

 AyalaLand
LOGISTICS HOLDINGS CORP.

CHARTER OF THE BOARD OF DIRECTORS

Table of Contents		Page
1	Scope	1
2	Membership	1
3	Board Independence and Conflict of Interest	5
4	Powers, Duties and Responsibilities of the Board	6
5	Resolutions and Actions	10
6	Miscellaneous	12

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 1

CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors (“Board”) of AyalaLand Logistics Holdings Corp.¹ (the “Corporation”) hereby adopts this Charter.

Section 1. Scope

The Board of Directors is the supreme authority in matters of governance and managing the regular and ordinary business of the Corporation. Within their chartered authority, the directors acting as a board have the fullest powers to regulate the concerns of the Corporation according to their best judgment. It shall be the Board’s responsibility to promote and adhere in full to the principles and best practices of corporate governance and to foster the long-term success of the Corporation and secure its sustained competitiveness and profitability in the global environment in a manner consistent with its fiduciary responsibility and its corporate objectives and the long-term interest of the Corporation, its shareholders and other stakeholders.

Section 2. Membership

2.1 Composition

The Board shall be composed of nine (9) members, more than 50% of whom shall be non-executive and/or independent directors. Members of the Board shall be elected by the Corporation’s stockholders’ entitled to vote at the annual meeting, and shall hold office for one year and until their successors are elected and qualified in accordance with the By-Laws of the Corporation.

The Board shall encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment in the formulation of sound corporate strategies and policies. In the selection of candidates for the Board, the objectives set by the Board for its composition are to be seriously considered, as well as the required knowledge, abilities and experience needed to successfully manage the Corporation.

Careful attention must be given to ensure that there is diversity and independence, and appropriate representation of women in the Board. Board diversity is a move to avoid groupthink and ensure that optimal decision-making is achieved. Board diversity is not only limited to gender diversity but also includes diversity in age, ethnicity, culture, skills, competence and knowledge.

The Board shall have at least three (3) independent directors or such number as to constitute one-third (1/3) of the members of the Board, whichever is higher.

¹ The change of name from Prime Orion Philippines, Inc, was approved by the Securities and Exchange Commission on May 9, 2019

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 2

An independent director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Corporation, management or controlling shareholder at the time of his election or appointment and/or re-election as a director.

Independent directors may serve for a cumulative period of not more than nine (9) years. After serving for nine years, he shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as non-independent director or independent director in other companies outside of the business conglomerate, where applicable. Moreover, for purposes of compliance with the legal requirement, an independent director refers to a person who ideally²:

- a) is not, or has not been a senior officer or employee of the Corporation unless there has been a change in the controlling ownership of the company;
- b) is not, and has not been in the three years immediately preceding the election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies, or a director, officer, employee of the Corporation's substantial shareholders and its related companies;
- c) has not been appointed in the Corporation, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- d) is not an owner of more than two percent (2%) of the outstanding shares of the Corporation its subsidiaries, associates, affiliates or related companies;
- e) is not a relative of a director, officer, or substantial shareholder of the Corporation or any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- f) is not acting as a nominee or representative of any director of the Corporation or any of its related companies;
- g) is not a securities broker-dealer of listed companies and registered issuers if securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk or the broker or dealer;

² SEC Memorandum Circular No. 19, Series of 2016, Code of Corporate Governance for Publicly-Listed Companies

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 3

- h) is not retained, either in his personal capacity or through a firm, a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;
- (i) does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Corporation or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;
- i) is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and
- j) is not employed as an executive officer of another company where the Corporation's executive officers serve as a director.

Related companies refer to (a) the Corporation's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

The Corporation shall, as appropriate, provide each independent director with technical support staff to assist him in performing his duties. An independent director may, when necessary, also request and receive support from executives, employees or outside professionals such as auditors, advisers and counsel to perform his duties. The Corporation shall cover the reasonable expenses of providing such support.

Independent directors are not entitled to receive options, performance shares or bonus except upon the approval of the stockholders owning at least majority of the outstanding capital stock of the Corporation.

2.2 Policy on Multiple Board Seats

The Corporation shall ensure that adequate time and attention is given to the fulfilment of each director's duties. Independent³ directors shall hold no more than five (5) board seats or directorships in any group of publicly-listed companies, and executive directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group.

