



# COMPENSATION AND REMUNERATION COMMITTEE CHARTER

## I. STATEMENT OF POLICY

It shall be the policy of International Container Terminal Services, Inc. (ICTSI)'s to maintain a Compensation and Remuneration Committee which shall establish a formal and transparent procedure for determining the remuneration of directors and executives to ensure that their compensation is consistent with ICTSI's culture, strategy and the business environment in which it operates.

## II. AUTHORITY

The Compensation and Remuneration Committee has:

- Unrestricted access to executive management, all employees and all company records and to financial and legal advisers.
- Authority to consult any independent professional adviser it considers appropriate to provide independent advice on the appropriateness of remuneration packages, given trends in comparative companies both locally and internationally. Remuneration packages may include share schemes, incentive performance packages, fringe benefits and any other items considered appropriate by the Committee. Remuneration levels must be competitively set to attract and retain the most qualified and experienced directors and executives who will create value for shareholders and who will support ICTSI's vision and mission.

## III. ORGANIZATION

The Board of Directors shall have a Compensation and Remuneration Committee and this charter sets out the committee's role, composition, authority, responsibilities and operation.

### **Composition:**

The Compensation and Remuneration Committee shall consist of at least three (3) directors, one of whom shall be an independent director. ICTSI's Board shall review the composition of the Committee from time to time and, based upon the recommendation of the Chairman of the Board, shall appoint the Chairperson and the members of this Committee annually.

### **Qualifications:**

- The members of the Compensation and Remuneration Committee shall have a sound



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knowledge of ICTSI's businesses, organization structure and its related executive remuneration policies and practices, rewards programs and setting of performance objectives.

- At least one member shall be an independent director.
- The Chairperson of the Compensation and Remuneration Committee may not necessarily be an independent director but must be a non-executive director.
- Each member of the Committee 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 shall apply to the members of this committee, which are prescribed in Sections 2.4.4 and 2.4.5, respectively, of ICTSI's Manual on Corporate Governance.

## **IV. MEETINGS**

### **Meetings and Quorum**

The Compensation and Remuneration Committee shall meet as frequently as required by the Chairman, but not less than once every year. The presence of the Chairman and another member of the committee shall constitute a quorum. The Compensation and Remuneration Committee may invite other directors who are not committee members, member/s of ICTSI management and/ or independent consultants, as it deems necessary.

### **Notice:**

A notice of each meeting of the Committee, confirming the venue, time and date, will be prepared and sent to all members of the Compensation and Remuneration Committee, as well as members of management or others invited by the committee, at least two (2) weeks prior to the scheduled meeting. The Committee 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 Compensation and Remuneration Committee may escalate any matter that in the opinion of the Committee should be brought to the attention of the Board and, any recommendations, requiring Board approval and / or action.



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## **Functional and Secretariat Support**

The Corporate Secretary shall support the Compensation and Remuneration Committee in its functions, specifically:

1. The Corporate Secretary shall provide all the secretariat support to the Committee.
2. The Corporate Secretary shall attend all the Committee 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 Compensation and Remuneration Committee. Records of attendance will be included in the minutes.

The Corporate Secretary shall keep all minutes of the meetings and make these available for inspection by any member of the Compensation and Remuneration Committee or the Board, as and when requested.

## **V. RESPONSIBILITIES**

### **Compensation Policies and Programs for the directors, President and other executives**

- Assist the Board in setting the remuneration policy for directors and executives.
- Determine any criteria necessary to measure the performance of management in discharging executive functions and responsibilities.
- Review and monitor ICTSI's remuneration and incentive framework applying to directors and executives and the associated strategies, systems, policies and processes implemented and reported.
- Approve the remuneration and incentive awards of executives based on the recommendations of the President and consistent with the remuneration policy.

### **Induction and Continuing Development of directors and executives**

- Ensure that each new director or executive undertakes an On-boarding Program which enables them to gain an understanding of:
  - ICTSI group's operations, financial, strategic and risk management positions
  - ICTSI's culture and values
  - The rights, duties and responsibilities of the Board and those of ICTSI management
  - Board and Committee meeting arrangements, including roles of Board committees.
- Review access to appropriate continuing education to update and enhance their skills



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and knowledge about corporate governance best practices

## **Succession Planning Process**

- Ensure that an effective management succession plan is in place; and
- Assess and recommend to the Board a successor to the President in the event of a vacancy of the position, unless the Board designates another committee for this purpose.

## **Reporting and Recommendations**

- The Committee, through its Chairman, shall report to the Board at the earliest possible Board meeting after each Committee meeting. Minutes of all Committee meetings shall be circulated to the Board. The report shall include, but not limited to:
  - The minutes of the Committee and resolutions passed, if any;
  - Any other matters that in the opinion of the Committee should be brought to the attention of the Board, and recommendations requiring Board approval and / or action.

## **VI. REMUNERATION OF COMMITTEE MEMBERS AND ADVISERS**

Committee members may receive remuneration, as determined by the Board.

As the Compensation and Remuneration Committee has the authority to retain independent counsel, accountants, or others to advise the committee or to assist in the fulfillment of its responsibilities, the Remuneration of such advisers shall be recommended by the Compensation and Remuneration Committee for approval by the Board.

## **VII. AMENDMENT**

The Compensation and Remuneration Committee shall review and assess the adequacy of this charter once every 2 years, requesting Board approval for proposed changes, and ensure appropriate disclosure, as may be required by law or regulation.