



ESTABLISHMENT AND STATEMENT OF THE BOARD CHARTER

On 10 August 2023, the Board of Directors approved the establishment of the Company's Board Charter that aims to uphold and improve the principles and policies embodied in the Company's Manual on Corporate Governance ("CG Manual") as well as the best practices of good corporate governance, which serves as the framework of rules, systems and processes that governs the performance of the ICTSI Board of Directors.

The Board Charter establishes the purpose, composition, authority and responsibilities of the Company as mandated in the provisions of the Company's Articles of Incorporation, By-Laws, CG Manual, applicable laws, rules and regulations, and global practice. The Board of Directors shall review and assess the adequacy of the Charter at least once every two (2) years and make necessary amendments, as applicable.

The following are the salient points of the said Charter:

- I. ORGANIZATION** - The Board is currently composed of seven (7) Directors with collective working knowledge, experience or expertise that is relevant or will contribute to the Company's industry/sector and has an appropriate mix of competence and expertise. The Directors are individually elected by stockholders entitled to vote during the annual stockholders' meeting.

Board diversity shall be considered from various aspects including but not limited to gender, age, ethnicity, educational background, professional experience, knowledge, skills, and expertise which can add value and independent judgment in the formulation of sound corporate strategies and policies.

Majority of the Board are Non-Executive Directors, three of which are Independent Directors.⁴ The Board may further increase the seats for Independent Directors equivalent to at least 50% of the total seats in accordance with global best practices.⁵

A Lead Independent Director⁶ may be appointed if the Chairman of the Board is not a Non-Executive Independent Director.

- II. QUALIFICATIONS⁷** - The Company follows the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code, and other relevant laws.

The detailed qualifications are stated in the Company's CG Manual and Board Charter.

- III. DISQUALIFICATIONS⁸** - The Company follows the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code, and other

⁴ ICTSI Manual on Corporate Governance ("CG Manual"), Section 2; ICTSI Articles of Incorporation, Sixth..

⁵ ASEAN Corporate Governance Scorecard ("ACGS"), E.2.4.

⁶ I-ACGR Recommendation 5.5.1.

⁷ CG Manual, Sections 2.4.1 to 2.4.3.

⁸ Revised Corporation Code, Section 26; CG Manual, Sections 2.4.4 and 2.4.5.

relevant laws.

The detailed grounds for disqualification are stated in the Company's CG Manual and Board Charter.

IV. CONFLICT OF INTEREST – Members of the Board shall promote the best long-term interest of the Company and shall not consider their personal interests that might affect their judgment in making sound and prudent decisions. In relation to this, the Company has established in its Charter a separate policy for the following:

- a. Disclosure of Interest¹⁰
- b. Dealing in Company's Shares¹¹
- c. Policy on Multiple Board Seats¹²

V. NOMINATION AND ELECTION POLICY¹³ - Every Stockholder may nominate the Directors to be elected in a regular or special meeting of stockholders. The nomination should be submitted in writing to the Corporate Secretary not earlier than forty (40) days nor later than twenty (20) days prior to the date of the regular or special meeting of stockholders for the election of Directors. Nominations which are not submitted within such nomination period shall not be valid. Only stockholders of record date are entitled to notice of and to vote.

VI. RESPONSIBILITIES¹⁴ - The Board shall perform the duties and responsibilities in accordance with the Corporation Code, Securities Regulation Code, and other relevant laws, and as stated in the Company's CG Manual.

VII. BOARD PROCEDURES²³ - The Board of Directors shall hold meetings regularly every third week of each month in accordance with the Company's By-Laws. Special meetings may be called by the Chairman or President, or in writing by the Corporate Secretary as requested by at least four members of the Board.

The Notice of Regular or Special Meeting shall be served at least two days prior to the scheduled meeting through electronic mail, or any messaging service.

A meeting of the Board of Directors shall be held at such place that the Board may prescribe²⁴. A Director who participates through remote communication shall be deemed present for the purpose of attaining quorum.²⁵

VIII. TERM LIMIT – The Directors shall be elected annually at the regular meeting of the

¹⁰ I-ACGR, Recommendation 5.6

¹¹ I-ACGR, Recommendation 8.2; ACGS B.3 and D.4

¹² I-ACGR, Recommendation 4.2; Optional, Principle 4.1; ACGS, E.2.5

¹³ By-Laws, Article I, Section 10; CG Manual, 6.6; I-ACGR Recommendation 2.6; ACGS A.3

¹⁴ I-ACGR Principle 2; ACGS Recommendation E; Manual on Corporate Governance ("CG Manual"); ICTSI Code of Business Conduct

²³ By-Laws; CG Manual; SEC Memorandum Circular No. 6 series of 2020 ("SEC MC 6-2020"); ICTSI Internal Memorandum on the Procedures and Guidelines on the Attendance and Participation of Directors and Shareholders in Regular and Special Meetings through Teleconferencing, Videoconferencing and other remote or electronic means of communication ("Internal Memo on Virtual Board and Stockholders' Meeting")

²⁴ By-Laws, Article III, Section 3

²⁵ SEC MC 6-2020; Internal Memo on Virtual Board and Stockholders' Meeting

Stockholders.²⁶ The policies on vacancies²⁷ and terms of Independent Directors²⁸ were adopted in accordance with the Corporation Code, Securities Regulation Code, and other relevant laws, and as stated in the Company's CG Manual.

- IX. COMPENSATION OF THE BOARD** – The Board receives its compensation in accordance with the Policy as stated in the Company By-Laws.³⁰ To determine the proper compensation, the Board shall ensure that the (i) level of the remuneration is commensurate to the responsibilities of the role, (ii) no Director participated in the deliberation involving his own remuneration,³¹ and (iii) the remuneration pay-out schedules are sensitive to the overall risk profile of the Company.
- X. RETIREMENT AND SUCCESSION PLANNING POLICY** - The Board shall adopt a professional development program for employees and officers, and an effective succession planning program and retirement for the Board and the management to ensure growth and continued increase in shareholders' value.³³ The Nomination Committee, Remuneration Committee, together with Global Corporate Human Resources (GCHR) shall provide the overall guidance and direction on succession planning including those on retirement of key officers.³⁴
- XI. DIRECTORS' LOAN POLICY** - Loans that may be granted to Directors shall be subject to review and approval to ensure that they are on terms and conditions that are arm's length and comparable with market rates, with sufficient documentation and coursed through all appropriate levels of approval as provided in the Company's Related Party Transaction Policy.³⁸
- XII. ANNUAL CORPORATE GOVERNANCE ASSESSMENT⁴¹** - The Board shall participate in the annual assessment of its performance, including the performance of the Chairman, President, individual members, Heads of Internal Control, and Committees in accordance with their respective mandates and competencies.

²⁶ By Laws, Article III, Section 1

²⁷ By-Laws, Article III, Section 2

²⁸ I-ACGR Recommendation 5.3.2

³⁰ By-laws, Article III, Section 8

³¹ Revised Corporation Code, Sec. 29; CG Manual, 2.10.2

³³ CG Manual, 2.6.3

³⁴ ACGS, E 5.3

³⁸ Related Party Transaction Policy; ACGS B4.4 and B5.1

⁴¹ I-ACGR Recommendation 6.1