2.3 Election of Directors

The directors shall be elected by the Corporation's stockholders entitled to vote at their annual meeting in accordance with the By-laws and the rules of procedure for annual meeting of stockholders.

³ Item 1.7 of Article III, ALLHC Manual on Corporate Governance (2020), page 7

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 4

Pursuant to the revised Corporation Code, any shareholder, including minority shareholders, shall have the right to nominate candidates to the Board. The list of names of the nominees to the Board, together with the written consent of the nominees, shall be filed and submitted to the Corporate Governance and Nomination Committee⁴ through the office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting of stockholders wherein they will be elected.

For the election of directors, it is necessary for majority of the outstanding shares of stock to be present or represented.

No person shall be elected nor be competent to hold the office of director unless at least one (1) share of stock of the Corporation shall stand in his name in the books of the Corporation at the time of his election.

The election of directors shall be by ballot and each stockholder may vote such number of shares he owns for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute his votes on the same principle among as many candidates as he may see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The Inspectors of Proxies and Ballots Committee appointed by the Board shall supervise the election of directors. No candidate for the office of director may be a member of this Committee.

Directors shall hold office for the term of one (1) year or until their successors shall have been elected and qualified, in accordance with the By-Laws.

2.4 Vacancy

In case any vacancy or vacancies should occur on the Board due to death, resignation or other causes other than by removal or expiration of term, the remaining directors, if still constituting a quorum, may fill said vacancies by majority vote from among the stockholders and the stockholder so chosen shall serve as member of the Board for the unexpired term until a new Board is elected.

2.5 Compensation

Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director.

⁴ Change of committee name approved on December 18, 2019

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 5

Nothing herein shall preclude any director from serving the company in any other capacity and receiving such compensation therefor as may be fixed from time to time by the Board of Directors.

Subject to the approval of the stockholders, the Board of Directors shall be authorized to fix the per diems of directors attending board meetings, executive committee meetings and other committee meetings. The amounts per diem shall however be guided by reasonableness and industry practice.

Effective from the effective date of this Charter, no director shall be involved in deciding his or her own remuneration.

Section 3. Board Independence and Conflict of Interest

It is the responsibility of each director to promote the best interest of the Corporation. Therefore, in making decisions, the directors should only pursue the interest of the Corporation, and must not consider their own personal advantage. Each director shall disclose any conflict of interest, annually through the Business Interest Disclosure Form. A director with any material conflict of interest that has been determined to be permanent in nature shall be disqualified from the Board.

Notwithstanding the precautions set by the annual disclosure of conflict of interest, each director is required to abstain from participating in the discussion of, and from voting on, any matter where he is in conflict of interest at any point during the course of his service.

In line with the insider trading policy of the Corporation, each director is required to notify the Board within three (3) business days from dealing in the Corporation's shares.

No person shall qualify or be eligible for nomination or election to the Board of if he is engaged in any business which competes with or is antagonistic to that of the Corporation in accordance with the Corporation's By-laws.

At least once a year, the non-executive directors must meet without any executives present.

Directors shall keep confidential all the information contained in the confidential reports or discussions for a period of at least two years. They shall also ensure that all persons who have access to the same information on their behalf shall likewise comply with this rule.

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 6

Section 4. Powers, Duties and Responsibilities of the Board

The Board shall have the following duties, powers and attributes, in addition to those assigned to it by the revised Corporation Code or other applicable law and the By-laws which are not set forth herein:

