

BOARD CHARTER

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PART I - STATEMENT OF PURPOSE AND OBJECTIVE

Section 1. Purpose - The purpose of this Board Charter is to set out the responsibilities, structure, and processes of the Board of Directors (the “Board”) of Ferronoux Holdings, Inc. (“FERRO” or the “Company”).

PART II - THE BOARD OF DIRECTORS

Section 1. Fundamental Responsibilities of the Board - Providing leadership and strategic direction to the Company is the fundamental responsibility of the Board towards ensuring the competitive sustainability and promoting the long-term success of FERRO. In the fulfillment of its roles and functions, the Board commits to act in a manner that is in keeping with the best practices of corporate governance set forth under applicable laws and regulations, and in accordance with the authority granted under the Corporation Code and the By-Laws of the Corporation.

The Directors, acting collectively as the Board, undertake to govern and manage the operations of the Company, on a fully-informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders.

The following are some of the Board’s key responsibilities:

- a. Develop the business objectives, approve the strategic direction of the Company, and monitor their implementation;
- b. Determine the conditions and approve the Company’s annual targets, business plans, operations, and budget;
- c. Review the vision and mission statement of the Company every year;
- d. Monitor and provide a thorough assessment of the FERRO’s financial performance against forecast and prior periods to determine whether the Company’s performance is on track or whether adjustments have to be made;
- e. Approve the financial statements of the Company based on the report by the Audit Committee and the independent auditors;
- f. Determine whether dividends can or should be declared and, in the affirmative, the amount, nature and timing of such dividends to be paid;
- g. Evaluating, programming and approving major capital expenditures and acquisition/ disposition of major assets, including investments in other companies;
- h. Develop and approve a sound enterprise risk management (ERM) framework and monitor its implementation to effectively identify, monitor, assess and manage key business risks;
- i. Ensure that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality;

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- j. Select, appoint and terminate the external auditor, provided that any change on the external auditor shall be subject to the approval of the shareholders in accordance with applicable laws, rules or regulations;
- k. Select, appoint and evaluate the relevant officers and professional advisers of the Company;
- l. Establish an effective performance management framework that will ensure that the management, the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management;
- m. Adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value;
- n. Establish and oversee the various board committees and other bodies which it may determine as necessary for the operations of the Corporation;
- o. Align and approve the remuneration packages and policies for the members of the Board, the corporate officers and employees by formulating a policy that relates the remuneration to the performance of such directors, officers and employees;
- p. Oversee an appropriate internal control system setting up a mechanism for the monitoring and management of potential conflicts of interest of the management, members of the Board, and shareholders;
- q. Disclose within three business days any transactions related to their own shares in FERRO;
- r. Consider and assess the social, ethical and environmental impact of the Company's activities, setting standards and monitoring compliance with FERRO's sustainability policies and practices; and
- s. Other duties and responsibilities as may be assigned by the SEC

Section 2. Powers of the Board - The Board of Directors shall set the manner and conditions for the Company to engage in certain types of businesses, activities or projects, and determine the necessary capital investments for FERRO. In view thereof, the Board shall have the authority to exercise the following corporate powers of the corporation:

- a. To sue and be sued in the name of the corporation;
- b. To adopt and use a corporate seal;
- c. To amend the articles of incorporation in accordance with the Corporation Code of the Philippines;
- d. To adopt by-laws not contrary to law, morals, or public policy, and to amend or repeal the same;
- e. To issue or sell stocks to subscribers and to sell treasury stocks in accordance with the provisions of the Corporation Code of the Philippines;
- f. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations, as the transaction of the lawful business of the corporation may be reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;
- g. To enter into merger or consolidation with other corporations;

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- h. To make reasonable donations, including those for the public welfare or for hospital, charitable, cultural, scientific, civic, or similar purposes;
- i. To establish pension, retirement, and other plans for the benefit of its directors, officers, and employees; and
- j. To exercise such other powers as may be essential or necessary to carry out the purposes of the corporation.

Section 3. Composition of the Board - The Board shall be composed of Directors with collective working knowledge, experience or expertise that is relevant to FERRO's business, industry or sector. The Board shall ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the Company based on the evolving business environment and strategic direction.

1. FERRO's Board shall be composed of seven (7) directors, or such number of directors as the Company's constitutive documents may provide.
2. Each director must have at least one (1) share of the capital stock of the Company.
3. Directors shall serve for a period of one (1) year and until his/her successors are elected and qualified.
4. Three (3) members, one-third (1/3) of the Board or such number as may be required by the applicable law, rules or regulations, whichever is higher, must be independent directors. An independent director is a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director
5. The Board shall be composed of executive and non-executive directors; *provided*, that majority of the Board members must be non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances; *and provided further* that a majority of the Board members must be residents of the Philippines.
6. Collectively, the Board members should have a broad range of skills, experience and knowledge necessary to guide the business of the Company.
7. The Board shall regularly review its composition according to the evolving requirements of the Corporation and best practices of corporate governance.

