

## **BOARD COMMITTEES**

The Board created and appointed Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

### **Audit Committee**

The Audit Committee is composed of at least three members of the Board who have accounting and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

The Audit and Risk Management Committee is chaired by Mr. Gary P. Cheng, while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo serve as its members.

The Audit Committee has the following functions:

- (a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;
- (b) Provide oversight over the management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include receiving from management of information on risk exposures and risk management activities;
- (c) Perform oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (d) Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget, necessary to implement it;
- (e) 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 minimized duplication of efforts;
- (f) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;

- (g) Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- (h) Review the reports submitted by the internal and external auditors;
- (i) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - (i) Any changes in accounting policies and practices;
  - (ii) Major judgmental areas;
  - (iii) Significant adjustments resulting from the audit;
  - (iv) Going concern assumptions;
  - (v) Compliance with accounting standards; and
  - (vi) Compliance with tax, legal and regulatory requirements.
- (j) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
- (k) Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses. The Audit Committee shall 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;
- (l) Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.

### **Nomination Committee**

The Nomination Committee is composed of at least three members of the Board. The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval.

The Nomination Committee is chaired by Atty. Victoria R. Tamayao while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo serve as its members.

### **Compensation Committee**

The Compensation Committee is composed of at least three members of the Board, one of whom is an independent director. The Compensation Committee may 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 strategy in which it operates.

As of the date of this Prospectus, the Compensation Committee is chaired by Edgar J. Sia II , while Mr. Ferdinand J. Sia and Atty. Victoria R. Tamayao serve as members.