4.6 use of proper accounting policies and procedures;
  - 1.4.7 that complaints from investors and other stakeholders are addressed promptly and effectively; and
  - 1.4.8 compliance with statutory and regulatory obligations.
- 1.5 Review of performance in the light of the Company's strategy, objectives, business plans and budgets and ensuring that any necessary corrective action is taken.
- 1.6 Approval of any delegation of the Board's powers to third parties and ensuring that there is adequate oversight of such delegations.
- 1.7 Approval of any amendments to the Company's memorandum and articles of association prior to putting the amendments before shareholders for consideration.
- 1.8 Extension of the Company's activities into new business or geographic areas.
- 1.9 Any decision to cease to operate all or any material part of the Company's business.
- 1.10 Any other matter that in the opinion of the Board requires its approval.

### **2. Structure and capital**

- 2.1 Changes to capital structure, including the issue of shares (other than pursuant to approved share incentive arrangements) and entering into debt and financing arrangements.
- 2.2 Major changes to the Company's corporate structure.
- 2.3 Changes to the Company's management and control structure.
- 2.4 Any changes to the Company's listing or its status as a plc.

### **3. Financial reporting and controls**

- 3.1 Approval of the half-yearly report, interim management statements and any preliminary announcement of the final results.
- 3.2 Approval of the annual report and accounts, (including the corporate governance statement and committee reports).
- 3.3 Approval of the dividend policy.
- 3.4 Declaration of the interim dividend and recommendation of the final dividend.
- 3.5 Approval of any significant changes in accounting policies or practices.

- 3.6 Approval of treasury policies (including foreign currency exposure and the use of financial derivatives).
- 3.7 Approval of a change in the financial year-end of the Company;

#### **4. Internal controls**

- 4.1 Ensuring maintenance of a sound system of internal control and risk management including:
  - 4.1.1 receiving reports on, and reviewing the effectiveness of, the Company's risk and control processes to support its strategy and objectives, including the Company's risk register;
  - 4.1.2 undertaking an annual assessment of these processes; and
  - 4.1.3 approving an appropriate statement for inclusion in the annual report.
- 4.2 Determining the nature and extent of the significant risks the Company is willing to take in achieving its strategic objectives.
- 4.3 Approval of the Company's procedures for the detection of fraud and the prevention of bribery following a recommendation from the audit committee.

#### **5. Financial Limits**

- 5.1 Major capital projects.
- 5.2 Contracts which are material strategically or by reason of size, entered into by the Company or any subsidiary, including:
  - 5.2.1 Capital investments in investee companies (debt & equity investments) €250,000;
  - 5.2.2 Day-to-day expenditure greater than €200,000;
  - 5.2.3 All long-term contracts with an annual outflow greater than €50,000 per annum;
  - 5.2.4 All new hires that directly report to the CEO must be approved by the Board of Directors (or committee thereof); and
  - 5.2.5 foreign currency transactions not covered in the Company's Treasury Policy;
  - 5.2.6 prosecution, defence or settlement of litigation (involving a potential liability, including costs, of more than €500,000 or being otherwise material to the interests of the Company).

#### **6. Communication**

- 6.1 Approval of resolutions and corresponding documentation to be put forward to shareholders at a general meeting.
- 6.2 Approval of all circulars, prospectuses and listing particulars.
- 6.3 Approval of press releases concerning matters decided by the Board.

#### **7. Board membership and other appointments**

- 7.1 Changes to the structure, size and composition of the Board, following recommendations from the nomination committee.
- 7.2 Ensuring adequate succession planning for the Board and senior management.
- 7.3 Appointments to the Board, following recommendations by the nomination committee.

- 7.4 Selection of the chairman of the Board and the chief executive officer.
- 7.5 Appointment of the lead independent director.
- 7.6 Approval of the establishment of committees of the Board.
- 7.7 Membership and chairmanship of Board committees.
- 7.8 Continuation in office of Directors at the end of their term of office, when they are due to be re-elected by shareholders at the AGM and otherwise as appropriate.
- 7.9 Continuation in office of any Director at any time, including the suspension or termination of service of an executive Director as an employee of the Company, subject to the law and their service contract.
- 7.10 Appointment or removal of the Company secretary.
- 7.11 Appointment, reappointment or removal of the external auditor to be put to shareholders for approval, following the recommendation of the audit committee.

## **8. Remuneration**

- 8.1 Determining the remuneration policy for the Directors, Company secretary and other senior executives.
- 8.2 Determining the remuneration of the non-executive Directors following a recommendation of the Nominations Committee, subject to the articles of association and shareholder approval as appropriate.
- 8.3 The introduction of new share incentive plans or major changes to existing plans.

## **9. Delegation of authority**

- 9.1 The division of responsibilities between the chairman, the chief executive and other executive Directors, which should be in writing.
- 9.2 Approval of terms of reference of Board committees.
- 9.3 Receiving reports from Board committees on their activities.
- 9.4 Approval of the appointment or removal or any significant change in the terms of the appointment of key services providers including but not limited to the Company's registrar, legal advisers, ESM adviser and any other significant service providers.
- 9.5 Approval of any amendments to the agreements or contractual arrangements with any key service providers.

## **10. Corporate governance matters**

- 10.1 Undertaking a formal and rigorous review annually of its own performance, that of its committees and individual Directors.
- 10.2 Determining the independence of Directors.
- 10.3 Considering and authorising any conflicts or potential conflicts of Directors and imposing any limitations, qualifications or restrictions following recommendations by the Conflicts & Governance Committee.
- 10.4 Review of the Company's overall corporate governance arrangements.
- 10.5 Receiving reports on the views of the Company's shareholders.
- 10.6 Review of the Company's overall safety and security arrangements.

## **11. Policies**

### **12. Approval of policies including:**

- 12.1 Code of Conduct
- 12.2 Share Dealing Code

- 12.3 Conflicts of Interest Policy
- 12.4 Bribery Policy
- 12.5 Treasury Policy

**13. Other**

- 13.1 The making of political donations.
- 13.2 Approval of the overall levels of insurance for the Company including Directors' and officers' liability insurance and indemnification of Directors.
- 13.3 This schedule of matters reserved for Board decisions.

Matters which the Board considers suitable for delegation are contained in the terms of reference of its committees.

In addition, the Board will receive reports and recommendations from time to time on any matter which it considers significant to the Company.