



MACONDRAY PHILIPPINES CO., INC.

CORPORATE GOVERNANCE MANUAL /

Board Committee Charters

The Board of Directors of Macondray Philippines Co., Inc. (MPCI) organized the following Board Committees:

- **Audit and Risk Management Committee:** Oversees financial reporting, internal controls, audit processes, and risk management.
- **Nomination and Compensation Committee:** Manages directors' nominations and executive compensation.
- **Governance and Compliance Committee:** Develops and updates governance policies and monitors consistent compliance with fiduciary, ethical, and legal responsibilities.

The Board Committees are governed by their respective charters, outlining their purposes and reporting processes.

Audit and Risk Management Committee Charter

1. Purpose

The Audit and Risk Management Committee is established to assist the Board of Directors in fulfilling its oversight responsibilities concerning the integrity of the Macondray Group's financial statements, compliance with legal and regulatory requirements, risk management, and the performance of internal and external auditors. The Committee plays a critical role in maintaining the transparency and accuracy of the Group's financial reporting. Further, it ensures that the risk management framework is robust, that major risks are identified and mitigated, and that risk-taking activities are aligned with strategic objectives.

2. Authority

The Committee is authorized by the Board of Directors to:

- Oversee financial reporting and disclosures.
- Monitor the effectiveness of internal control and risk management systems.
- Review the performance of the external and internal audit functions.
- Engage independent auditors and approve their remuneration.
- Investigate any matters within the scope of its responsibilities and retain outside legal or other professional advisors, as necessary.

3. Composition

- The Committee shall consist of at least three (3) members of the Board of Directors.
- All members should possess financial literacy, and at least one member must have accounting or related financial management expertise.
- The Chairperson of the Committee shall be appointed by the Board.
- Committee members shall serve for a term of one (1) year, with the possibility of reappointment.

4. Responsibilities

The responsibilities of the Audit and Risk Management Committee are as follows:

4.1. Financial Reporting and Disclosures

Review of Financial Statements

- Review and discuss with management and the external auditor the Group's annual audited financial statements and quarterly financial reports before filing or public release.
- Ensure financial statements comply with accounting standards and legal requirements.
- Recommend to the Board whether the financial statements should be approved or revised as necessary.

Internal Audit

- Approve the appointment, removal, and compensation of the head of internal audit.
- Review the internal audit plan, scope, and performance to confirm effectiveness.
- Ensure that internal audit findings and recommendations are addressed by management in a timely manner.

External Audit

- Select, oversee, and, if necessary, terminate the external auditors.
- Approve the terms of engagement and fees for external auditors.

- Review the scope, approach, and results of the external audit.
- Assess the independence and objectivity of the external auditor, ensuring compliance with audit partner rotation requirements and reviewing any non-audit services provided.

4.2. Internal Controls and Risk Management

Internal Control Systems

- Review the adequacy and effectiveness of the Group's internal control systems, including financial, operational, and compliance controls.
- Oversee the process for monitoring and managing significant risks, including fraud and cybersecurity risks.

Risk Management

- Oversee the development and implementation of the risk management framework to ensure that key risks are appropriately identified, assessed, and mitigated, including financial, operational, strategic, compliance, environmental, and reputational risks.
- Review and assess the adequacy of the risk management policies, procedures, and systems, and their alignment with the Group's overall strategy.
- Monitor the Group's risk profile and risk exposure, and review regular reports from management on how key risk potentials are being managed, prioritized, and mitigated by the executive team.
- Investigate any activity or function within its scope and access any necessary resources, including external advisors.

4.3. Compliance and Ethics

Compliance with Laws and Regulations

- Monitor the Group's compliance with applicable laws, regulations, and internal policies.
- Oversee any investigations related to financial misconduct, fraud, or unethical practices.

Whistleblower Policy

- Oversee procedures for the receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

- Ensure the implementation of policies for confidential, anonymous submissions by employees and stakeholders regarding questionable practices.

4.4. Other Responsibilities

Related-Party Transactions

- Review and approve any transactions involving the Group and related parties to ensure they are fair and comply with regulatory requirements.

Reporting to the Board

- Regularly report to the Board of Directors about Committee activities, issues, and related recommendations.
- Provide an annual performance evaluation of the Committee and review the adequacy of the Committee's charter.

5. Meetings

- The Committee shall meet at least once every quarter per year, or more frequently as circumstances require.
- Minutes of the meetings shall be recorded and reported to the Board of Directors.
- The Committee shall meet periodically with management, internal auditors, and external auditors in separate executive sessions to discuss matters privately.

6. Quorum

A quorum for the transaction of business shall consist of a majority of the members of the Committee.

7. Charter Review

This Charter shall be reviewed annually by the Committee and recommend amendments, if necessary. Recommended amendments shall be submitted to the Board of Directors for approval.

8. Confidentiality

All deliberations of the Committee and its reports to the Board shall remain confidential, except where disclosure is required by law.

Nomination and Compensation Committee Charter

1. Purpose

The Nomination and Compensation Committee is responsible for two key areas:

1. **Nomination** – To ensure that the Board of Directors has the right mix of skills, experience, and diversity by identifying, evaluating, and nominating candidates for board membership and leadership positions.
2. **Compensation** – To oversee the compensation strategy and policies for directors and key executives, ensuring that they are competitive, fair, and aligned with the long-term goals of the Group.

