

## THE VIMC BOARD CHARTER

This Board Charter (the “Charter”) has been adopted by Vulcan Industrial & Mining Corporation’s Board of Directors, to assist the Board and its committees in the exercise of their responsibilities. These principles and policies are in compliance with the requirements under the Revised Manual on Corporate Governance for PLCs. The Board of Directors will review this Charter regularly and, if appropriate, revise this Charter from time to time.

### I. Operation of the Board

#### 1. Director Responsibilities

The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company, and its Stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company’s senior executives and its outside advisors and auditors.

In furtherance of its responsibilities, the Board of Directors will:

- Review, evaluate and approve, on a regular basis, long-range plans for the Company.
- Review, evaluate and approve the Company’s budget and forecasts.
- Review, evaluate and approve major resource allocations and capital investments.
- Review the financial and operating results of the Company.
- Review, evaluate and approve the overall corporate organizational structure, the assignment of senior management responsibilities and plans for senior management development and succession.
- Review, evaluate and approve compensation strategy as it relates to senior management of the Company.
- Adopt, implement and monitor compliance with the Company’s Code of Business Conduct and Ethics.
- Review periodically the Company’s corporate objectives and policies relating to social responsibility.
- Review and assess the effectiveness of the Company’s policies and practices with respect to risk assessment and risk management.

#### 2. Board and Committee Meetings; Attendance at Annual Stockholders’ Meetings

Regular Board meetings will be held every month and special meetings may be called as necessary. A schedule of the regular meetings will be provided to the Directors well in advance. Directors are expected to attend Board meetings and meetings of the committees on which they serve. Directors should spend the time necessary and meet as frequently as necessary to properly discharge their responsibilities.

Management Committee meetings will regularly be held 2-3 times a month. These sessions are designed to provide the Directors and the management the opportunity to discuss matters that do not require formal Board action.

The Non-Executive Directors will meet in executive session following or in conjunction with a regular Board meeting, without the Chairman and CEO being present. At least one executive session per year will include only independent

Directors. The Independent Director will preside at such meetings and his role as Lead (Independent) Director will be disclosed in the Company's annual information statement. In the event the Independent Director is unable to participate in an executive session, the non-executive Directors present at such executive session shall choose a non-executive Director to preside at such executive session. The Independent Director's additional responsibilities include: (1) being the Chairman of all the prescribed committees – Audit, Corporate Governance and Remuneration Committees; (2) serving as a liaison between the chairman and the independent directors, (3) being available to consult with the Chairman and CEO about the concerns of the Board; and (4) being available to consult with any of the senior executives of the Company as to any concerns that executive might have.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

Directors are encouraged to attend all annual stockholders' meetings.

### *3. Agenda Items for Board and Committee Meetings*

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. An agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the Directors approximately one week prior to each Board meeting. Directors should review these materials in advance of the meeting. Subject to any applicable notice requirements, Directors having items to suggest for inclusion on the agenda for future Board meetings should advise the Chairman well in advance of such meetings.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. At the beginning of each year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). An agenda and, to the extent feasible, supporting documents and proposed resolutions will be provided to the committee members approximately one week prior to each committee meeting. Committee members should review these materials in advance of the meeting.

### *4. Director Compensation*

Non-employee Directors do not receive compensation for their services as such. Directors only receive reasonable per diem for every meeting they participate in. Directors who are employees of the Company or any of its subsidiaries shall receive no additional compensation for serving as Directors other than the reasonable per diem.

The form and amount of Director compensation that may be given in the future will be determined by the Compensation and Remuneration Committee in accordance with the policies and principles set forth in its charter, and subject to approval by the stockholders representing at least a majority of the outstanding capital stock. Once implemented, the Compensation and Remuneration Committee will conduct an annual review of Director compensation. The Compensation Committee will consider that Directors' independence may be jeopardized if Director compensation and perquisites exceed customary levels or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a Director or an organization with which the Director is affiliated.

#### *5. Director Orientation and Education*

Management will provide new Directors with an initial orientation in order to familiarize them with their responsibilities as Directors, and with the Company and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its senior management, and its internal and independent auditors.

In order to facilitate the Directors' fulfillment of their responsibilities regarding continuing education and to enhance each Director's knowledge of the Company, the Company's business operations and the latest developments in corporate governance, it is appropriate for management to provide Directors with the following:

- Educational programs supplemental to the initial orientation to explain the Company's business operations, including its technology, products and market position.
- Access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.
- Material that contains information pertaining to (i) the Company's industry and (ii) comparisons of the Company with its major competitors.
- Visits to the platforms to show and explain how crude oil is produced or gas is extracted.
- A legal review for the Board, at least annually, of (i) the status of major litigation, if any (ii) compliance with significant regulatory requirements affecting the Company and (iii) corporate governance matters.

#### *6. CEO Evaluation and Management Succession*

The Compensation Committee will conduct an annual review of the Chief Executive Officer's performance, as set forth in its charter. The Board of Directors will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.

