

Board Committees

1) Number of Members, Functions and Responsibilities

Committee	Functions Key Responsibilities Powers
Executive	The Executive Committee may exercise during the intervals of the Board meetings, all the powers and functions vested in the Board, as well as act on specific matters as may be delegated to it by the Board, except with respect to: (a) approval of any action for which the shareholders' approval is also required;
	(b) filing of vacancies in the Board; (c) amendment or repeal of any amendment of any resolution of the Board which by its express terms is not so amendable or repealable.
Audit	<p>The Audit Committee shall consist of three (3) directors, who shall preferably have accounting and finance backgrounds, one of which shall be an independent director and another with audit experience. The Chair of the Audit Committee should be an independent director. The committee shall have the following functions:</p> <p>Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring compliance with applicable laws, rules and regulations;</p> <p>(a) Recommends the approval of the internal auditor and the audit plan as well as oversees the same;</p> <p>(b) Monitors and evaluated the adequacy and effectiveness of the company'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 company's resources and ensure their effective utilization; (ii) prevent occurrence of fraud and other irregularities; (iii) protect the accuracy and reliability of the company's financial data; and (iv) ensure compliance with applicable laws and regulations;</p> <p>(c) Oversees the internal audit department and recommends the appointment and/or grounds for approval of an internal audit head or chief audit executive. The Audit Committee will also approve the terms and conditions for outsourcing internal audit services;</p> <p>(d) Established and identifies the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities;</p> <p>(e) Reviews and monitors the Management's responsiveness to the internal auditor's findings and recommendations;</p> <p>(f) Prior to the commencement of audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of officers;</p> <p>(g) Evaluates and determines the non-audit work, if any, of the external auditor and periodically reviews the non-audit fees paid to the external auditor in relation to the total fees paid to him and to the company'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 company's annual report and annual corporate governance report;</p> <p>(h) Reviews and approves the interim and annual financial statements before the submission to the Board with particular focus on the following matters: (i) any change(s) in accounting policies and practices; (ii) areas where a significant amount of judgment has been exercised; (iii) significant adjustments resulting from audit; (iv) going concern assumptions; (v) compliance with accounting standards; (vi) compliance with tax, legal and regulatory requirements;</p> <p>(i) Reviews the disposition of the recommendations in the external auditor's management letter;</p> <p>(j) Performs oversight functions over the company's internal and external auditors. It ensures the independence of the 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;</p> <p>(k) Coordinates, monitors and facilitates compliance with laws, rules and regulations;</p>

(l) Recommends to the Board the appointment, re-appointment, removal and fees of the external auditor, duly accredited by the SEC, who undertakes an independent audit of the company, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the shareholders; and

(m) In case the company does not have a Risk Oversight Committee and/or Related Part Transaction Committee, performs the function of said committees.

The Audit Committee's responsibilities relative to the external auditor are:

1. Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
2. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
3. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
4. Review the reports submitted by the internal and external auditors;
5. Review the quarterly, half-year 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
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements

The Internal Auditor's duties and responsibilities include the following:

- (a) Provides an independent risk based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of governance and control processes in (i) promoting the right values and ethics; (ii) ensuring effective performance management and accounting in the organization; (iii) communicating risk and control information; (iv) coordinating the activities and information among the Board, external and internal auditors, and Management;
- (b) Performs regular and special audit as contained in the audit plan;
- (c) Performs consulting and advisory services related to governance and control as appropriate for the organization;
- (d) Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- (e) Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;
- (f) Evaluates specific operations at the request of the Board or Management, as appropriate; and

	<p>(g) Monitors and evaluates governance processes.</p> <p>The Chief Auditor has the following duties and responsibilities:</p> <p>(a) Periodically reviews the internal audit plan and presents it to senior management and Audit Committee for approval;</p> <p>(b) Establishes a risk-based internal audit plan, including policies and procedures to determine the priorities of the internal audit activity, consistent with the organization's goals;</p> <p>(c) Communicates the internal audit activity's plans, resource requirements and impact of resource limitations as well as significant interim changes to senior management and the Audit Committee for review and approval;</p> <p>(d) Spearheads the performance of the internal audit activities' performance relative to its plan; and</p> <p>(e) Reports periodically to the Audit Committee and gives advise to the senior management and the Board on how to improve internal processes.</p>
<p>Nomination</p>	<p>A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.</p> <p>In addition, the Nomination Committee is also tasked with ensuring compliance with and proper observance of corporate governance principles and practices, which includes the following duties and responsibilities:</p> <p>(a) Oversees the implementation of the corporate governance framework and periodically reviews said framework to ensure that it remains appropriate in light of material changes to the company's size, complexity and business strategy, as well as business and regulatory environments;</p> <p>(b) Oversees the periodic performance evaluation of the Board and its committees as well as executive management and conducts an annual self evaluation of its performance;</p> <p>(c) Ensures 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;</p> <p>(d) Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the Board members and senior officers;</p> <p>(e) Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;</p> <p>(f) Proposes and plans relevant trainings for the Board;</p> <p>(g) Determines the nomination and election process for the company's Board and has special duty of defining the general profile of the Board members that the company may need and ensuring appropriate knowledge, competencies and expertise that compliment the existing skills of the Board; and</p> <p>(h) Established a formal and transparent procedure to develop a policy for determining the remuneration of the Board members and officers that is consistent with the company's culture and strategy as well as business environment in which it operates.</p>

<p>Remuneration</p>	<p>A Compensation or Remuneration Committee, which may be composed of at least three (3) members and one of who, should be an independent director, to 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 Company's culture, strategy and the business environment in which it operates.</p>
<p>Risk Oversight Committee</p>	<p>A Nomination Committee, which may be composed of at least three (3) members and one of whom should be an independent director, to ensure that there is an effective and integrated risk management process in place, which includes the following duties and responsibilities:</p> <p>(a) Develops a formal risk management plan which contains the: (i) common language or register of risks; (ii) well defined-risk management goals, objectives and oversight; (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks; (iv) designing and implementing risk management strategies; and (v) continuing assessments to improve risk strategies, processes and measures;</p> <p>(b) Oversees the implementation of the risk management plan through said committee. It is tasked to conduct regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned unit or offices are addressing and managing these risks;</p> <p>(c) Evaluates the risk management plan to ensure its continued relevance comprehensiveness and effectiveness. It is tasked to revisit the defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;</p> <p>(d) Advises the Board on its risk appetite level and risk tolerance limits;</p> <p>(e) Reviews at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment and when major events occur that are considered to have major impacts on the company;</p> <p>(f) Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are most likely to occur and to impact the performance and stability of the company and its stakeholders;</p> <p>(g) Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and</p> <p>(h) Reports to the Board on a regular basis or as deemed necessary the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.</p>