



## CHARTER OF THE STRATEGY AND INVESTMENTS COMMITTEE

This Charter was approved and adopted on April 3, 2019 by the Board of Directors of Concepcion Industrial Corporation pursuant to its By-Laws and Corporate Governance Manual.

### 1. Definition of Terms

The following terms are used in this Charter with the respective meanings ascribed to such terms below, unless the context otherwise requires:

**“Board”** shall mean the Board of Directors of the Company, as constituted from time to time.

**“Chairman”** means the Chairman of the Board, as elected by the Board from time to time.

**“Committee”** shall mean the Strategy and Investments Committee of the Company, as constituted from time to time.

**“Committee Chairman”** shall mean the chairman of the Committee, as appointed from time to time.

**“Company”** shall mean Concepcion Industrial Corporation.

**“Director”** shall mean a duly elected member of the Board.

**“HVAC”** means heating, ventilating and air conditioning.

**“Management”** shall mean the body responsible for the day-to-day conduct of the business of the Company and the implementation of its business strategies, plans and policies.

**“Member”** shall mean a member of the Committee, as appointed by the Board from time to time.

**“President”** shall mean the President & Chief Executive Officer of the Company, as appointed by the Board from time to time.

**“Secretariat”** shall have the meaning ascribed to it in Section 3.7.

### 2. Purpose, Duties and Powers

- 2.1 The Committee will assist the Board in the effective discharge of its responsibilities concerning the Company's investment policies and strategies, with emphasis on the following areas:
    - (a) To review, assess and recommend to the Board the execution of major investments in new business opportunities within and outside of the Company's core business and the mechanism and form for undertaking such ventures through means such as mergers, acquisitions, joint ventures or wholly-owned subsidiaries; and
    - (b) To provide guidance to Management in the identification, consideration, review analysis and selection, negotiation and execution of any such transactions and the form thereof.
  - 2.2 The Committee shall have such other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as the Board may determine and communicated to the Committee.
  - 2.3 The Committee shall have the resources and authorities appropriate to discharge its responsibilities, including the authority to engage consultants or experts as it deems appropriate or necessary to carry out its duties and responsibilities.
3. Composition
- 3.1 The Committee shall be composed of not less than five (5) Members, at least three of whom shall be Directors, appointed annually by the Board at the Organizational Meeting of the Board following the Annual Stockholders Meeting of the Company.
  - 3.2 The Committee Chairman shall be appointed by the Board.
  - 3.3 The Committee Chairman or any Member thereof may be removed from the Committee only by the Board.
  - 3.4 For the conduct of meetings of the Committee, the Members present shall choose from among themselves a chairman for the said meeting in the absence of the Committee Chairman.
  - 3.5 The Board shall ensure that, to the best of its ability, the Members shall collectively possess the knowledge and skills deemed essential for performance of their responsibilities including, but not limited to accounting, finance and technical skills. When necessary, the Board will also provide the requisite authority and financial resources to the Committee to obtain those specialized skills that the Committee may, in its judgment be required

to effectively carry out its duties, and the terms and conditions of which are to be approved by the Board in advance.

- 3.6 To effectively perform his or her role, each Member will be required to have an understanding of the responsibilities and requirements of and for committee membership as well as of the Company's business and operations.
- 3.7 The Corporate Secretary of the Company, or in his or her absence, an appointee of the President shall act as coordinator of the Committee's meetings and such coordinator shall be responsible for providing secretarial and support services, including the recording and production of the minutes of meetings (the "**Secretariat**").
- 3.8 The Chairman shall have a right to attend and be heard at the meetings of the Committee.

#### 4. Responsibilities

- 4.1 The Committee shall carry out the following responsibilities:
  - (a) Review, consider and recommend to the Board strategic decisions regarding new business ventures, new investments, acquisitions and disposals of businesses and assets.
  - (b) To review, analyze and recommend major corporate restructuring including new subsidiaries, undertakings or discontinuation or disposals thereof.
  - (c) To review the financial and other critical aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs or services, and making recommendations to the Board.
  - (d) Identify and consider new and emerging trends in CIC and other businesses and to provide the best information that it is able to ascertain, and that will, to the greatest extent possible, enable the Board to make well informed decisions on the strategic directions for the Company.
  - (e) To review the Company's capital structure, as and when required.
  - (f) Recommending to the Board policies governing major investments, capital projects, financing of ventures, etc.

