



## CHARTER OF THE PERSONNEL AND COMPENSATION COMMITTEE

### Document Version Information

<b>Document Reference Number</b>	ACEPH-PACC-01
<b>Document Version</b>	01
<b>Document Approval Date</b>	18 March 2020
<b>Document Approved By</b>	ACE Philippines, Inc. Board of Directors
<b>Document Prepared By</b>	AC Energy Compliance Unit

### Document Revision History

<b>Page No.</b>	<b>Rev. No.</b>	<b>Change Description</b>	<b>Effectivity Date</b>
All	0	Initial Issue	
All	1	Revised to align to best practices and AC Energy and Ayala Corporation	

### Document Control

This document shall be reviewed annually by the ACE Philippines, Inc. Personnel and Compensation Committee

## **CHARTER OF THE PERSONNEL AND COMPENSATION COMMITTEE OF AC ENERGY PHILIPPINES, INC.**

The Board of Directors (“Board”) of AC Energy Philippines, Inc. (the “Corporation”) hereby adopts this Charter of the Personnel and Compensation Committee (the “Committee”).

### *1.1. Composition*

The Committee shall be composed of at least three (3) directors, one of whom shall be an independent director. The Board may from time to time increase the membership of the Committee, and appoint additional members therein, who may or may not be directors.

### *1.2. Term*

The Board appoints the members of the Committee at the annual organizational meeting of the Board and each member shall serve upon his or her election until the next organizational meeting of the Board unless removed or replaced by, and in the sole discretion of, the Board.

### *1.3. Vacancy*

Any vacancy in the Committee caused by the death, resignation, or disqualification of a member, or by any other cause, may be filled by the Board. The member elected to fill the vacancy shall hold office for the remainder of the term, or until his or her successor shall have been duly elected and have qualified.

## **Section 2. Powers, Duties and Responsibilities of the Committee**

The Committee shall have the following powers, duties and responsibilities:

- 2.1. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the Corporation’s culture, strategy and control environment;
- 2.2. Review, at least annually, the performance of each of the Chairman of the Board, the Chief Executive Officer (CEO), the President and Chief Operating Officer (COO) and measure such performance against each of his or her goals and objectives pursuant to the Corporation’s plans and determine his or her compensation for approval of the Board;
- 2.3. Review the structure and competitiveness of the Corporation’s executive officer compensation programs considering the following factors: (i) the attraction and retention of executive officers; (ii) the motivation of executive officers to achieve the Corporation’s business objectives; and (iii) the alignment of interests of executive officers with the long-term interests of the Corporation’s shareholders.

- 2.4. Develop and periodically review a form on Full Business Interest disclosure, which among others compels all incoming and incumbent officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in the performance of their duties;
- 2.5. Provide in the Corporation'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 the ensuing year; and
- 2.6. Periodically review the Human Resources Development or Personnel Handbook, 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.

No member of the Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.

### **Section 3. Resolutions and Actions**

#### *3.1. Meetings and Actions by Written Consent*

The Committee shall meet in person or by teleconference at least 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. 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 meeting will be recorded and maintained by the Corporate Secretary, with the assistance of the Compliance Unit, and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his or her designate shall act as secretary for the meetings.

#### *3.3 Reports to the Board*

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

### **Section 4. Miscellaneous**

#### *4.1. Access to Information*

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

#### *4.2. Technical Assistance*

The Corporate Secretary, the Compliance Officer, the Compliance Unit, management and personnel of the Corporation shall provide technical assistance and support to the Committee.

#### 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*

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

#### 4.5. *Effectiveness*

This Charter shall take effect on the date of approval hereof by the Board of Directors.