

**CHARTER OF THE  
CORPORATE GOVERNANCE COMMITTEE  
ALLIANCE SELECT FOODS INTERNATIONAL, INC.**

**I. Introduction**

This Charter of the Corporate Governance Committee (the “Committee”) of **ALLIANCE SELECT FOODS INTERNATIONAL, INC.** (the “Company”) sets forth the Committee’s purposes, authority, duties and responsibilities, structure and procedures, which shall guide the Committee as prescribed by the Company’s 2017 Corporate Governance Manual (the “2017 CG Manual”).

Consistent with Corporate Governance best practices as set forth in the Code of Corporate Governance for Publicly Listed Companies<sup>1</sup> (the “CG Code”), in addition to its Corporate Governance functions, duties and responsibilities, the Committee will further act as, and undertake the duties, functions and responsibilities of, the **Nominations Committee** and the **Compensation Committee**.

The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company’s Board of Directors (the “Board”) revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

**II. Purposes, Authority, Duties and Responsibilities**

**1. Purposes**

**A. Corporate Governance**

The purpose of the Committee is to assist the Board in performing the corporate governance duties as required under the Company’s 2017 CG Manual, the CG Code and the relevant regulations of the Philippine Stock Exchange (PSE).

**B. Nomination**

The Committee will assist the Board in dealing with matters relating to the election and removal of directors, the formulation of the nomination policy for the Board’s consideration, and to implement the approved nomination policy.

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<sup>1</sup> SEC Memorandum Circular No. 19, Series of 2016

## **C. Compensation**

The Committee will assist the Board in the establishment of a formal and transparent procedure for recommending the appropriate remuneration of directors consistent with Corporation Code and officers (Vice President and above, as per the Company's By-Laws) of the Company to ensure that their compensation is consistent with the Company's financial strategy, sound risk culture as well as the business environment in which it operates

### **2. Authority**

- 2.1 The Committee shall report directly to the Board on its decision or recommendation.
- 2.2 The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

### **3. Duties and Responsibilities**

#### **3.1. Corporate Governance**

The Committee is tasked with ensuring compliance with and proper observance of the corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversee the implementation of the corporate governance framework and periodically reviews the 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 its business and regulatory environments;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as the officers of the Company as defined in the By-Laws, and conducts an annual self-evaluation of its performance;
- c. 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;

- d. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Propose and plan relevant trainings for the members of the Board.

### **3.2. Nomination**

The functions, duties and responsibilities of the Committee, acting as the Nominations Committee, include among others:

- a. To determine and develop a nomination process and define the general profile of a Director in accordance with the Board Diversity Policy;
- b. To identify the candidates suitably qualified to become a Director and prepare a final list of candidates for the consideration of the shareholders for election to as director;
- c. To provide the Board and the shareholders sufficient biographical details of the nominated candidates to enable them to make an informed decision on the selection of individuals nominated as director;
- d. To make recommendations on the election of directors and on succession planning for the Executive Directors and/or the Chief Executive Officer;
- e. To make such reports and disclosures as appropriate regarding the Committee process and review, including an explanation on the fitness of the nominees included in the final list of candidates;
- f. As much as practicable, to conform to any requirement, direction and regulation that may from time to time be prescribed by the Board or imposed by the concerned regulatory authorities;
- g. To do any such act necessary to enable the Committee to perform its powers and functions under this Charter and as conferred by the Board.

### **3.3. Compensation**

The functions, duties and responsibilities of the Committee, acting as the Compensation Committee, shall include among others:

- a. To make recommendations to the Board on the Company's policy and structure for all directors' and officers' remuneration and on the establishment of formal and transparent procedures for developing remuneration policy;
- b. To review and recommend, with delegated responsibility, the remuneration packages of directors and officers, keeping in mind the Board's corporate goals, objectives and strategies. This shall include, without limitation, basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments;
- c. To ensure that no director is involved in determining his own remuneration, recommendations of the Committee increasing the remuneration of the Board, if eventually approved, shall not take effect until after the expiration of the term of the Board;
- d. To administer and oversee the Company's stock option plan and policy, if any, in accordance with the terms and conditions of the share option policy, including the granting of options to the Company's directors and officers under the share option policy and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised), and/or to administer and oversee any other share incentive policy or other equity-based compensation in place from time to time;
- e. To review from time to time, as may be appropriate, this Charter and to recommend to the Board any necessary changes required.

### **III. Composition**

1. The Committee shall have at least three (3) members.
2. As practicable, all members of the Committee shall be Non-Executive Directors with at least a majority Independent Directors. The Chairman of the CG Committee shall not be the Chairman of any other committee.
3. The office of a Member shall *ipso facto* be vacated:

- a. if he resigns as a Member of the Committee or of the Board;
- b. if he is removed by a resolution of the Board;
- c. if he is declared to be incompetent or of unsound mind; or
- d. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the 2017 CG Manual.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

#### **IV. Committee Procedures**

##### **1. Meetings**

###### 1.1 Frequency

The Committee shall with such frequency as may be necessary or appropriate to enable it to fulfill its functions, duties and responsibilities with respect to at Corporate Governance, Nomination and Compensation; provided that the number of meetings shall not be less than two (2) times in a calendar year.

###### 1.2 Notice

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or

facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

### 1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

## 2. Attendance

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/ videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.

2.3 Only Members are entitled to vote at Committee meetings.

2.4 In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

## 3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

## 4. Resolutions

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

## **5. Minutes and Records**

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

## **V. Remuneration of Members**

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

## **VI. Amendment**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

**This Charter of the Corporate Governance Committee (which acts as the Nominations Committee and the Compensation Committee) was adopted and duly approved on 30 May 2017.**

Attest:

**ANTONIO E. PACIS**  
Chairman

**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary

**MA. KRISTINA P. AMBROCIO**  
Compliance Officer