2. Authority

The Committee is authorized by the Board of Directors to:

- Lead the process of identifying, recruiting, and nominating individuals for board membership.
- Develop and recommend a compensation policy for board members and senior executives.
- Approve the remuneration packages of executives and review performance incentives.
- Oversee succession planning for the board and key management roles.

3. Composition

- The Committee shall consist of at least three (3) members of the Board of Directors.
- The Chair of the Committee shall be appointed by the Board Chair.

- Members of the Committee shall serve for a term of one (1) year, with the possibility of reappointment.

4. Responsibilities

The responsibilities of the Nomination and Compensation Committee are as follows:

4.1. Nomination Responsibilities

Board Composition & Candidate Identification

- Develop criteria and qualifications for board membership, ensuring diversity in skills, background, and perspectives.
- Identify and evaluate potential candidates for the Board of Directors.
- Maintain a profile of the competencies needed on the board and address gaps through recruitment.

Board Member Recruitment & Nomination

- Conduct a rigorous recruitment process for new board members.
- Nominate candidates for election or re-election to the board, ensuring they meet the governance needs of the Group.
- Make recommendations for leadership roles within the board, such as Chair, Vice-Chair, and Committee Chairs.

Succession Planning

- Oversee board and executive succession planning, ensuring continuity in leadership.
- Identify and plan for potential future board leadership roles and key management roles.

4.2. Compensation Responsibilities

Compensation Policy & Strategy

- Develop, review, and recommend the compensation philosophy for directors and senior executives, ensuring it is fair, transparent, and aligned with the Group's mission and goals.

- Ensure that the compensation structure encourages long-term success without excessive risk-taking.

Executive Compensation Packages

- Review and approve salary, bonus, and incentive structures for senior executives.
- Ensure that compensation packages are competitive in the marketplace, aligned with business performance, and compliant with regulatory requirements.

Performance Evaluation & Incentives

- Review the performance of senior executives, including the CEO, and determine appropriate compensation adjustments based on individual and Group performance.
- Monitor and approve executive incentive plans, long-term equity awards, and other performance-related compensation.

Board Compensation

- Review and recommend compensation arrangements for board members, including retainers, meeting fees, and other benefits.
- Ensure that board compensation is appropriate for the time, effort, and responsibilities of board members.

Regulatory Compliance

- Ensure that all compensation practices comply with applicable laws, regulations, and governance standards.

5. Meetings

- The Committee shall meet at least once every quarter per year, or more frequently as needed to fulfill its responsibilities.
- Meeting minutes shall be recorded and made available to the Board of Directors.
- The Committee Chair shall report to the full board on the Committee's activities, including recommendations for nominations and compensation decisions.

6. Quorum

A quorum for the transaction of business at a Committee meeting shall consist of a majority of the members of the Committee.

7. Charter Review

This Charter shall be reviewed annually by the Committee and recommend amendments, if necessary. Recommended amendments shall be submitted to the Board of Directors for approval.

8. Confidentiality

All discussions and decisions made by the Committee regarding nominations and compensation are to remain confidential and are only to be shared with the Board of Directors or authorized parties as required.

Governance and Compliance Committee Charter

1. Purpose

The Governance and Compliance Committee is established to provide oversight and guidance on matters related to the governance, leadership, and strategic direction of the Group. The Committee ensures that the Board of Directors and the rest of the Group operate with best practices and fulfill compliance with fiduciary, ethical, and legal responsibilities.

2. Authority

The Committee is authorized by the Board of Directors to:

- Review, assess, and make recommendations regarding the governance structure.
- Oversee board nominations, elections, and appointments, as Initiated by the Nomination Committee.

- Develop and oversee processes for board evaluations and effectiveness.
- Ensure consistent compliance with the each company's bylaws, policies, and legal requirements.

3. Composition

- The Committee shall consist of at least three (3) members of the board of directors, of which two (2) shall be independent.
- The Chair of the Committee shall be appointed by the Board Chair.
- Members shall serve for a term of one (1) year, with the option for reappointment.

4. Responsibilities

The responsibilities of the Governance and Compliance Committee include:

Board Composition & Recruitment

- In collaboration with the Nomination Committee, identify and nominate individuals to serve on the Board, ensuring a diverse and qualified pool of candidates.
- Oversee board succession planning and recommend strategies for maintaining a balanced board composition.

Board Orientation & Development

- Develop and implement orientation programs for new board members.
- Facilitate ongoing education and training opportunities to enhance board performance.

Board Evaluations

- Establish and manage a process for assessing the performance of the Board, individual members, and committees.
- Make recommendations for board improvements based on evaluation results.

Governance Practices

- Review and update governance policies, procedures, and bylaws as necessary.

- Ensure the board adheres to good governance practices and ethical standards.
- Promote Group compliance to fulfill its fiduciary, ethical, and legal responsibilities.

Board Meetings

- Assist in planning the structure and frequency of board meetings.
- Ensure adequate information is provided to board members for informed decision-making.

5. Meetings

- The Committee shall meet at least once every quarter per year, or more frequently as necessary.
- Minutes of each meeting shall be recorded and made available to the Board of Directors.
- The Committee Chair shall report regularly to the Board on the committee's activities and recommendations.

6. Quorum

A quorum for the transaction of business shall consist of a majority of the Governance Committee members.

7. Review of Charter

This Charter shall be reviewed annually by the Committee and recommend amendments, if necessary. Recommended amendments shall be submitted to the Board of Directors for approval.