

## **FIRST PHILIPPINE HOLDINGS CORPORATION CORPORATE GOVERNANCE COMMITTEE CHARTER<sup>1</sup>**

### **I. POLICY**

The Board shall create a Corporate Governance Committee which, through a managed and effective system consistent with the By-laws, shall ensure that (i) the Corporation adheres to the set standards for governance, (ii) that those appointed as Corporate Officers have the requisite qualifications and (iii) that Board elections are made that provide a mix of proficient directors, each of whom is able to add value and bring prudent judgment to bear on the decision making process.

### **II. COMPOSITION**

The Committee shall be composed of at least three (3) members, which will be composed of independent directors, to the extent possible and practicable.

### **III. DUTIES AND RESPONSIBILITIES**

The Corporate Governance Committee shall have the following powers and functions:

- a. Assist the Board in the performance of its corporate governance responsibilities;
- b. Ensure compliance with, and proper observance of, corporate governance principles and practices;
- c. Oversee the implementation of the corporate governance framework and periodically review said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- d. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- e. Recommend continuing education/training programs for directors, assignment of tasks/projects to Board Committees, a succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;
- f. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- g. Propose and plan relevant trainings for the members of the Board;
- h. Determine the nomination and election process for the Corporation's directors;
- i. Define the general profile of Board members that the Corporation may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- j. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.

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

#### **IV. OTHER FUNCTIONS**

The Corporate Governance Committee shall also have the following functions:

- a. Nominate directors and pass upon the qualifications of Directors, Board Committee Members, Corporate Officers consistent with the By-laws and the Manual of Corporate Governance;
- b. Review and/or recommend changes in the election and/or replacement of directors;
- c. Make recommendations to the Board on the organization and procedures for evaluating the performance of the Board and Board Committees;
- d. Review the structure, size and composition of the Board and make recommendations to ensure that the Board has the required number of independent directors;
- e. Screen individuals nominated for election as directors to ensure that such nominees possess all the qualifications and none of the disqualifications as may be provided by law, rules and/or regulations, the Articles of Incorporation, By-laws and the Manual for Corporate Governance;
- f. Ensure that, through a managed and effective system consistent with the By-Laws, Board elections are made that provide a mix of proficient directors, each of whom is able to add value and to bring prudent judgment to bear on the decision-making process;
- g. Ensure that the Corporation has at least three (3) independent directors or such number of independent directors which constitute at least one third of the members of the Board whichever is higher, or as otherwise required by law, rules and/or regulations, and to the extent practicable;
- h. Formulate and review, as may be needed, the Full Business Interest Disclosure Form of all incoming directors and officers.
- i. Make recommendations to the Board on the qualified nominees for election as Directors as well as identify and nominate qualified individuals for election as additional Directors or to fill Board vacancies as and when they arise. Such appointment is subject to the approval of the Board.
- j. Review the recommendations of the Compliance Officer with regard to the requirements and/or violations of the Manual for Corporate Governance and other corporate governance rules and endorse the same to the Board for its review and/or approval;
- k. Review, as may be necessary, the Charters of all the Board Committees and recommend any changes to the Board for the latter's approval;
- l. Promulgate its rules or procedures with respect to the qualification and disqualification of directors, whether permanent or temporary, including suspensions;
- m. Review and monitor the corporate governance trainings of members of the Board and Senior Management in line with the Corporation's continuing education and training program for directors and Management;
- n. Review the Board's appointee for Compliance Officer;
- o. Recommend to the Board the guidelines, as may be amended from time to time, for the nomination and election of directors, including independent directors;
- p. Promulgate the guidelines or criteria to govern the conduct of the nomination and election of Independent Director/s;
- q. Prepare a Final List of Candidates after the nomination of Independent Director/s.

### **III. MEETINGS; QUORUM**

The Committee 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 Committee. Each member shall have one (1) vote. In case of a deadlock in the voting, the Chairman of the Committee 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 Committee may prescribe. Special meetings may be called by the Chairman of the committee or by request of a majority of the Committee members with at least one day's notice of the time and place of the meeting, given personally or by letter, telephone, electronic mail, short messaging system or facsimile. 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 if deemed necessary by the Committee.