

**MEGAWIDE CONSTRUCTION CORPORATION**  
2/F Spring Bldg., Arnaiz Ave. cor. P. Burgos St.  
Pasay City, Metro Manila

**CHARTER OF THE GOVERNANCE, COMPENSATION AND NOMINATION COMMITTEE**

The Megawide Construction Corporation (the “Company”) hereby adopts this charter for its Governance, Compensation and Nomination Committee (hereinafter the “Committee”). This Charter establishes the composition, powers, duties and responsibilities and rules of procedure of the Committee.

**1. COMPOSITION**

The Committee shall be composed of at least three (3) members, at least one (1) of whom shall be an independent director of the Company. The Chairman of the Committee shall be an independent director. The members of the Committee may be removed or replaced, and any vacancies therein shall be filled, by the Board of Directors.

**2. POWER**

The Committee shall have the following powers:

- 2.1 Decide, determine and approve, by a majority vote of all of its members, all matters relating to the compensation and benefits of the Company’s directors and officers;
- 2.2 Determine the nominees for election to the Company’s Board of Directors;
- 2.3 Identify and recommend candidates to fill vacancies occurring between annual shareholder meetings;
- 2.4 Develop and recommend to the Board a set of corporate governance guidelines for the Company and reviewing such guidelines;
- 2.5 Develop and recommend corporate governance guidelines for the Company; and
- 2.6 Provide communications with the Board of Directors of the Company and, as appropriate, communications with the shareholders and regulators

**3. DUTIES AND RESPONSIBILITIES**

The Committee shall have the following duties and responsibilities:

- 3.1. Establish a formal and transparent procedure for developing a policy on executive compensation and for fixing the compensation packages of corporate directors and officers, and provide oversight over compensation structure of senior management and

other key personnel of the Company, ensuring that compensation is consistent with the Company's policies as well as its culture, strategy and control environment.

- 3.2. Determine the amount of compensation, which shall be at a reasonable level sufficient to attract and retain directors and officers who are needed to run the Company successfully.
- 3.3. Develop and institute a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incumbent and incoming officer, which shall, among other things, compel all officers to declare under oath, with the pain of penalty of perjury, all their existing business interests or shareholdings in other corporations, firms, or institutes that may, directly or indirectly, involve conflict of interest in their performance of powers, functions and responsibilities in the Company duties once hired.
- 3.4. Disallow any director to decide his or her own compensation.
- 3.5. Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and for the ensuing year.
- 3.6. Review the existing Employee Code of Conduct/Discipline of the Company, 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.
- 3.7. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors of the Company, in accordance with the qualifications, disqualifications and standards provided for under the Company's Manual on Corporate Governance and all relevant rules and regulations.
- 3.8. Ensure that all candidates nominated by shareholders to become a member of the Board of Directors of the Company shall possess the ideals, virtues, and values that are consistent or aligned with the Company's vision and mission statements.
- 3.9. In consultation with the appropriate executive or management committee/s of the Company, re-define the role, power, duties and responsibilities of the Chief Executive Officer (CEO) by integrating the dynamic requirements of the business as an on-going concern and future expansionary prospects within the realm of good corporate governance at all times.

- 3.10. Determine and recommend the number of directorships which a member of the Board of Directors of the Company may hold, in accordance with the guidelines provided under its Manual on Corporate Governance, as well as with all relevant rules and regulations.
- 3.11. Develop and recommend corporate governance guidelines for the Company. The Committee shall review and reassess the adequacy of the corporate governance guidelines annually, or more frequently, if appropriate, and recommend any proposed changes to the Board for approval.
- 3.12. Propose and plan relevant trainings for the members of the Board.
- 3.13. Ensure that effective processes are in place to provide continuity of Board and executive leadership.
- 3.14. Oversight of the annual evaluation of the Board and management.

#### **4. RULES OF PROCEDURE**

- 4.1 The Committee shall meet at least twice a year or as often as it may deem necessary. The Chairman of the Committee or any member may call for such meeting. A quorum for a meeting of the Committee is a majority of the number of the members. A duly convened meeting of the Committee at which a quorum is present is competent to exercise any power vested in the Committee.
- 4.2 Unless otherwise determined by the Committee, the Corporate Secretary shall be the Committee Secretary. The Committee Secretary, under the direction of the Committee Chairman shall prepare the agenda and provide the Committee members advance notice of meetings, the agenda, and with appropriate briefing materials. Minutes of the meeting shall be provided the members after the said meeting.

#### **5. REPORTING RESPONSIBILITIES**

- 5.1 The Committee Chairman must report to the Board of Directors of the Company all matters related to the actions and activities.
- 5.2 The Committee shall whenever it deems appropriate, make recommendations to the Board of Directors of the Company relating to its duties and responsibilities.

## **6. COMMITTEE ADVISORS**

The Committee is authorized to obtain the recommendations of the VP – Human Resources and hire independent advisors, and to secure their attendance if necessary for the proper performance of the Committee functions under this Charter.

## **7. ANNUAL REVIEW OF CHARTER**

The Committee shall conduct an annual review of this Charter and, when deemed appropriate to amendments thereto propose any for the approval of the Board of Directors of the Company.

## **8. EFFECTIVITY**

This Charter shall take effect upon its approval.

APPROVED, this 2<sup>nd</sup> day of December 2016.