



**CHARTER OF THE CORPORATE
GOVERNANCE AND NOMINATION
COMMITTEE**

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Charter of the Corporate Governance and Nomination Committee

The Board of Directors (“Board”) of Cebu Holdings, Inc. (the “Corporation”) hereby adopts this Charter of the Corporate Governance and Nomination Committee (the “Committee”).

1. Membership

1.1. Composition

The Corporate Governance and Nomination Committee shall be composed of at least three (3) members, all of whom shall be independent directors. An independent director shall chair the Corporate Governance Committee.

The Board shall designate the Chairman of the Committee who must be an independent director. The Committee has to be composed in such a way that it possesses, as a group, the necessary knowledge, skills and experience required to properly perform its duties.

The Committee shall regularly review its composition, taking into account the evolving requirements of the Corporation, and best practices in corporate governance.

1.2. Term

The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organizational meeting of the Board, unless removed or replaced by the Board.

1.3. Vacancy

In case any vacancy or vacancies should occur on the Committee other than removal or expiration of term, due to death, resignation or other causes, the remaining Directors, may fill the vacancy by election from among the members of Board.

1.4. Compensation

The members of the Committee shall receive such compensation as the Board of Directors may fix and determine.

2. Powers, Duties and Responsibilities of the Committee

2.1 Duties and Responsibilities:

- a. Oversee the implementation of the Corporate Governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation’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 executive management, and conduct an annual self-evaluation of its performance;
- c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete plans are developed and implemented to address identified areas for improvement;

- d. Recommend continuing education/training programs for directors, assignment of tasks, projects to board committees, succession planning for the board members and senior officers.
- e. Adopt corporate governance policies and ensure 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;
- g. Determine the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- h. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.
- i. Establish and maintain a process to ensure that all candidates/nominees to be nominated for election as directors at the Annual Stockholders' Meeting are qualified in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations and possess none of the disqualifications stated in the Corporation's Revised Code of Corporate Governance;
- j. Encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. In the selection of candidates, the objectives set by the Board regarding its composition are to be seriously considered, as well as the required knowledge, abilities and experience needed to successfully manage the Corporation. Careful attention must be given to ensure that there is independence and diversity, and appropriate representation of women in the Board, subject to the possession of the knowledge, abilities and experience determined by the Board as necessary for the Board to properly perform its functions;
- k. Review and evaluate the qualifications of persons nominated to positions in the Corporation which require appointment by the Board, and provide guidance and advice as necessary for the appointments of persons nominated to other positions.
- l. Review and disclose succession plans for members of the Board, and officers for the position of Group Directors to the President/CEO.
- m. Provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members and in appointing officers or advisors and develop, update as necessary and recommend to the Board policies for considering nominees for directors, officers or advisors.
- n. Discharge any other duties and responsibilities delegated to the Committee by the Board from time to time.

The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

2.2 All nominees for election in the following offices shall be referred to the Committee for evaluation of their qualifications:

- a. Board of Directors
- b. President and Chief Executive Officer
- c. Chief Finance Officer or Treasurer
- d. Group Directors or Vice President level
- e. Corporate Secretary
- f. Assistant Corporate Secretary
- g. Other executive officers of the Corporation whose appointments are required by the Board to be submitted to the Board for approval

The Committee shall not endorse a nominee for appointment by the Board unless it has determined that all nominees have all the qualifications and none of the disqualifications for the position.

3. Resolutions and Actions

3.1 Meetings, Quorums and Actions

- a. The Committee shall meet in person, teleconference or video conferencing facility or through such other similar means at twice a year at a time and place determined by its Chairman, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairman.
- b. As a general rule, Committee meetings shall be announced at least two weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.
- c. Two thirds (2/3) of members shall constitute a quorum for the holding of a Committee meeting.
- d. The majority vote of all its members shall be necessary to approve an act or resolution of the Committee.
- e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman.
- f. The charter of the Committee, number of Committee meetings and attendance of members at Committee meetings shall be disclosed in the Corporation's annual report.
- g. Committee members are encouraged to attend all Committee meetings.
- h. Actions of the Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary or desirable by the Committee or its Chairman.

3.2 Minutes

Minutes of the Committee meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the individual who has been appointed to take notes during the meeting.

3.3 Reports to the Board

The Chairman of the Committee or his designate shall report to the Board all actions of the Committee at the meeting of the Board following such actions.

An act of the Committee which is within the scope of its powers shall not require ratification or approval by the Board for its validity and effectivity. However, such acts shall be subject to revision or alteration by the Board, provided that no rights or acts of third parties shall be affected by such revision or alteration.

4. Miscellaneous

4.1 Access to Information

The Committee shall have free and full access to all relevant information, data, records and personnel of the Corporation.

4.2 Technical Assistance

The Corporate Secretary, the management and all personnel of the Corporation shall provide assistance and support to the Committee.

The Committee may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem desirable or appropriate.

All resources necessary for the Committee to perform its duties and functions shall be provided by the Corporation, at its expense.

4.3 Records/Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Committee. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records shall be kept confidential.

4.4 Annual Review/Self-Evaluation

This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.

The Committee shall conduct a yearly self-evaluation of its own performance.

4.5 Effectivity

This Charter shall take effect when approved by the Board.

Approved by:

Justice Pampio A. Abarintos (Ret.)
Committee Chairman

Aniceto V. Bisnar, Jr.
Committee Member

Bernard Vincent O. Dy
Committee Member

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