- a. Determine the period, manner and conditions under which the Corporation shall engage in the kinds of business comprised in the Second Article of the Articles of Incorporation;
- b. Review the vision and mission statement of Corporation every year;
- c. Determine the manner in which the capital shall be invested, subject to the provisions of the Articles of Incorporation and By-Laws;
- d. Make rules for the internal regulation of the Corporation;
- e. Create committees and other bodies as it may deem advantageous or necessary in running the affairs of the Corporation, appoint advisory directors who can participate in Board deliberations but whose functions shall strictly be advisory and non-voting; appoint Executive Vice-Presidents, Senior Vice-Presidents, Vice-President and Assistant Vice-Presidents, who need not necessarily be members of the Board, attorneys-in-fact, managers, assistant managers, assistant secretaries and legal counsel for the Corporation, members of the Inspectors of Proxies and Ballots Committee and fix their duties and powers;
- f. Determine the creation of branches, agencies, office departments of any class, under conditions it may deem convenient;
- g. Decide as to the safekeeping of the funds of the Corporation, open current accounts, fixed deposit accounts and savings accounts with any bank authorized to operate in the Philippines and/or abroad;
- h. Approve the plans of the Corporation each year;
- i. Fix annually the percentage to be written off on all capital expenditures of the Corporation such as buildings, furniture and fixtures, etc. and determine the distribution of profits and dividends;
- j. Submit annually to the regular general meeting of stockholders the balance sheet, income statement and annual report on the condition of the Corporation;
- k. Call special meetings;
- l. Authorize any other person or persons it may deem fit to purchase, sell or mortgage the real or personal properties of the Corporation;
- m. Authorize any other person or persons it may deem fit to cancel mortgages or pledges executed as securities for loans and bonds when the mortgages have been repaid to the Corporation and when the bonds have been cancelled;
- n. Determine the time and manner of issuance of unissued stocks of the Corporation;
- o. Determine the manner and conditions under which employees of the Corporation shall be granted pensions, retirement gratuity or life insurance protection;
- p. Institute, maintain, defend, compromise or drop any litigation in which the Corporation or officers may be interested in as plaintiff or defendant in connection

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 7

- with the business of the Corporation and grant extension of time for the payment or settlement of any indebtedness in favor of the Corporation;
- q. Settle any doubts that may arise relative to the interpretation of the Corporation's By-Laws and supply any omissions, reporting thereon to the shareholders' general meeting for such action as it may see fit to take;
 - r. Conduct an annual assessment of the performance of the Board, its individual members, its committees, the president and CEO, and its other key officials, adopt a clearer procedure and criteria to be used for the performance assessment, and engage an external consultant to facilitate Board assessment at least once every three (3) years;
 - s. The Board shall ensure that all directors, executives and employees adhere to the Corporation's Code of Ethical Behavior;
 - t. The Corporation's Management Committee shall inform the Board regularly, promptly and comprehensively about the issues concerning the Corporation's strategy, risk management and compliance. The Management Committee shall regularly update the Board of the implementation of the Corporation's strategy and explain variances from the approved plans and targets;
 - u. Based on the report by the Audit Committee, the Board shall, with the help of independent directors, approve the financial statements of the Corporation;
 - v. Approve the annual plans of the Corporation, as well as the corresponding investments and personnel movements;
 - w. Approve individual transactions or projects that are worth at least one billion pesos.

The Board shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

4.1 The Chairman of the Board

The Chairman of the Board, shall, when present, preside at all meetings of the Board and stockholders and shall render advice and counsel to the President. He shall act as representative of the Corporation and has powers:

- a. To execute the resolutions of the stockholders general meetings and of the Board;
- b. To sign, in accordance with said resolutions, such contracts, instruments and powers of attorney as may be necessary;
- c. To represent the Corporation and vote at the stockholders' meetings or designate proxy on all stocks owned by the Corporation in other corporations or companies; and
- d. To ensure that performance of the Board is evaluated at least once a year and discussed/followed up on.

The Chairman shall ensure that each director is allowed to freely express his opinions on any matter being discussed.

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 9

The Chairman shall have such other responsibilities as the Board of Directors may impose upon him.

4.2 The Corporate Secretary

The Corporate Secretary shall be a resident and citizen of the Philippines. He is an officer of the Corporation and his loyalty to the mission, vision and specific business objectives of the Corporation comes with his duties. Considering his varied functions and responsibilities, he must possess organizational and interpersonal skills, and the legal skills of a chief legal officer. He must also have some financial and accounting knowledge. He should not be a member of the Board of Directors and should annually attend a training on corporate governance. The Corporate Secretary shall have the following functions:

- a. act as adviser to the directors on their responsibilities and obligations and assist the Board and the board committees in the conduct of their meetings;
- b. safekeep and preserve the integrity of the minutes of meetings of the stockholders, the Board of Directors, the Executive Committee, all other committees, as well as other official records of the Corporation in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate;
- c. work fairly and objectively with the Board, Management and stockholders and oversee the adequate flow of information to the Board;
- d. perform required administrative functions, such as but not limited to:
 - i. keep in safe custody the seal of the Corporation and affix it to any instrument requiring the same;
 - ii. have charge of the stock certificate book and such other books and papers as the Board may direct; and
 - iii. attend to the giving and serving of notices of Board and shareholder meetings
- e. prepare an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
- f. attend all meetings of the Board and committees, except when justifiable cases prevent him from doing so;
- g. ensure proper onboarding of new directors (i.e. orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 10

- h. oversee the drafting of the By-Laws of amendments thereto and to the Articles of Incorporation and ensure that they conform to the regulatory requirements; and
- i. ensure fulfillment of disclosure requirements to the Securities and Exchange Commission and Philippine Stock Exchange.

