

# **FIRST PHILIPPINE HOLDINGS CORPORATION COMPENSATION AND REMUNERATION COMMITTEE CHARTER<sup>1</sup>**

## **I. POLICY**

The Board shall promote a culture that supports enterprise and innovation, with appropriate short-term and long-term performance-related rewards that are fair and achievable in motivating Management and employees to be effective and productive. It is imperative that the Board seeks to drive the business enterprise proficiently through the proper and considered decision-making processes and recognizes entrepreneurial endeavor amongst its Management without contravening laws and regulations.

## **II. COMPOSITION**

The Board of Directors shall create a Compensation and Remuneration Committee ("CRC") which shall be composed of at least three (3) members, namely: (a) the Chairman of the Committee and (b) two (2) directors, one of whom shall be an independent director, or such other number as may be prescribed by the Board.

## **III. PURPOSE**

The CRC shall have powers and functions over the compensation and remuneration of the corporate officers other than the Chairman. The CRC should establish 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 on which it operates.

The Chairman of the Board's compensation and remuneration may be reviewed and set by a Committee composed of the Vice-Chairman and two directors, one of whom shall be an independent director.

The CRC may call on the officers of the Corporation to assist them in their functions.

## **IV. DUTIES AND RESPONSIBILITIES**

The CRC shall be in charge of studying and recommending an appropriate rewards system. It shall also:

- a. review and recommend to the Board the Corporation's compensation system, policies and guidelines and oversee the development and implementation of compensation and incentives program;
- b. regularly review the existing salary structure of the President and Senior Management; and perform other tasks or duties as may be requested or delegated by the Board.

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<sup>1</sup> As amended by the Manual for Corporate Governance on May 31, 2017

## **V. MEETINGS; QUORUM**

The CRC shall only act as a committee and the individual members thereof shall have no powers as such. A majority of the whole number of members shall constitute a quorum for the transaction of business and every decision of a majority of the quorum duly assembled shall be valid as an act of the CRC. Each member shall have one (1) vote.

In case of a deadlock in the voting, the Chairman of the CRC shall break the deadlock by casting a second vote.

Regular meetings may be held at such time and place and upon such notice, if any, as the CRC may prescribe. Special meetings may be called by the Chairman of the CRC or by request of a majority of the CRC members with at least one day's notice of the time and place of the meeting, given personally or by letter, telephone, electronic mail or short messaging system. Meetings may be held at any time and place without notice if all the members are present or of those not present waive notice in writing before or after the meeting.

Meetings may be held in person or via telephone or video conference. Summaries of matters discussed at such meetings are to be presented at the next succeeding meeting of the Board.

## **VI. CHAIRMAN'S COMPENSATION**

The Chairman of the Board's compensation and remuneration shall be reviewed and set by a committee composed of the Vice-Chairman and two (2) directors, one of whom shall be an independent director.