The Board will evaluate potential successors and approve management succession strategies and plans for the Chief Executive Officer and other executive officers of the Company. The Chief Executive Officer should at all times make available his or

her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

#### *7. Director Access to Officers and Employees*

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the CEO on any written communications between a Director and an officer or employee of the Company.

#### *8. Independent Advisors*

The Board and each committee have the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board or the committee, without consulting or obtaining the approval of any officer of the Company. The Company will provide for appropriate funding, as determined by the Board or committee, for payment of compensation to any such counsel, experts or advisors retained by the Board or a committee.

### **II. Board Structure**

#### *1. Size of the Board*

The Company's By Laws prescribe that the number of Directors of the Company which shall constitute the whole Board shall be eleven (11) this is in accordance with the provisions of the Corporation Code which prescribes not be less than five nor more than 15.

#### *2. Selection of Directors*

Nominees for directorship will come from the names of candidates solicited by the Nominations Committee from sources deemed reasonable by the Committee, including candidates suggested by shareholders. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Corporate Governance and Nominations Committee and the Chairman of the Board.

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual stockholders meetings, in each case based upon the recommendation of the Corporate Governance and Nominations Committee.

#### *3. Director Qualifications*

The Corporate Governance and Nominations Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include evaluation of the members' independence, as well as consideration of diversity (including gender, age, ethnic background, geographic

origin and professional experience), talent, skills, and other experience in the context of the needs of the Board.

A description of the desirable characteristics that the Corporate Governance and Nominations Committee and the Board should evaluate when considering candidates for nomination as Directors are set forth on **Attachment A** to this Charter. The Nominations Committee will review such characteristics at least annually and recommend any appropriate changes to the Board for consideration.

#### *4. Director Retirement*

There is no retirement age policy for Directors, for as long as a Director is capable of performing the functions of his office and is able to promote the interest of the Company, he may be re-elected for another term. Property rights arising from stock ownership, including the right to be elected in the Board of Directors, is not restricted by age or tenure under existing laws. Imposing retirement of Director due to age limit holds the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations and, therefore, provide an increasing contribution to the Board as a whole.

#### *5. Resignation from the Board*

Any Director may resign at any time by giving notice in writing or by electronic transmission to the Chairman of the Board, the President or the Secretary of the Company. Such resignation shall take effect upon receipt thereof or at any later time specified therein; and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

It is the sense of the Board that Directors who change the responsibility they held when they were elected to the Board or who subsequently have another change in responsibility should notify the Chairman of the Board of each such change in responsibility. It is not the sense of the Board that in every instance the Directors who retire or have a change in responsibility from the position they held when they came on the Board should necessarily leave the Board. There should, however, be an opportunity for the Board through the Nominations Committee to review the continued appropriateness of Board membership under the circumstances. If the Committee determines that continued Board membership under the circumstances is no longer appropriate, the Director shall resign.

#### *6. Term Limits*

There is no term limit for Directors, except for the Independent Directors, who shall serve for a maximum cumulative term of nine (9) years, after which, the independent director shall be perpetually barred from re-election as such in the company, but may continue to qualify for nomination and election as regular director, as prescribed under the Revised Code of Corporate Governance for PLCs. Imposing term limits on regular Directors holds the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the Company and its operations, especially for highly technical ones, and therefore, provide an increasing contribution to the Board as a whole.

### **III. Committees of the Board**

A substantial portion of the analysis and work of the Board is done by standing Board committees. The Board has established the following standing committees: Audit Committee; CG and Nominations Committee; Remuneration and Compensation Committee and the Management Committee. The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

Committee members will be appointed by the Board upon recommendation of the Corporate Governance and Nominations Committee with consideration of the desires of individual Directors. It is the sense of the Board that consideration should be given to rotating committee members periodically, but the Board does not feel that rotation should be mandated as a policy.

Each committee will have its own charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

The Board will have at all times an Audit Committee, a Compensation Committee and a Corporate Governance and Nominations Committee. All these committees shall be headed by an independent Director. In addition, the members of the Audit Committee will also meet the experience requirements of the Securities and Exchange Commission.

### **IV. Other Board Practices**

#### *1. Review of Roles and Responsibilities of Directors*

The Chairman of the Board will review with each Director on a periodic basis the performance of each Director's duties as well as the role and responsibilities of each Director.

#### *2. Board Interaction with Institutional Investors, Analysts, Media, Customers and Members of the Public*

Except where directed by the Chief Executive Officer or the Chief Financial Officer of the Company, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by specifically designated representatives of the Company. If a Director receives any inquiry relating to the Company from the media, securities analysts, brokers or investors, including informal social contacts, he or she should decline to comment and ask them to coordinate with the Company's Chief Financial Officer or the Office of the Corporate Secretary.

