



EXISTING BOARD COMMITTEES

COMPENSATION COMMITTEE

The Compensation or Remuneration Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

More particularly, the Compensation Committee shall, among others:

- (a) Assist the Board in establishing a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors;
- (b) Provide oversight over remuneration of senior management and other key personnel and ensure that compensation is consistent with the Corporation's culture, strategy, and control environment;
- (c) Ascertain that the remuneration shall be of a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- (d) Develop a form of Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers which, among others, compels all officers to declare, under the penalty of perjury, all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- (e) Disallow any director to decide his or her own remuneration;
- (f) Review the existing Human Resources Development or Personnel Handbook, if any, to strengthen provisions on conflict of interest, salaries and benefits, policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts; and,
- (g) Cause the development of such, covering the same parameters of governance stand above in the absence of a Personnel Handbook.

This Committee shall be composed of at least three (3) members, one of whom should be an independent director.

AUDIT COMMITTEE

The Audit Committee maintains an oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Audit Committee shall consist of at least three (3) directors who shall preferably have accounting and finance background. Of the three (3) members, one must be an independent director and another with audit experience. Each member shall have at least an adequate understanding of most of the Corporation's financial management systems and environment.

This Committee shall have the following functions:

- (a) Recommend the approval the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- (b) Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (i) safeguard the Corporation's resources and ensure their effective utilization, (ii) prevent occurrence of fraud and other irregularities, (iii) protect the accuracy and reliability of the Corporation's financial data, and (iv) ensure compliance with applicable laws and regulations;
- (c) Oversee the IA Department, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- (d) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- (e) Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
- (f) Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- (g) Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;
- (h) Review and approve the Interim and Annual Financial Statements before their submission to the Board with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal, and regulatory requirements;
- (i) Review the disposition of the recommendations in the External Auditor's management letter;
- (j) Perform oversight functions over the Corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (k) Coordinate, monitor, and facilitate compliance with laws, rules and regulations;
- (l) Recommend to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and,
- (m) Meet with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meet with the head of the internal audit.

NOMINATION AND ELECTION COMMITTEE

The Nomination and Election Committee reviews and evaluated the qualifications of all persons nominated to the Board and other appointments that require board approval and to assess the effectiveness of the Board of Director's processes and procedures in the election or replacement of directors. This Committee is composed of at least three (3) members and one of whom should be an independent director.