



LOGISTICS HOLDINGS CORP.

**RISK MANAGEMENT AND
RELATED PARTY TRANSACTIONS
COMMITTEE CHARTER**

(2024)

Contents

Page

1. Membership	1
2. Authority, Roles, Responsibilities of the Committee	1
3. Meetings and Schedules of Actions	2
4. Reporting Procedure	3
5. Functional and Secretariat Support	3
6. Access to Information	3
7. Performance Evaluation	3
8. Annual Charter Review	4

 LOGISTICS HOLDINGS CORP. RISK MANAGEMENT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	INITIAL ISSUE DATE
	DECEMBER 16, 2021 REVISION DATE AUGUST 1, 2024

The Risk Management and Related Party Transactions Committee (the “Committee”) of the Board of Directors (the “Board”) of AyalaLand Logistics Holdings Corp. (the “Corporation”) is established by the Board for the following purposes:

- a) To provide support in fulfilling the Board’s oversight responsibilities in relation to risk management in the Corporation through continuous input, evaluation and feedback on the effectiveness of the Corporation’s risk management process and internal controls system and help in the identification of material risk exposures and assessment of its impact in achieving the Corporation’s objectives; and
- b) To review all material related party transactions (“RPTs”) of the Corporation to ensure that the terms and conditions are fair and inure to the best interest of all shareholders.

1. Membership


The Committee shall be composed of at least three (3) non-executive directors, majority of whom are independent directors, including the Chairman. The Chairman of the Committee should not be the chairman of the Board or of any other committee. Each member must possess an adequate understanding of the management, assessment and mitigation of risks faced by the Corporation and at least one (1) member must have the relevant experience and knowledge in risk and risk management.

The Board shall appoint the Committee members at its organizational meeting.

2. Authority, Roles and Responsibilities of the Committee

The Committee shall have the following authority, roles and responsibilities:


- a) Promote an open discussion regarding risks faced by the Corporation, as well as risks faced by its subsidiaries that may have potential impact on the Corporation’s operations, and ensure that risk awareness culture is pervasive throughout the organization;
- b) Review and discuss with Management the Corporation’s risk governance structure and adequacy of policies and processes for risk identification, assessment and mitigation;
- c) Review and recommend to the Management the Corporation’s levels of risk appetite and risk tolerance, and risk exposure allocation for approval by the Board of Directors;
- d) Review the Corporation’s risk profile on an ongoing basis and re-evaluate the likelihood of occurrence, severity of impact of risk exposures, and any mitigating measures affecting those risks;
- e) Monitor the implementation of the Corporation’s risk mitigation plans and other risk management activities with the assistance of the risk management function;
- f) Review and discuss risk management-related reports and issues raised by the Management, internal auditors, external auditors, legal counsel and regulators that impact the Corporation’s risk management framework;
- g) Review disclosures regarding risk contained in the Corporation’s Annual Report and other publicly-issued statements;

 LOGISTICS HOLDINGS CORP. RISK MANAGEMENT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	INITIAL ISSUE DATE
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- h) Review the objectivity, effectiveness and efficiency of the Corporation's risk management function in the context of the Corporation's size, scale, complexity and scope of operations;
- i) Secure independent expert advice on risk management matters where considered necessary or desirable;
- j) In coordination with the Audit Committee, ensure that the Corporation's internal audit work plan is aligned with risk management activities and that the internal control system considers all risks identified in the risk assessment process;
- k) Determine the advisability of, and review and evaluate the terms and conditions of any material or significant RPTs and their required reporting disclosures;
- l) Oversee the implementation of the system for identifying, monitoring, measuring, controlling and reporting RPTs, including a periodic review of RPT policies and procedures;
- m) Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored and subsequent changes in relationships with counterparties, (i.e. from non-related to related and vice-versa) are captured;
- n) Ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures and policies on conflicts of interest or potential conflicts of interest;
- o) Report to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- p) Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- q) Ensure an active management oversight of sustainability efforts and climate-related risks and opportunities; and
- r) Perform other activities related to this Charter as requested by the Board.

3. Meetings and Schedule of Activities

- a) The Committee shall meet at least twice a year, or more frequently as needed. The Committee shall meet in person or through remote communication, such as videoconferencing, teleconferencing or other alternative modes of communications allowed by the Securities and Exchange Commission at such time and place determined by its Chairman. Notice of meetings may be given by any customary means of communication (e.g., e-mail, in writing, by telephone, etc.). Notice of the meeting of the Committee shall be deemed to be duly served upon a member if it is given to him/her personally, or sent to him/her by mail or electronic mail to his/her physical or electronic address, as may be appropriate. The notice shall specify the time and place of the meeting and include a detailed agenda. Notice and materials for each meeting shall be given at least five (5) business days prior to meeting date.
- b) The presence of the majority of the members shall be necessary to constitute a quorum for the transaction of business.

 LOGISTICS HOLDINGS CORP. RISK MANAGEMENT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	INITIAL ISSUE DATE
	DECEMBER 16, 2021 REVISION DATE AUGUST 1, 2024

- c) Separate executive sessions may be conducted by the Committee with the Chief Risk Officer, Chief Finance Officer, Chief Audit Executive, other members of the Management team and/or external auditors to discuss any matter that the Committee believes is needed to be discussed in private.

The Committee shall also hold additional meetings for review of RPTs as needed. Meetings may, at the discretion of the Committee, include members of the Corporation’s management, legal counsel and such other persons as the Committee or its Chairman may deem fit.

Minutes of the Committee meeting shall be recorded and maintained by the Risk Management Unit and presented to the Committee at the next meeting for approval.

To provide a systematic guide for the discharge of the Committee’s responsibilities, the Committee shall agree on an annual calendar of activities. Accordingly, the Chief Risk Officer shall ensure that the schedule is followed as planned.

- d) Actions of the Committee may also be taken by unanimous written consent - in physical, electronic or digital format, when deemed necessary by the Committee or its Chairman.

4. Reporting Procedure

The Committee Chairman shall submit and present a report to the Board, containing updates on all actions taken by the Committee at the Board meeting following the Committee meeting.

The Committee Chairman shall also submit and present a year-end report to the Board during its first meeting following the immediate calendar year. The annual report shall include a summary of the Committee’s activities during the year, an over-all assessment of its performance and recommendations for improvement.

5. Functional and Secretariat Support

The Risk Management Unit and Compliance Officer shall support the Committee in the performance of its functions, specifically:

- a) Risk Management Unit shall provide secretariat support to the Committee.
- b) The Chief Risk Officer and Chief Audit Executive shall attend all the Committee meetings.
- c) The Risk Management Unit shall keep all minutes of the meetings, recorded and prepared by the designated Secretary to the meeting and make these available for inspection by any member of the Committee or the Board, as and when requested.

6. Access to Information

The Committee shall have reasonably free and full access to the Corporation’s data, records and properties, as well as information from employees, officers, directors or external parties that may be relevant in monitoring and assessing risk exposures and their implications to the Corporation.

7. Performance Evaluation

The Committee shall review its performance annually with respect to the fulfilment of its functions and responsibilities as mandated in this Charter. The Board of Directors may conduct an independent annual assessment of the Committee’s performance.

 LOGISTICS HOLDINGS CORP. RISK MANAGEMENT AND RELATED PARTY TRANSACTIONS COMMITTEE CHARTER	INITIAL ISSUE DATE DECEMBER 16, 2021
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8. Annual Charter Review

This Charter shall be reviewed annually by the Committee to ensure its continuing adequacy and consistency with the Board’s objectives and responsibilities. Any proposed changes shall be approved by the Board.

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