Section 4. Policy on the Nomination and Election of Directors - Each member of the Board shall be elected by the FERRO's stockholders entitled to vote at the annual meeting

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in accordance with the By-Laws of the Company and any applicable law, rules and regulations.

1. Any shareholder, including minority shareholders, shall have the right to nominate candidates for the Board by submitting such nominations to the Corporate Secretary at the principal office of the Corporation not earlier than forty (40) working days nor later than twenty (20) working days prior to the date of the regular or special meeting of stockholders for the election of Directors.
2. The Corporate Governance Committee shall meet, pre-screen and check the qualifications of, and deliberate on all persons nominated to be elected to the Board from the pool of candidates submitted by the nominating stockholders. The Corporate Governance Committee shall prepare a final list of candidates after considering their respective qualifications and disqualifications. Only nominees qualified by the Corporate Governance Committee and whose names appear on the final list of candidates shall be eligible for election as Independent Director. No other nomination shall be entertained after the final list of candidates have been prepared.
3. The vote required for the election of Directors is majority of the outstanding shares of stock present or represented in the stockholders' meeting.
4. To preserve the integrity of the election process, the Company shall engage the services of an external party to validate the results of the voting.

Section 5. Board Diversity Policy -

1. Diversity Policy. FERRO recognizes the benefits of having a diverse board and sees diversity as an essential element in supporting the Company's continued growth and the attainment of its strategic objectives. The diversity in the Board promotes different perspectives and ideas, and mitigates groupthink, to achieve optimal decision-making. The Board must aim to make good use of the differences in gender, age, cultural, educational background, ethnicity, professional experience, skills, and knowledge its directors.
2. Measurable Objective. The Corporate Governance & Nominations Committee, in identifying suitable candidates for the Board, will assess and make recommendations based on merit and potential contribution and with due regard for the benefits of diversity on the Board.
3. Review of the Policy. The Corporate Governance & Nominations Committee will discuss, review and assess the effectiveness of the policy annually. Said committee will discuss and recommend any revision that may be necessary and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

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Section 6. Board Meetings - The members of the Board shall attend regular and special meetings of the Board in person or via teleconference or videoconference or by any other technological means allowed by the Commission.

1. Attendance of an Independent Director. In order to promote transparency, the Board may require the presence of at least one (1) Independent Director in all its meetings. However, the absence of an Independent Director shall not affect the quorum requirements, provided that such Independent Directors were duly notified of the meeting.
2. Schedule of Meetings. The Board shall meet at least quarterly. The Board meetings shall be scheduled in advance before the start of the year.
3. Notice of Meetings. Notice of the regular or special meeting of the Board, specifying the date, time and place of meeting shall be communicated by the Corporate Secretary to each Director personally, or by telephone, telegram or by written message. A director may waive this requirement, either expressly or impliedly. Items to be discussed during the Board meetings shall be made available to each Director at least seven (7) days in advance. In emergency circumstances, the meeting may be called at a shorter notice. Decisions may be made on matters not included in the distributed agenda only if there are no objections made by any member of the Board.
4. Participation of the members of the Board. The Directors shall have the responsibility to attend and actively participate in all meetings of the Board, committees, and shareholders in person or via teleconference or videoconference or by any other technological means allowed by the Commission, except when justifiable causes prevent them from doing so. The Director shall review the materials for the meetings, and if called for, ask the necessary questions and seek clarifications and explanations.
5. Executive Meetings. The non-executive Directors must meet without the presence of any executive Directors at least once a year.

Section 7. Compliance with the Code of Ethics -The members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

1. The Board shall adopt a Code of Ethics that shall set forth the standards of professional and ethical behavior and articulate the conduct or practices in internal and external dealings which are acceptable or unacceptable.
2. The Board shall ensure the proper and effective implementation and monitoring of compliance with the Code of Ethics and other internal policies. The Code of Ethics shall be disseminated and inculcated in the Company's culture through a communication and awareness campaign, continuous training, strict monitoring and implementation, including setting proper venues where issues may be raised and addressed without fear of retribution.

Section 8. Multiple Board Seats -Non-executive and independent directors may hold a maximum of five (5) Board seats in publicly-listed companies simultaneously. The other executive directors shall submit themselves to a maximum of two (2) Board seats of other

publicly-listed companies other than FERRO. In all cases, the capacity of the Directors to serve shall not be compromised.

