



## **CHARTER OF THE COMPENSATION COMMITTEE**

The Compensation Committee shall assist the Board in complying with the principles of good corporate governance particularly with respect to compensation of executives and directors.

The Board hereby adopts the Charter of the Compensation Committee.

### **Section 1. Composition**

The Committee shall be composed of at least three (3) directors, one of whom shall be an independent director.<sup>1</sup> In carrying out its duties, the Compensation Committee may request the assistance of the officers of the Corporation

The members of the Committee shall be appointed by the Board and shall serve until the next organization meeting, unless earlier replaced by the Board. The Board shall designate the Chairman of the Committee.

Vacancies in the Committee may be filled at any meeting of the Board of Directors, and the member who will fill the vacancy shall hold office for the remainder of the term.

### **Section 2. Duties and Responsibilities<sup>2</sup>**

The Committee shall have the following duties and responsibilities:

- Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation's culture, strategy and control environment.
- Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the company successfully, subject to approval of the Board of Directors.

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<sup>1</sup> Manual of Good Corporate Governance

<sup>2</sup> Manual of Good Corporate Governance

- Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict with their performance of duties once hired.
- Disallow any director to decide his or her own remuneration.
- Provide in the Corporation's annual reports prescribed by the Commission, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year, consistent with the guidelines of the Commission.
- Review the existing Human Resources Development or Personnel Handbook to strengthen provisions on conflict of interest, salaries and benefit policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be met periodically in their respective posts.

### **Section 3. Meetings**

The Committee shall hold meetings in person or by tele- or video-conference at a time and place to be determined by its Chairman. Actions of the Committee may also be taken by consent (in physical, electronic or digital format) of the majority of the members when deemed necessary by the Committee or its Chairman.

The Corporate Secretary shall keep the minutes of the meetings of the Committee and shall present it at the next Committee meeting for approval.

The Chairman of the Committee or his representative shall report to the Board all actions of the Committee at the meeting of the Board following such actions.

### **Section 4. Effectivity**

The Charter shall take effect when approved by the Board.

The Committee shall periodically review and assess the Charter for its adequacy and shall recommend the proposed amendments to the Board for approval.