



**EXECUTIVE COMMITTEE**

**TERMS OF REFERENCE**

**Approved and adopted on 28 February 2017**

**1. Overall Purpose / Objectives**

The Executive Committee (the “ExCom”) is appointed by the Board of Directors (the “Board”) of Pacific Basin Shipping Limited (the “Company”) to assist the Board to streamline the decision making process and to ensure that management have the appropriate level of decision making authority and flexibility. Whilst the Board retains ultimate oversight responsibility, ExCom is delegated authority to approve, commit to and to execute contracts that fall within the parameters set by the Board.

**2. Authority**

The Board authorise the ExCom, within the scope of its responsibilities, to:

- 2.1 Cause the company to enter into agreements within the scope of these terms of reference.
- 2.2 Engage independent consultants and other advisers as it deems necessary to carry out its duties.
- 2.3 Ensure the attendance of company officers at meetings as appropriate.
- 2.4 Have unrestricted access to members of management, employees and relevant information.
- 2.5 Approve the issue of announcements or circulars in the circumstances outlined in 4.4.

**3. Organisation**

**Membership and Meetings:**

- 3.1 The ExCom shall be appointed by the Board and shall consist of at least two members, all executive directors, the Chief Financial Officer (“CFO”) if that person is not a director and such other full time senior executives of the Group as the Board thinks fit. The Chairman of the ExCom shall be appointed by the Board.
- 3.2 The quorum of any ExCom meeting shall be any two members comprising the executive directors or the CFO if that person is not a director. Any decision of the ExCom requires majority consent in a meeting or unanimous consent by way of written resolution(s) or confirmation by email or by fax. The ExCom shall meet as required to discharge its responsibilities.
- 3.3 The ExCom may invite any other individuals to attend meetings of the ExCom as it considers necessary.
- 3.4 The aggregate number of other full time senior executives (other than the CFO if that person is not a director) should not exceed two persons.



## Pacific Basin

- 3.5 Members will not be entitled to any additional remuneration from being a member of the ExCom.

### **Reporting Procedures:**

- 3.6 The ExCom shall report to the Board concerning its activities, either orally at meetings or in writing regularly within a reasonable time.
- 3.7 The meetings and proceedings of the ExCom will be governed by the provisions of the Company's Bye-laws for regulating the meetings and proceedings of directors.

### **4. Roles and Responsibilities:**

- 4.1 The ExCom will seek full Board for approval where:
- Proposed contracts are outside the normal course of business of the Group;
  - Proposed vessel purchases or sales that are outside the parameters approved at a Board meeting;
  - Contracts, including vessel purchases or sales, that would trigger, under the Listing Rules of the Hong Kong Stock Exchange, a requirement to notify shareholders or to obtain shareholders' approval;
  - Proposed new or incremental investments in any equity of listed or unlisted companies.
- 4.2 The ExCom is able to come back to the Board between meetings if it feels that the approved parameters need to be adjusted.
- 4.3 The ExCom will, inter alia, approve the following categories of transactions:
- 4.3.1 Vessel Related
- Vessel Purchases
  - Vessel Sales
  - Sale and Charter Back of Vessels
  - Long Term Charters (exceeding 5 years)
  - Cargo Cover (exceeding 5 years)
  - Bunker Physical Contracts (exceeding 5 years)
  - Bunker Swap Contracts (exceeding 5 years)
- 4.3.2 Other fixed assets
- Non-vessel marine fixed assets exceeding US\$5 million
- 4.3.3 Loans and guarantees
- In the event of entering into loan agreements involving a Listco guarantee or Listco covenants, both the loan and the Listco guarantee or Listco covenants need to be approved by ExCom and/or the PB Board as appropriate.
  - All guarantees on behalf of non-wholly owned subsidiaries. Such guarantees shall be limited to the proportion of shareholding of Pacific Basin in the joint venture. Where the amounts guaranteed exceeds the proportion of shareholding of Pacific Basin in the joint venture or are issued on a joint and several basis then this shall only be undertaken with the ExCom's approval. Pacific Basin shall also where possible be compensated by the joint venture partner at prevailing market rates for providing such a guarantee. Exceptions to the above shall require Board approval.



## Pacific Basin

### 4.3.4 Corporate matters

- Approval of the announcement of the Company's quarterly trading activities update.
- Exercise of the Company's general mandate as approved by the members at the annual general meetings to issue new shares or buy back shares in accordance with the parameters set by the Board.
- Opening and closure of the Company's bank account(s) and changes in authorised signatory(ies) and authorise waiver of any inter-company balance(s).
- Forfeiture of unclaimed dividends pursuant to the Bye-laws of the Company.

4.4 The ExCom delegates to any two of the executive Directors and the CFO (if that person is not a director) the authority under 2.5 to approve any announcements or circulars which arise from any transactions previously approved by the full board or the ExCom and which are of routine or administrative nature and includes but not limited to the announcement of (i) the voting results of any general meetings, (ii) conversion price adjustment of any convertible bonds issued by the Company or by a company within the same group in accordance to the terms and conditions of the Bonds; and (iii) any change in Board or Board Committee Composition.

4.5 The ExCom is responsible for ensuring adherence to any policies set and delegated by the Board from time to time, including but not limited to the policy on communications with media and analysts, and the ExCom will have the responsibilities for

- monitoring the procedures against the agreed policies and relevant listing rules;
- taking action as needed; and
- making changes to the agreed policies subject to approval by the Board.