

PHINMA CORP  
CHARTER OF THE EXECUTIVE COMPENSATION COMMITTEE

The Executive Compensation Committee (the “Committee”) is a committee of, and that reports to, the Board of Directors of [PHINMA Corporation](#). (the “Board”). Through this Charter, the Board delegates responsibilities to the Committee in relation to the compensation of the Company’s executives and the review of the Company strategy for recruitment, retention and employee development.

1. Policy

The Board shall promote a culture that supports initiative and innovation, motivating the Company’s officers, directors and employees to be effective and productive through compensation and incentives that are reasonable and equitable.

The compensation policy aims at enabling the Company to attract and retain highly qualified personnel for positions of substantial responsibility in the Company, to provide short-term and long-term incentives for such persons to perform to the best of their abilities for the Company, and to promote the success and achievement of the Company’s mission.

2. Composition and Appointment

- a. The Executive Compensation Committee shall be composed of at least three (3) directors, one of whom shall be an independent director.
- b. The Chairperson of the Executive Compensation Committee, who shall be an independent Director, shall be appointed by the Board.
- c. The composition of the Committee shall be determined by the Board.
- d. All members of the Committee shall be appointed by the Board and shall serve until the next organization meeting unless replaced by the Board.
  - i. Any member of the Committee may resign at any time by giving written notice of her or his intention to do so to the Chairperson of the Board.
  - ii. Vacancies in the Committee may be filled during any meeting of the Board. The said appointed member of the Committee shall hold office until the remainder of the term.

3. [Duties and Responsibilities \(taken from PHN Corporate Governance Manual\)](#)

All findings and recommendations of the Committee shall be submitted for approval of the Board. Its specific responsibilities are as follows:

- a. Establish a formal and transparent process for developing a policy on the compensation packages of corporate officers and directors,
- b. Provide oversight over compensation of senior management and other key personnel, ensuring that compensation is consistent with the Company’s culture, strategy, control environment, geographic operations and long-term objectives.

- c. Designate amount of compensation, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the company successfully, subject to the approval of the Board.
  - d. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict with their performance of duties once hired.
  - e. Disallow any director to decide his or her own compensation.
  - f. Provide in the Company's annual reports prescribed by the Commission, 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, consistent with the guidelines of the Commission and the [PHINMA Corporation Manual on Good Corporate Governance](#).
  - g. Review the existing Human Resources Development or Personnel Handbook to strengthen provisions on:
    - i. conflict of interest,
    - ii. salaries and benefit policies, considering the salaries paid by similar companies, time commitment and responsibilities and employment conditions elsewhere in the group and geographical scope of operations,
    - iii. promotion and career advancement directives and
    - iv. compliance of personnel concerned with all statutory requirements that must be met periodically in their respective posts.
4. Committee Authority
- a. *Executive Officer Compensation*. The Committee shall periodically review and make recommendations for the compensation of executive officers, from the rank of [Senior Vice-Presidents and up, including the Chief Executive Officer, Chief Operating Officer, Chief Finance Officer, Chief Strategy Officer, and Strategic Business Unit heads](#). The compensation review shall include salary and bonus levels; deferred compensation; executive perquisites; equity compensation (including awards to induce employment); severance arrangements; change-in-control benefits and other forms of executive officer compensation. The Committee shall coordinate with the [Governance Committee](#) on compensation matters relating to evaluation and succession plan of the Company's executive officers.
  - b. *Director Per Diem and/or Compensation*. Periodically, or as deemed appropriate, the Committee shall, with advice from independent compensation consultants and comparative data:
    - i. review and discuss with the Board the Company's philosophy, processes and procedures for the consideration and determination of director per diem and/or compensation;
    - ii. evaluate the amount and type of director per diem and/or compensation, including the allocation between cash and equity-based components; and
    - iii. recommend to the Board the appropriate level of director per diem and/or compensation.

- c. *Plan Recommendations and Approvals.* The Committee shall periodically review and make recommendations to the Board with respect to incentive-compensation plans and equity-based plans. In addition to any recommendation provided by the Committee to the full Board, the Executive Compensation Committee, or a majority of the Company's independent directors, shall approve all equity compensation plans and amendments that are not subject to shareholder approval.
  - d. *Disclosure.* The Committee shall provide the required Compensation Committee Report, in accordance with applicable SEC rules, for inclusion in the Company's Information Statement for the Company's Annual Meeting of Stockholders (the "Information Statement"). In connection with the preparation of such Compensation Committee Report, the Committee shall review the Compensation Discussion and Analysis section of the Information Statement and, as appropriate, recommend to the Board for approval the inclusion of the Compensation Discussion and Analysis section in the Company's Annual Report on SEC 17-A and Proxy Statement, in accordance with applicable listing and regulatory rules.
  - e. *Recruitment, Retention and Employee Development.* The Committee shall periodically review management's strategy for recruitment, retention and employee development.
  - f. *Additional Powers.* The Committee shall have such other duties as may be delegated from time to time by the Board.
5. Procedures and Administration
- a. The Committee shall meet at least twice (2) a year either in person or by tele or video conference, in which the Chairperson of the committee shall determine the time and place.
  - b. Recommendations or actions by the Committee shall be taken by consent (in physical, electronic or digital format) of the majority of the members, when necessary, as determined by the Committee or its Chairperson.
  - c. A meeting can only be considered valid when a quorum or at least 2 members of the Committee, including the Chairperson, are present.
  - d. The Office of the PHINMA Chief Finance Officer shall serve as the Secretariat of the committee.
    - i. Together with the Chairperson of the committee, the Secretariat shall be responsible for determining the agenda of the meeting, sending notices, and providing the members with the necessary documents for their preparation at least three (3) days prior to the date of the meeting.
    - ii. The Secretariat shall take the minutes of the meeting and send them to the Committee members for their final approval and adoption.
    - iii. The Secretariat shall also be responsible for the safekeeping of all of the approved minutes of the meetings of the Committee.

6. Effectivity

The Charter shall be effective upon its approval by the Board.

The Committee shall conduct periodic review and evaluation of the Charter for its appropriateness and effectivity and shall also recommend, if deemed necessary, amendments and addendum thereto to the Board for approval.