The Corporate Secretary shall have such other responsibilities as the Board of Directors may impose upon him. The Board shall have separate and independent access to the Corporate Secretary.

4.3 Board Committees

The Board may create such committees (each a “Board committee”) as it may deem necessary to support it in the performance of its functions and in accordance with the By-Laws and to aid in good governance.

The Board may delegate part of its rights and responsibilities to any of its committees. Except for the Inspectors of Proxies and Ballots Committee, the committees shall be composed of Board members specifically chosen for their particular background and areas of expertise that will allow them to adequately perform the functions assigned to their committee. The rights and responsibilities of each Board committee may be defined in greater detail in specific committee charters duly approved by the Board.

The Board shall adopt for each Board committee a charter providing, among others, the composition of the Board Committee, the qualifications of the members, the powers, duties and responsibilities of the Board Committee and the rules governing the exercise of those powers or performance of the duties and responsibilities.

The Board shall constitute an Executive Committee, an Audit Committee, a Corporate Governance and Nomination Committee, a Board Risk Oversight Committee⁵, a Related Party Transactions Review Committee⁶, a Personnel and Compensation Committee⁷, a Sustainability Committee and an Inspectors of Proxies and Ballots Committee.

Section 5. Resolutions and Actions

5.1 Meetings, Quorum and Actions

- a. The Board shall designate the days when it shall meet, but it shall meet at least six (6) times each calendar year at a time and place determined by its Chairman, with further meetings to occur when deemed necessary by the Chairman or called by at least three (3) directors. The Board shall meet in person, teleconference or video conferencing facility or through such other similar means.

⁵⁻⁶ created on December 18, 2019

⁷ formerly, Compensation and Remuneration Committee; change of name approved on December 18, 2019

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 11

- b. Two thirds (2/3)⁸ of the number of directors as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business.
- c. Directors are encouraged to attend all Board meetings, either in person or via teleconferencing or videoconferencing facility. A minimum attendance of 75%⁹ in all Board meetings during his incumbency, or any twelve (12) month period during his incumbency shall be required for a director to be eligible for re-election except when the absence of a director is due to illness, death in the immediate family, serious accident or performs civic obligations.
- d. The Board meetings shall be announced at least two weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda. Board materials are to be distributed to all directors, to the extent possible, at least five (5) business days prior to each Board meeting.
- e. Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, by a Vice Chairman or the President, in the absence or incapacity of both the Chairman and Vice Chairman.
- f. In any Board meeting, decisions may be made on matters not included on distributed meeting agenda only if there are no objections posed by any member of the Board.
- g. Minutes of the Board meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the secretary of the meeting.
- h. In order to properly perform its function, the Board may engage the services of auditors, legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings.
- i. The charter of the Board, number of Board meetings and attendance of members at Board meetings shall be disclosed in the Corporation's annual report.

5.2 Minutes

Minutes of Board meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the secretary of the meeting.

⁸ Item 1.8 (a), Art. III, ALLHC Manual on Corporate Governance (2020), page 7

⁹ approved on December 18, 2019

 LOGISTICS HOLDINGS CORP. BOARD CHARTER		INITIAL ISSUE DATE DECEMBER 15, 2017
		REVISION DATE AUGUST 12, 2020
VERSION NO. 2	REVISION NO. 1	PAGE NO. 12

Section 6. Miscellaneous

6.1. Access to Information

The Board shall have free and full access to all relevant information, data, records, properties and personnel of the Corporation.

6.2. Technical Assistance

The Corporate Secretary, the management and all personnel of the Corporation shall provide assistance and support to the Board.

The Board may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem desirable or appropriate.

All resources necessary for the Board to perform its duties and functions shall be provided by the Corporation, at its expense.

6.3. Records/Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Board. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records of the Board shall be kept confidential.

6.4. Annual Review/Self-Evaluation

The Board shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator.

6.5. Effectivity

This Charter or amendments thereto shall take effect when approved by the Board and shall apply prospectively.

-o0o-

Approved on August 12, 2020.

