



## **METRO PACIFIC INVESTMENTS CORPORATION COMPENSATION COMMITTEE CHARTER**

### **Section 1. Functions**

The Compensation Committee shall assist and advise the Board of Directors with respect to the establishment of 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.

### **Section 2. Key Responsibilities**

To perform these functions, the following are the specific responsibilities of the Committee:

1. Establish a formal and transparent procedure for developing 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. To this end, the Committee shall consider factors such as salaries paid by comparable companies, time commitment and responsibilities of corporate officers and directors and employment conditions elsewhere in the group.
2. Designate the amount of remuneration of directors and officers, which shall be in a sufficient level to attract and retain directors and officers, who are needed to run the Corporation successfully and to make recommendations to the Board of the remuneration of non-executive directors.
3. Exercise functional oversight on matters pertaining to the areas of Leadership Development and administration of Compensation Programs, including but not limited to:
  - a. Retirement Plan and long-term incentive plans to ensure alignment with over-all philosophy and strategy; and
  - b. Development and administration of Leadership Development/Succession.
4. Review and endorse for Board ratification all promotions to the rank of President/Chief Executive Officer, Chief Finance Officer, and other Senior Management positions requiring the approval of the Board.
5. Performs staff support functions as may be delegated by the Board in the performance evaluation, succession planning and remuneration of the Corporation's executives.

6. To review and approve the compensation payable to executive directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is consistent with relevant contractual terms and such compensation is otherwise fair and not excessive for the Company.
7. To review and approve compensation arrangements relating to dismissal or removal of directors for misconduct to ensure that such arrangements are consistent with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate.
8. To ensure that no director or any of his associates is involved in deciding his own remuneration.
9. To ensure that a significant proportion of executive directors' remuneration is structured so as to link rewards to corporate and individual performance.
10. Undertake such duties and responsibilities as may be provided by the Company's Articles of Incorporation, Bylaws and Revised Manual on Corporate Governance.

### **Section 3. Composition**

1. The Compensation Committee shall be composed of at least three (3) voting members, a majority of whom shall be independent directors. The members of the Committee including the Chairman, shall be appointed by the Board of Directors annually.
2. The President/CEO of the Corporation shall act as a non-voting member of the Committee who shall have the right to attend and speak at any meeting of the Committee.
3. The Board of Directors may appoint one or more persons to serve as advisor(s) to the Committee. Advisors shall have the right to attend and speak at any meeting of the Committee, but shall have no right to vote in respect of any action by the Committee.
4. The Chairman or any member or advisor of the Committee may be removed from office only by the Board of Directors.
5. The Head of Human Resources of the Corporation shall provide the necessary staff support to the Committee.

## **Section 4. Committee Procedures**

### **a. Meetings**

1. The Committee shall hold meetings at such times and places as it considers appropriate provided that not less than two (2) meetings shall be held each year.
2. Meetings of the Committee shall be convened by the Chairman of the Committee as and when he considers appropriate and the Chairman shall convene a meeting upon the request of a majority in number of the voting Members of the Committee.
3. A Committee meeting shall be convened by not less than one (1) week's notice in writing, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting. The Secretariat of the Committee shall ensure that pertinent materials for the meeting are properly and timely distributed to all Members.
4. Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members' of the Committee present in the meeting at which there is a quorum.
5. Notice of a meeting of the Committee shall be deemed to be duly given to a Member if it is given to him personally, in writing or orally, or sent to him by mail, e-mail or facsimile transmission to his address, e-mail address or facsimile number, as appropriate, given by him to the Secretariat of the Committee.
6. A majority of all the Members of the Committee shall constitute a quorum.
7. Members of the Committee may participate in a meeting of the Committee through teleconference or video conference conducted in accordance with the provisions of Securities and Exchange Commission (SEC) Memorandum Circular No. 15, Series of 2001 and by means of which all persons participating can hear each other.
8. Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the voting Members present at such meeting. Each Member, including the Chairman of the Committee, shall have one (1) vote. Whenever a Committee Member has a conflict of interest in a matter to be considered by the Committee which the Committee considers to be material, such interested Member shall abstain from voting on any Committee resolution in which they or any of their associates have a material interest. The Committee shall decide on the matter without taking into consideration the position of the Member who has

a material conflict of interest. In case of an equality of votes, the Chairman of the Committee shall not have a second or casting vote.

**b. Minutes and Records**

1. The Committee shall appoint the Human Resources Head as Secretariat who shall issue notices and agenda for the meetings; disseminate meeting materials, if necessary; prepare minutes of meetings of the Committee; and keep books and records of the Committee.
2. The Committee shall cause records to be kept for the following:
  - a. Appointments and resignations of Members of the Committee;
  - b. All agenda and other documents sent to the Members of the Committee; and
  - c. Minutes of proceedings and meetings of the Committee.
3. Any such books and records shall be open for inspection by any Member of the Committee upon reasonable prior notice during usual office hours of the Company.
4. The minutes of the meeting of the Committee, when signed by the Chairman of the Committee, shall be conclusive evidence of the proceedings and resolutions of such meeting.
5. The Secretariat shall ensure that the draft and final versions of the minutes of Committee meetings shall be sent to all Committee Members for their comment and records, within one (1) month after the meeting.

**Section 5. Remuneration of Members**

No fees or other remuneration shall be payable to the Members of the Committee in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee, except the per diem or remuneration authorized and approved by the Board or any fees or remuneration to such Member/Advisor that would otherwise be entitled to in his capacity as consultant, advisor or employee of the Corporation.

**Section 6. Resources and Authorities**

1. The Committee shall have the resources and authorities appropriate to discharge its functions, duties and responsibilities including the authority to obtain advice from external consultants and functional specialists within the Corporation.
2. The Committee shall report directly to the Board on its decision or recommendation, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements.)

3. The Committee shall have the right to require management of the Company to furnish all information requested by the Committee as may be required for the purposes of performing its duties.

#### **Section 7. Committee Reports and Performance Evaluation**

1. The Committee shall report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
2. The Committee shall prepare and review with the Board of Directors an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of its Charter, set forth the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board of Directors on any improvement to the Charter deemed necessary or desirable by the Committee.

#### **Section 8. Amendment or Alteration of this Charter**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by resolutions of the Board of Directors.