#### *3. Performance Evaluation of the Board*

The Board of Directors will conduct an annual self-evaluation to determine whether it and its Committees are functioning effectively. The Corporate Governance and Nominations Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The

assessment will be discussed with the full Board each year. The assessment will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

Each standing Committee shall review and reassess the adequacy of its charter annually and recommend any proposed changes to the Board of Directors for approval. Further, each standing Committee shall annually review its own performance and report the results to the Board. The Corporate Governance Committee shall oversee and report annually to the Board its assessment of each Committee's performance evaluation process.

#### *5. Charitable Contributions*

The Board is committed to maintaining the independence of its Directors. In furtherance of this goal, the Board has adopted a policy for Directors requesting or recommending that the Company make charitable contributions to any organization. The Corporate Governance Committee will be responsible for the enforcement and periodic review of and updating the policy. In connection with its enforcement of the policy and interpretation and analysis of Directors' independence, the Committee will consider that substantial charitable contributions made by the Company to organizations with which a Director is affiliated, and charitable contributions made by the Company to certain organizations at the request or recommendation of a Director, could affect the Director's independence.

#### *6. Prior Notice of Outside Directorships*

Directors should carefully consider the number of other boards on which they can serve consistent with the time and energy necessary to satisfy the requirements of Board and Committee memberships. Directors should also carefully consider any actual or apparent conflicts of interest and impairments to independence that service on other boards may create. In furtherance of these considerations, outside directors must notify the Chairman of the Board or the Corporate Secretary in a timely fashion before accepting an invitation to serve on the board of another public company. This prior notice is to allow discussion with the Chairman of the Board to review whether such other service will interfere with the outside Director's service on the Company's Board, impact the Director's status as a Director, or create an actual or apparent conflict of interest for the Director.

### **ATTACHMENT A to Board of Directors' Charter and Corporate Governance Guidelines Desirable Characteristics of Directors**

#### **1. Personal Characteristics**

- **Integrity and Accountability:**  
High ethical standards, integrity and strength of character in his or her personal and professional dealings and a willingness to act on and be accountable for his or her decisions.
- **Informed Judgment:**  
Demonstrate intelligence, wisdom and thoughtfulness in decision-making. Demonstrate a willingness to thoroughly discuss issues, ask questions, express reservations and voice dissent.

- **Financial Literacy:**  
An ability to read and understand balance sheets, income and cash flow statements. Understand financial ratios and other indices for evaluating Company performance.
- **Mature Confidence:**  
Assertive, responsible and supportive in dealing with others. Respect for others, openness to others' opinions and the willingness to listen.
- **High Standards:**  
History of achievements that reflect high standards for himself or herself and others.

## 2. Core Competencies

- **Accounting and Finance:**  
Experience in financial accounting and corporate finance, especially with respect to trends in debt and equity markets. Familiarity with internal financial controls.
- **Business Judgment:**  
Record of making good business decisions and evidence that duties as a Director will be discharged in good faith and in a manner that is in the best interests of the Company.
- **Management:**  
Experience in corporate management. Understand management trends in general and in the areas in which the Company conducts its business.
- **Crisis Response:**  
Ability and time to perform during periods of both short-term and prolonged crisis.
- **Industry/Technology:**  
Unique experience and skills in the Oil and Gas industry, and other energy resources, including science and technology relevant to the Company.
- **International Markets:**  
Experience in global markets, international issues and foreign business practices.
- **Leadership:**  
Understand and possess skills and have a history of motivating high-performing, talented managers.
- **Strategy and Vision:**  
Skills and capacity to provide strategic insight and direction by encouraging innovations, conceptualizing key trends, evaluating strategic decisions, and challenging the Company to sharpen its vision.

## 3. Commitment to the Company

- **Time and Effort:**  
Willing to commit the time and energy necessary to satisfy the requirements of Board and Board Committee membership. Expected to attend and participate in all Board meetings and Board Committee meetings in which they are a member. Encouraged to attend all annual stockholders' meetings. A willingness to rigorously prepare prior to

each meeting and actively participate in the meeting. Willingness to make himself or herself available to management upon request to provide advice and counsel.

- **Awareness and Ongoing Education:**  
Possess, or be willing to develop, a broad knowledge of both critical issues affecting the Company (including industry-, technology- and market-specific information), and director's roles and responsibilities (including the general legal principles that guide board members).
- **Other Commitments:**  
In light of other existing commitments, ability to perform adequately as a Director, including preparation for and attendance at Board meetings and annual meetings of the shareowners, and a willingness to do so.
- **Stock Ownership:**  
Complies with the minimum and maximum stock ownership requirements under the SRC and the Corporation Code of the Philippines.

#### **4. Team and Company Considerations**

- **Balancing the Board:**  
Contributes talent, skills and experience that the Board needs as a team to supplement existing resources and provide talent for future needs.
- **Diversity:**  
Contributes to the Board in a way that can enhance perspective and judgment through diversity in gender, age, ethnic background, geographic origin, and professional experience (public, private, and non-profit sectors).

Nomination of a candidate should not be based solely on these factors.