

 SBS PHILIPPINES CORPORATION	REVISED TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE		Approval Date 17 December 2024
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The Board of Directors of SBS Philippine Corporation (the “Corporation”) hereby constitutes the Nomination and Remuneration Committee (the “Committee”) and adopts this Committee Charter:

1. Purpose

- 1.1 This Charter sets out the roles, responsibilities and delegated authorities of the Nomination & Remuneration Committee, including the procedures to guide the Committee in the performance of its functions.
- 1.2 This Charter may be reviewed by the Committee and/or the Board as and when deemed appropriate. Such review shall take place at least every two years and any changes and/or amendments shall only take effect upon approval by the Board of Directors.

2. Mission Statement

- 2.1 The primary role of the Nomination and Remuneration Committee of the Board of Directors of the Company is to provide oversight on the qualifications of persons nominated to the Board of Directors and as well as other senior executive officer positions requiring the appointment by the Board of Directors, with the goal of selecting competent candidates to foster the long-term success of the Company and promote the best interests of its stakeholders.
- 2.2 It shall provide guidance and advice as necessary to the Board regarding compensation policies of directors and senior executive officers, the standards and criteria for their leadership development and ensure that the Company’s human capital and talent pool are adequate.

3. Membership

- 3.1 The members of the Committee shall be appointed by the Board of Directors and shall be composed of at least three (3) regular members including the lead independent director. A non-executive director shall be designated as the Chairman of the Committee and preside over its meetings.
- 3.2 The members of the Committee shall be appointed by the Board of Directors during its annual organizational meeting and each shall hold office for one year and until their successors are elected and qualified, unless sooner replaced or removed by the Board.

3.3 Any vacancy in the Committee shall be filled by the Board of Directors. The member elected to fill a vacancy in the Committee shall serve only the unexpired term of his predecessor in office.

4. Powers, Duties and Responsibilities of the Committee

4.1 The Committee shall lead the screening process for nominations for election to the Board of Directors. It shall review and evaluate the qualifications of all persons nominated for election to the Board of Directors in accordance with the requirements of the Corporation's By-Laws, Manual of Corporate Governance and applicable legal, regulatory and listing requirements. It shall identify, approve and recommend to the Board of Directors the list of eligible nominees to be elected as members of the Board of Directors.

4.2 The Committee shall consider and determine if nominees for election as independent directors are qualified according to the criteria set under the 2015 IRR of the Securities Regulation Code, as amended, and PSE Listing Rules, SEC Code of Corporate Governance for PLCs, and other applicable laws and regulations.

4.3 The Committee shall oversee the annual performance evaluation of each director, including its executive directors. It shall develop an action plan addressing the results of the evaluation.

4.4 The Committee shall assess effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director.

4.5 The Committee shall establish a policy for fixing the remuneration packages of the Directors and Senior Executive Officers ensuring that the compensation is consistent with the Company's culture, strategy and control environment and review annually the performance of such directors and executives;

4.6 It shall 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 the interests of executive officers with the long-term interests of the Corporation's shareholders and other stakeholders.

4.7 The Committee will recommend a succession plan for the board of directors and senior officers.

4.8 To make recommendations to the Board with respect to Company incentive compensation plans, including equity incentive plans, the grant of awards and the terms and conditions applicable to such awards

5. Process and Criteria for Nominations to the Board

The following procedure and criteria shall be observed in the review and screening of persons nominated for election to the Board of Directors:

- 5.1 Written nominations by the stockholders shall be received by the corporation at least 60 days before the date of the Annual General Meeting of the Stockholders; external sources of candidates when searching for candidates to the Board of Directors may be requested.
- 5.2 The Committee shall assess and determine if the person nominated for election to the Board of Directors meet the following qualification standards for directorship:
 - (a) Ownership of at least one (1) share of the capital stock of the Corporation registered in his name in the books of the Corporation;
 - (b) College degree or its equivalent, or comparable experience and competence in managing a business in lieu of such formal education;
 - (c) Relevant experience and credentials such as previous business experience in the corporation, membership in good standing in relevant industry and membership in business or professional organizations;
 - (d) Able to conduct fair business transactions with the Corporation and devote the necessary time and attention to properly and effectively perform his duties and responsibilities as director;
 - (e) Able to act judiciously and exercise independent judgment;
 - (f) Has none of the director disqualifications prescribed under the Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations; and
 - (g) For independent directors:
 - (i) Beneficial equity ownership in the Corporation or in its related companies must not exceed two (2%); and
 - (ii) Each must meet the term limit and independence standards set under SEC corporate governance rules as follows:
 - Must not be a regular director or officer of the Company or any of its related companies or substantial shareholders for the current or any of the past three financial years;

