



COMPENSATION COMMITTEE CHARTER

ARTICLE I. OBJECTIVE

The Compensation Committee was established by the Board of Directors in a meeting held on 31 May 2002 to ensure a formal and transparent procedure in fixing the remuneration packages of directors, corporate officers, and key personnel of Ionics, Inc. (the "Corporation").¹

This Charter shall be read together with the Corporation's By-laws and Amended Manual on Corporate Governance.

ARTICLE II. COMPOSITION

1. The members of the Compensation Committee shall be appointed by the Board of Directors from among the members of the Board.
2. The Compensation Committee shall be composed of at least three (3) members of the Board, one of whom shall be an Independent Director.
3. The Compensation Committee shall have at least one (1) member who is knowledgeable in the field of executive compensation, otherwise the Compensation Committee shall have access to expert advice inside and/or outside the Corporation.
4. Each member of the Committee shall serve as such for a term of one (1) year or for so long as he/she remains a director, whichever is shorter.²
5. If a member of the Compensation Committee resigns, dies or for any other reason ceases to be a member with the result that the number of members is reduced to below three (3), the Board shall, within three (3) months of such event, appoint such number of new members as may be required to make up the minimum number of three (3) members.

¹ As approved by the Board of Directors in its meeting held on 7 November 2017

² As approved by the Board of Directors in its meeting held on 7 November 2017

ARTICLE III. COMMITTEE MEETINGS

1. The Compensation Committee shall conform to the regulations issued by the Board, as provided by the Corporation's By-laws and Amended Manual on Corporate Governance.

2. Quorum

The presence of at least a majority of the members of the Committee shall constitute a quorum for the transaction of corporate business that may be presented for approval before the Committee. If no quorum exists, the meeting shall be adjourned.³

3. Notice of Regular and Special Meetings

- 3.1. A Compensation Committee meeting shall be held at least once a year.

- 3.2. Subject to Article III, Section 1, the Compensation Committee may meet for the dispatch of business adjourn and otherwise regulate the meetings as they think fit. Any anytime, any member may summon a meeting of the members by issuing a written notice to each and every member at least three (3) days' before the scheduled date of meeting.

- 3.3. "Notice in writing" shall include those sent by mail, telefax, telex, cable, electronic mail, or telegram by any such member.

- 3.4. The members may, however, by unanimous consent, waive notice in writing and allow for a shorter period of notice.

4. Conduct of Meeting

- 4.1. The Chairman of the Compensation Committee shall preside at each meeting. If the Chairman of the Compensation Committee is not present within five (5) minutes after the time appointed for holding the meeting, the members present may choose among those present to be the Chairman of the meeting.

- 4.2. All recommendations of the Committee shall be decided by a majority vote and thereafter submitted to the Board for approval. In case the Committee is equally divided over an issue, all conflicting views shall be submitted to the Board for its final decision.

- 4.3. No director shall participate in questions regarding his/her own remuneration.

³ As approved by the Board of Directors in its meeting held on 7 November 2017

4.4. The Compensation Committee may invite any director or executive officer of the Corporation to attend its meetings.

5. Participation via Communication Equipment

The members of the Committee may participate in a meeting via telephone conference or via such other similar communication equipment of which all persons participating in the meeting can hear each other, without a member being in the physical presence of other members. Participation on a meeting pursuant to this provision shall constitute presence in person at such meeting.

6. Resolutions in Writing

A resolution in writing signed or approved by letter, telex, telegram, electronic mail, cable or facsimile by members of the Compensation Committee not less than that sufficient to form a quorum shall be as valid and effective as if it was passed at a meeting of the Committee duly convened and held, notwithstanding that such signing or approval occurs at different times and places, and may consist of several documents each signed or transmitted by one or more members. The date of the resolution shall be deemed to be that of the document which bears the latest date.

7. Debarred from Voting

A member shall not vote on matters or proposals in which he has direct or indirect interest.

ARTICLE IV. DUTIES AND RESPONSIBILITIES

1. The Compensation Committee shall recommend to the Board a framework of remuneration for directors and key executives. It shall develop a policy on executive remuneration and establish a formal and transparent procedure for fixing the remuneration packages of directors and corporate officers. It shall also establish a policy to ensure that compensation of directors, executive officers, and key personnel is consistent with the Corporation's culture, strategy and control environment.⁴
2. To determine specific remuneration packages for each executive director, the Committee shall cover all aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits in kind. In setting remuneration packages, the Committee shall be aware of salary rates and employment conditions within the industry and in comparable companies. The remuneration packages shall take into account the Corporation's relative performance and the performance of individual directors.

⁴ As approved by the Board of Directors in its meeting held on 7 November 2017

3. The remuneration of non-executive directors shall be appropriate to their level of contribution, taking into account factors such as effort and time spent, and the responsibilities of the directors. Non-executive directors shall not be over-compensated to the extent that their independence may be compromised.
4. The Committee shall review and recommend to the Board the terms of renewal of the service contracts of directors. The service contracts shall not be excessively long or with onerous removal clauses. The Committee shall aim to be fair and shall avoid rewarding poor performance.
5. The Committee shall consider the various disclosure requirements for directors' and key executive officers' remuneration, particularly those required by regulatory bodies such as the Securities and Exchange Commission ("SEC") and the Philippine Stock Exchange ("PSE"). It shall ensure that the Corporation complies with the disclosure requirements on remuneration in financial statements to ensure and enhance transparency between the Corporation and relevant interested parties.⁵
6. The Committee shall carry out other duties as may be delegated to it by the Board.

ARTICLE V. REPORTING

1. Each meeting of the Committee shall be properly documented and the minutes of the meeting shall be circulated to all members of the Compensation Committee.
2. The Chairman of the Committee, if requested, shall report the proceedings of the Committee to the Board by circulating the minutes to the Board or in such other manner as the Chairman shall deem fit.

ARTICLE VI. DISCLOSURE ON REMUNERATION IN THE CORPORATION'S ANNUAL REPORT IN COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The Compensation Committee shall provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its directors and top four (4) management officers for the previous year and the ensuing year. The members of the Committee shall be listed in the report.⁶

⁵ As approved by the Board of Directors in its meeting held on 7 November 2017

⁶ As approved by the Board of Directors in its meeting held on 7 November 2017

ARTICLE VII. AMENDMENT OF COMMITTEE CHARTER

1. Any member of the Compensation Committee may initiate amendments to the Charter when the need arises due to changes in relevant rules or when there are changes in the Company's structure, organization, and/or operations which affect the matters set out in the Charter.
2. Amendments to the Charter shall be submitted to the Compensation Committee for consideration and tabled at a Board meeting for approval.