



BOARD RISK OVERSIGHT COMMITTEE CHARTER

I. STATEMENT OF POLICY

Enterprise Risk Management (ERM) is integral to an effective corporate governance process and the achievement of company's value creation objective. It shall be International Container Terminal Services, Inc. (ICTSI)'s policy to maintain a Board Risk Oversight Committee ("BROC"), which shall assist the Board of Directors ("Board") in ensuring that there is an effective and integrated risk management process in place and will be responsible for the oversight of ICTSI's ERM system to ensure its functionality and effectiveness.

II. ORGANIZATION

There shall be a committee of the Board to be known as the Board Risk Oversight Committee and this charter sets out the role, composition, authority, responsibilities and operation thereof.

Composition:

The BROC shall consist of at least three (3) directors, one of whom shall be an independent director. The Chairman of the BROC should not be the Chairman of the Board or any of the three (3) other Board Committees. The Board shall review the composition of the BROC from time to time and, based upon the recommendation of the Chairman of the Board, shall appoint its Chairman and members annually.

Qualifications:

- The members of the BROC shall have knowledge of and experience in risk management. At least a member of the BROC must have a relevant thorough knowledge and experience on risk and risk management
- Each member of the BROC shall be free of any relationship that, in the judgment of the Board, would interfere with the exercise of his or her independent judgment.

Disqualification:

The grounds for the permanent or temporary disqualification of a director, including any member of the BROC are prescribed in ICTSI's Manual on Corporate Governance.

III. AUTHORITY AND RESPONSIBILITIES

The BROC has the authority to conduct or authorize inquiries into any matters within its scope of responsibility with full access to all books, records, facilities and personnel of ICTSI. The following functions shall be the BROC's regular responsibilities. These functions shall serve as a

guide and the BROCC may carry out additional functions and adopt additional responsibilities, as may be appropriate, in light of changing business, legislative, regulatory, legal or other conditions.

1. Develops a formal ERM plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
2. Oversees the implementation of the ERM plan through the BROCC. The BROCC conducts regular discussions on ICTSI's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
3. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROCC revisits defined risks management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
4. Advises the Board on its risk appetite levels and risk tolerance limits;
5. Reviews at least annually ICTSI's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that considered to have major impacts to ICTSI;
6. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
7. Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
8. Reports of the Board on a regular basis, or as deemed necessary, ICTSI's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

IV. BROCC PROCEDURES

Meetings and Quorum

The BROCC shall meet at least once every quarter or as required by its Chairperson, preferably in conjunction with Board meetings. All BROCC members are expected to attend each meeting in person or via teleconference or videoconference. The presence of the BROCC Chairperson and another member of the BROCC shall constitute a quorum. The BROCC may invite members of management and other directors who are not committee members, as it deems necessary.

Notice:

A notice of each committee meeting, confirming the venue, time and date, shall be prepared and sent to all members of the BROC, as well as members of management or others invited by the BROC, at least two (2) weeks prior to the scheduled meeting. The BROC may also meet via telephone conference call or any other means as permitted by law or ICTSI's by-laws.

Meeting agenda will be prepared and provided in advance to members, along with appropriate briefing materials.

Escalation:

The BROC may escalate any matter that in its opinion should be brought to the attention of the Board and any recommendation requiring Board approval and / or action.

Functional and Secretariat Support

The Corporate Secretary or the Assistant Corporate Secretary shall support the BROC with its functions, specifically:

1. Provide all the secretariat support to the BROC; and
2. Attend all the BROC meetings and be primarily responsible for recording the minutes of the meetings.

Minutes and Records:

Minutes of meetings will be prepared, reviewed and approved by the members of the BROC. Records of attendance will be included in the minutes.

The Corporate Secretary or Assistant Corporate Secretary shall keep all minutes of the meetings and make these available for inspection by any member of the BROC or the Board of Directors, when requested.

V. REMUNERATIONS OF COMMITTEE MEMBERS AND ADVISERS

BROC members may receive remuneration, as determined from time to time by the Board.

As the BROC has the authority to retain independent counsel, accountants, or other consultants to advice or to assist in the fulfilment of its responsibilities, the remunerations of such advisers shall be recommended by the BROC for approval by the Board.

VI. ASSESSMENT AND AMENDMENT

The BROC shall report its actions and any recommendations to the Board and shall conduct and present to the Board an annual self-assessment and performance evaluation of the committee. The BROC shall review and assess the adequacy of this charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure, as may be required by law or regulation.