

## **Nominating Committee Charter**

**Objective:** To be able to endorse to the Board of Directors the nominees to positions of members of the Board of Directors and key officers, ensuring that they possess all the qualifications and none of the disqualifications as prescribed under the laws and regulations and the Manual on Corporate Governance.

**Composition and Appointment:** At least five (5) directors, one of whom must an Independent Director. The Board shall appoint the members and chairman (from among the members) of the Committee following the annual meeting of stockholders at which the directors are elected. In case of vacancy in the Committee, the Board shall appoint a replacement who will fill the vacancy, at any meeting of the Board. The members of the Committee should have an adequate background, experience or exposure in management, organizational development, human resource development, and a working knowledge of the Company's history, culture, business strategies, work environment and corporate structure.

### **Duties and Responsibilities:**

- (a) To pre-screen and shortlist candidates nominated to become member of the Board in accordance with the qualifications and disqualifications and such other factors which the Nomination Committee may deem appropriate such as judgment, skill, experience with other business organizations of a size comparable to that of the Company and the interplay of a candidate's experience with the experience of other Directors.
- (b) To consider and recommend to the Board the temporary disqualifications of a Director based on any of the following grounds:
  - (i) refusal to fully disclose the extent of business interest as required under the Securities Code and its Implementing Rules and Regulations; provided that this disqualifications shall be in effect as long as said refusal persists;
  - (ii) absence or non-participation for whatever reason(s) for more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during his incumbency; provided that this disqualification applies for purposes of the succeeding election;
  - (iii) dismissal/termination from directorship in another Company, the shares of which are listed on the Exchange, for cause; provided that this disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
  - (iv) being under preventive suspension by the Company; and

- (v) conviction that has not yet become final involving offenses referred to in the grounds for the disqualifications of directors set out above.
- (c) To determine whether a candidate's directorship in other companies would affect his capacity to serve and perform his duties as Director diligently and recommend to the Board any limit on the number of directorship in other Company of a Director, taking into consideration the following factors:
  - (i) the nature of the business of the Company;
  - (ii) the number of directorship/active membership and officership of a Director in other companies or organizations;
  - (iii) any possible conflict of interest; and
  - (iv) the age of the Director.
- (d) To ensure that the Company shall have at least two (2) independent Directors or such Independent Directors shall constitute at least twenty percent (20%) of the members of the Board, whichever is lesser;
- (e) To identify and recommend Directors to fill vacancies in any of the Board Committees, taking into consideration the factors set out in the respective Charters of said Committees as well as any other factors it deems appropriate.

**Meetings:**

The meeting for the screening of nominees as directors and key officers of the Company shall be held at least two (2) months prior to the scheduled annual meeting of stockholders. Meetings may also be held upon call by the Chairman of the Committee to screen nominees for vacancies in the Board of Directors.

Quorum shall constitute a majority of the members of the Committee.

**Reports to the Board:**

It shall be responsibility of the Corporate Secretary, who shall record the minutes of meetings of the Committee, to report to the Board the actions taken by the Committee at the meeting of the Board of Directors immediately following the meetings of the Committee.