



SBS PHILIPPINE CORPORATION

TERMS OF REFERENCE OF THE REMUNERATION COMMITTEE

The Board of Directors of SBS Philippine Corporation (the “Corporation”) hereby constitutes a Remunerations Committee (the “Committee”) and adopts this Committee Charter:

1. Membership

- 1.1. The members of the Committee shall be appointed by the Board of Directors and shall be composed of at least three (3) directors, and one of whom shall be an independent director. An Independent Director shall be designated as the Chairman of the Committee and preside over its meetings. The Committee shall act on the basis of majority vote of its members.
- 1.2. 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.
- 1.3. 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.

2. Powers, Duties and Responsibilities of the Committee

- 2.1 The Committee shall establish a formal and transparent procedure for the fixing of the remuneration packages of directors and key executives and shall ensure that their compensation framework is aligned to the long term interests of the Company. Key executives shall mean the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer and General Manager. No director shall participate in deciding for his/her own remuneration package.
- 2.2 The Committee shall review the structure and competitiveness of the Company’s compensation program, evaluate such additional compensation plans designed to keep and attract employees to the Company, and make recommendation to the Board for latter’s final action.
- 2.3 In the event that a stock option plan is adopted by the Company, the Committee shall administer the Stock Option Plan in accordance with the terms thereof and recommend to the Board any such modifications that may be considered from time to time.

3 Meetings

- 3.1 The Committee shall meet at least annually 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 Committee Chairman shall report to the Board on its proceedings after each meeting.
- 3.2 Actions of the Committee may also be taken by unanimous written consent (in physical, electronic or digital format) when deemed necessary.
- 3.3 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

Approved:

By resolution of the Board
5 March 2015