- (g) Reviewing reports from independent investment advisers and managers where applicable to its mandate.
- (h) Supervise and direct any special activities within its mandate that the Board considers necessary.
- (i) Review and, if necessary, update the charter annually and submit to the Board for approval.
- (j) Report the Committee's activities to the Board at least once a year and make such recommendations with respect thereto and other matters which the Committee deems necessary or appropriate.
- (k) Such other matters that may be properly referred to the Committee by the Board.

## 5. Authorities

### 5.1 The Committee is authorized by the Board to:

- (a) Investigate any activities within the scope of the Committee's duties.
- (b) Obtain any information it requires from Management and to invite any member of Management to attend Committee meetings or related deliberations.
- (c) In consultation with the President, obtain legal or other independent professional advice.
- (d) Where necessary undertake discussions with third parties either as providers of information to assist in the analysis and decision related to any undertaking or venture; as sources of expertise in any area that may be deemed necessary; as parties interested in the proposed venture or in any other capacity that will assist the Committee in making the best possible recommendation to the Board taking all relevant factors into consideration.

### 5.2 For the avoidance of doubt the Committee shall have no executive or supervisory powers with regard to its findings or recommendations save and except where the Board has delegated decision making authority to the Committee on a particular issue.

## 6. Committee Procedures

## 6.1 Committee Meetings

- (a) The Committee shall hold meetings at such times and places as it considers appropriate provided that at least one (1) meeting shall be held each year.
- (b) Meetings of the Committee shall be convened by the Committee Chairman as and when he considers appropriate or upon the request of a majority of the Members.
- (c) A Committee meeting shall be convened upon notice in writing three (3) days prior to the meeting and specifying the place, date and time for the meeting and the matters to be discussed at the meeting.
- (d) Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members present in the meeting at which there is a quorum. A Member may consent to short notice and may waive notice of any meeting of the Committee and any such waiver may be retrospective.
- (e) Each Member shall give to the Secretariat an address and a facsimile number for the service of notices of meetings of the Committee.
- (f) Notice of a meeting of the Committee shall be deemed to be duly served upon a Member if it is given to him personally, or sent to him by mail or facsimile transmission to his address or facsimile number, as appropriate, given by him to the Secretariat in accordance with Sec. 6.1(e) above.
- (g) The quorum for a meeting of the Committee shall be at least a majority of the Members present throughout the meeting.
- (h) Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the Members present at such meeting.
  - (i) Each Member, including the Chairman of the Committee, shall have one (1) vote.
  - (ii) In case of an equality of votes, the Committee Chairman shall have a second or casting vote.
  - (iii) A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held

and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may consist of several documents, each signed by one or more Members.

- (i) If, within thirty (30) minutes from the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same day in the next week at the same time and place, or to such other day, time and place as the Chairman of the meeting may determine.
- (j) Members may participate in a meeting of the Committee through teleconference or video conference by means of which all persons participating in the meeting can hear each other.

## 6.2 Minutes and Records

- (a) The Secretariat shall prepare the agenda of each Committee meeting in coordination with the Committee Chairman, collate documents pertaining to the matters in the agenda, prepare minutes of the meetings of the Committee and/or recall sheets of decisions made during meetings of the Committee, and keep records of the Committee.
- (b) The Committee shall cause records to be kept for the following:
  - (i) appointments and resignations of the Members;
  - (ii) all agenda and other documents sent to the Members; and
  - (iii) minutes of proceedings and meetings.
- (c) Any such records shall be open for inspection by any Member upon reasonable prior notice during usual office hours of the Company.
- (d) Minutes of any meeting of the Committee, if purported to be signed by the Committee Chairman, or by the chairman of the meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.
- (e) Directors who are not members of the Committee shall receive copies of the draft Minutes of the Committee with their Board papers and approved copies upon request.

### 6.3 Notice

- (a) Except for notice of meetings of the Committee which shall be given or issued in accordance with Section 6.1(f), any other notice or document to be given or issued to the Members may be served by the Committee upon any Member either (i) personally, or (ii) by sending it by mail, postage prepaid, addressed to such Member/Advisor at his address, or (iii) by facsimile transmission.
- (b) Any notice sent by mail shall be deemed to have been served on the day following that on which the notice is mailed. In proving such service, it shall be sufficient to prove that the notice was properly addressed and mailed, postage prepaid. Any notice sent by facsimile transmission shall be deemed to have been sent upon dispatch, as evidenced by the facsimile transmission confirmation report.

### 6.4 Remuneration of Members

No fees or other remuneration shall be payable to the Members in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee, save and except fees or remuneration authorized and approved by the Board for such purposes.

### 7. Amendment

This Charter shall not be amended, altered or varied, unless such amendment, alteration or variation shall have been approved by a resolution of the Board.