PART III - THE CHAIRPERSON OF THE BOARD

Section 1. Appointment of the Chairperson - The Board shall be headed by a competent and qualified Chairperson.

1. The Board will appoint one of its members as Chairperson.
2. The Chairperson, as much as possible, will not concurrently serve as Chief Executive Officer. In the event that one person is elected both Chairperson and Chief Executive Officer, the members of the board will vote who must have the qualifications and perform the functions specified under Section 3.

Section 2. Powers and Duties of the Chairperson - The following are the key responsibilities of the Chairperson:

- a. preside at meetings and make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. ensures that the meetings of the Board are held in accordance with the By-Laws of the Company;
- c. makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company considering the developments in the business and regulatory environment, key governance concerns, and contentious issues that will significantly affect the operations of FERRO;
- d. guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- e. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- f. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- g. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- h. Makes sure that performance of the Board is evaluated at least once a year and discussed/ followed up on.

Section 3. Appointment of Lead Director - The Lead Director must be an Independent Director and must have sufficient authority to lead the Board in case of conflict of interests. The Lead Director has the following functions:

- a. serves as an intermediary between the Chairperson and the other Directors when necessary;
- b. convenes and chairs meetings of the non-executive directors; and
- c. contributes to the performance evaluation of the Chairperson, as required.

PART IV – PRESIDENT/CHIEF EXECUTIVE OFFICER

Section 1. Appointment of President/Chief Executive Officer - The Board will appoint one of its members as President/Chief Executive Officer (“CEO”) who shall be responsible for all day-to-day management decisions and for implementing the Company's long and short term plans. The positions of Chairperson and President/CEO shall be held by separate members of the Board and each shall have clearly defined responsibilities.

If the positions of Chairperson and President/CEO are held by one person, the Board shall designate a Lead Director among the independent directors in accordance with Section 3 of Part III above.

Section 2. Powers and Duties of the President/CEO - The CEO acts as a direct liaison between the Board and management of the Company and communicates to the Board on behalf of management. The following are the key responsibilities of the President/CEO:

- a. Determine the corporation’s strategic direction and formulates and implement its strategic plan on the direction of the business;
- b. Communicate and implement the corporation’s vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c. Oversee the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the corporation’s industry and market and keeps up-to-date with its core business purpose;
- e. Direct, evaluate and guide the work of the key officers of the corporation;
- f. Manage the corporation’s resources prudently and ensures a proper balance of the same;
- g. Provide the Board with timely information and interfaces between the Board and the employees;
- h. Build the corporate culture and motivates the employees of the corporation;
- i. Serve as the link between internal operations and external stakeholders;
- j. See that all orders and resolutions of the Board are carried into effect;
- k. Submit to the Board as soon as possible after the close of each fiscal year, and to the stockholders at the annual meeting, a complete report of the operations of the Company for the preceding year, and the state of affairs;
- l. Report to the Board all matters within his knowledge which in the interest of the Company may require to be brought to the Board’s notice; and

- m. Perform such other responsibilities as the Board may impose.

PART V. CORPORATE SECRETARY

Section 1. Appointment of the Corporate Secretary - The Board shall be assisted by the Corporate Secretary. The Board shall appoint a Corporate Secretary who is primarily responsible to the Company and its shareholders, and not to the Chairman or President of the Company, subject to the following:

1. The Corporate Secretary must not be a director of the Company.
2. The Corporate Secretary cannot concurrently serve as the Company's Compliance Officer.
3. The Corporate Secretary must be a resident and citizen of the Philippines.

The Corporate Secretary shall annually attend training on corporate governance.

Section 2. Powers and Duties of the Corporate Secretary - The following are the key responsibilities of the Corporate Secretary:

- a. Assist the Board and the board committees in the conduct of their meetings, including preparing 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;
- b. Safekeep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;
- c. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- d. Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- e. Advise on the establishment of board committees and their terms of reference;
- f. Inform members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Perform required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements;
- j. Attend annual training on corporate governance; and

- k. Performs such other duties and responsibilities as may be provided by the Securities and Exchange Commission (“SEC”).