- Must not be an ex-officio director or officer of the Company, including as a Chairman Emeritus of the Board, or a member of the executive advisory board or as Board adviser for the current or preceding financial year;
- Must comply with the maximum 9 -year term limit;
- Must not have a member of his immediate family who is a director, officer or substantial shareholder of the Company or any of its related companies;
- Must have a maximum of 5 directorships in other publicly listed companies;
- Must not be a nominee or representative of a director or substantial shareholder of the Company or its related companies and/or its substantial shareholders;
- Must not have been an executive employee of the Company or its related companies or substantial shareholders within the last past five years;
- Must not have been an adviser (whether personally or through his firm or other similar entity) of the Company, its related companies or its substantial shareholders, within the last five years;
- Must not engage in any transaction (whether personally or through a firm where he is a partner, director, officer or substantial shareholder) with the Company, its related companies or substantial shareholders unless conducted on arm's length basis and immaterial.

(h) For non-executive directors:

- (i) Must have a maximum of 5 directorships in other publicly listed companies.

5.3 The Committee may also consider the following matters in their evaluation:

- (a) Directorships in other corporations;
- (b) Age of the director; and
- (c) Any possible conflict of interest.
- (d) Record of integrity and good repute;

- (e) The competencies, knowledge and expertise complementing the needs of the Board and considering the strategic direction of the company;
- (f) Relationship of candidate with competitors, suppliers or customers of Company in the last 3 years.

5.4 The Committee shall pre-screen, evaluate suitability, and identify the individual nominees who possess all the qualifications and none of the disqualifications for directorship set for directors, including independent directors, under the Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations.

5.5 Thereafter, Committee shall identify and recommend a shortlist of qualified nominees for Board approval and endorsement of the final list of nominees for election at the Annual Meeting of the Stockholders.

5.6 In case of a vacancy in the Board other than removal of a director or expiration of term, the Committee shall identify and recommend, for approval of the Board, nominees to fill Board vacancies as and when they arise. In identifying suitable candidates, the Committee may make use of professional search firms or services of external advisers to facilitate the search for qualified candidates to the Board.

6. Nominations for Senior Corporate Officers

6.1 The Committee shall review and evaluate the qualifications of all persons recommended to senior officer positions in the Corporation which require appointment by the Board.

6.2 The Committee shall consider in their evaluation the level of skills, knowledge and experience of the candidate in relation to the duties and responsibilities of the position/s under consideration.

7. Performance Assessment

The Committee shall conduct an annual evaluation of its performance to ensure that the same is in compliance with its Charter, the best corporate practices, and other pertinent regulations promulgated by the Securities and Exchange Commission (SEC). Relative thereto, it shall cause members of the Committee to complete a self-assessment questionnaire to align its practices with the requirements and mandates of the previously mentioned government agency. Based on the results of its self-rating assessment, the Committee shall prepare plans for the continuous improvement of its performance which may include programs and trainings that will elevate and enhance effectiveness of its functions as the Nomination and Remuneration Committee.

8. Meetings and Recommendations

8.1 The Committee shall meet at least twice a year or as frequently as required to perform its duties set out in this Charter. Unless otherwise agreed, notice of each meeting confirming the venue, time and date shall be forwarded to each Committee member and to other attendees (as appropriate) in advance of each scheduled meeting date together with an agenda and supporting papers. The actions of the Committee may also be taken by written consent by majority of the members when deemed necessary by the Committee or its Chairman.

The Committee may invite such member of Management to its meetings as it deems desirable or appropriate.

8.2 Minutes of the Committee meeting will be recorded and maintained by the secretary of the meeting and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designated representative shall act as secretary for the meetings.

8.3 The Chairman of the Committee or the designated representative shall report to the Board all actions of the Committee at the meeting of the Board following such actions.

8.4 After its meeting, the Committee will report to the Board the results of its review and proceedings in the form of observations, recommendations and proposed resolutions and actions for the further consideration, action, approval and/or ratification of the Board. No recommendation, resolution, decision or action taken of the Committee will be valid and effective unless and until the Board of Directors approves, confirms or ratifies the decision or action taken by the Committee.

9. Access to Information and Technical Assistance

9.1 The Committee shall have full access to all relevant information, data, records, properties and personnel of the Company.

9.2 The Corporate Secretary, management and personnel of the Company shall provide technical assistance and support to the Committee.

10. Adoption and Effectivity

This Amended Charter was adopted by the Board of Directors of the Corporation with effect January 1, 2025.

Approved on **17 December 2024** by Resolution of the Board of Directors.

Record of Changes

Version Number	Document Title	Approval Date
1.0	TERMS OF REFERENCE OF THE NOMINATION AND REMUNERATION COMMITTEE	Approved by the Board of Directors on March 19, 2021