PART VI – COMPLIANCE OFFICER

Section 1. Appointment of Compliance Officer - The Board shall designate a Compliance Officer who shall have direct reporting responsibility to the Chairperson. The Compliance Officer shall be primarily liable to the Company and its shareholders, and such appointment shall be subject to the following conditions:

1. The Compliance Officer should have a rank of Senior Vice President or an equivalent position with stature and authority in the Company;
2. The Compliance Officer must not be a director of the Company;

Section 2. Powers and Duties of the Compliance Officer - The following are the key responsibilities of the Compliance Officer

- a. Ensure proper onboarding of new directors (i.e., orientation on the Company’s business, charter, articles of incorporation and by-laws, among others);
- b. Monitor, review, evaluate and ensure the compliance by the Company’s, its officers and directors with the relevant laws, the Code of Corporate Governance for publicly listed companies, rules and regulations, all governance issuances of regulatory agencies and other applicable rules and regulations;
- c. Report the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to regulators;
- e. Appear before the SEC when summoned in relation to compliance with the Code of Corporate Governance for publicly listed companies;
- f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and works towards the resolution of the same;
- h. Attend training on corporate governance annually;
- i. Ensure the attendance of board members and key officers to relevant trainings; and
- j. Perform such other duties and responsibilities as may be provided by the SEC.

PART VII - INVESTOR RELATIONS OFFICER

Section 1. Appointment of Investor Relations Officer - The Company shall appoint an Investor Relations Officer (“IRO”) who will be primarily responsible for creating and

presenting a consistently applied investment message to the investment community on behalf of the Company.

Section 2. Powers and Duties of the IRO - The IRO must establish an investors relations program that (i) ensures constant engagement with its shareholders (ii) sets up an avenue to receive feedback, complaints and queries from shareholders to assure their active participation with regard to activities and policies of the company and (iii) ensures that all information regarding the activities of the Company are properly and timely communicated to shareholders. The IRO shall also perform the following functions:

- a. Manage the investor relations portion of the Company's website and serve as the key point of contact for the investment community;
- b. Attend every shareholders' meeting;
- c. Create presentations, press releases, and other communication materials for industry reports and presentations to analysts, brokers and investors and shall also be in charge of organizing conferences, road shows, and investors meetings; and
- d. provide feedback to the management team regarding the investment community's perception of how the Company is being managed and their view of financial results.

PART VIII - BOARD COMMITTEES

Section 1. Authority to Establish Board Committees - The Board may establish, and prescribe the respective powers and functions thereof, board committees which it deems necessary or advisable for the proper conduct and operations of the business of the Company. Pursuant to the foregoing, the following committees shall be created by the Board and their own respective charters shall be published in the Company's website:

- (a) Audit Committee;
- (b) Corporate Governance & Nominations Committee,
- (c) Board Risk Oversight Committee;
- (d) Related Party Transaction Committee.

In addition to the foregoing, the Board may establish ad hoc Board Committees from time to time to consider matters of special importance or exercise the delegated authority of the Board.

Section 2. Powers and Duties of the Board Committee Members - The Board may prescribe the specific details with respect to the membership and composition of each of the Board Committees, having regard to the workload, skill and experience and regulatory requirements that will enable such Board Committees to effectively perform their functions and responsibilities.

Section 3. Board Committee Charters – The composition, qualification, membership, powers and duties of the each member of the Board Committees may be set forth in their respective charters as may be adopted by the Board for such committees.

PART IX – ASSESSMENT OF BOARD PERFORMANCE, ORIENTATION AND CONTINUING EDUCATION OF DIRECTORS

Section 1. Assessment of Board Performance - The performance of the Board, its individual members, the Board Committees, the President/CEO and all the key officers of the Company shall be conducted in accordance with the following procedure:

1. The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees.
2. Every three (3) years, the assessment should be supported by an external facilitator, such as a consulting firm, academic institution or professional organization.
3. The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.
4. The Chairman will distribute self-assessment forms (in substantially the form attached hereto as the same may be amended from time to time) to each member of the Board every 31st of March. Comments, if any, arising out of the results of the assessment forms will be discussed in the next board meeting of the Company.

Section 2. Onboarding of the New Members of the Board. The Compliance Officer will be in charge of welcoming and onboarding a new director and will be in charge of: (a) introducing the Company to the new director by providing him with literature about the Company including the constitutive documents, latest definitive information statement and annual report of the Company and (b) introducing the new director to the other members of the board, department heads and other employees.

Section 3. Orientation of New Directors - The Compliance officer can arrange for orientations and plant tours of the director in coordination with the relevant department heads of the Company.

Section 4. Continuing Training for Directors - The Company recognizes the importance of continuing education of its Board members and requires the Directors to become members of professional associations and to attend relevant educational events, seminars or programs.

PART X - MISCELLANEOUS

Section 1. Review of the Board Charter - The Board shall review and evaluate the provisions of this Charter annually.

Section 2. Effectivity - This Charter shall be effective immediately upon the approval of the Board.

Approved by the Board of Directors on June 20, 2019.

(Original Signed)

MICHAEL C. COSIQUIEN
Chairman & President

(Original Signed)

ALLESANDRA FAY V. ALBARICO
Compliance Officer