



## **CORPORATE GOVERNANCE COMMITTEE CHARTER**

This Corporate Governance Committee Charter (this “Charter”) sets out the purpose, membership and qualifications, structure and operations, duties and responsibilities, reporting process and performance evaluation of the Corporate Governance Committee (the “Committee”) of Ginebra San Miguel Inc. (the “Corporation”), and the procedures which guide the conduct of its functions.

### **1. PURPOSE**

In accordance with the Amended By-laws and Amended Manual on Corporate Governance (the “CG Manual”) of the Corporation, the Board of Directors (the “Board”) of the Corporation constituted the Committee to assist the Board in the performance of its corporate governance responsibilities. The Committee is accountable to the Board for its performance.

### **2. MEMBERSHIP AND QUALIFICATIONS**

#### **2.1 Composition**

The Committee shall be composed of at least three (3) Directors, at least two (2) of whom should be Independent Directors as defined in the CG Manual, including the Chairman.

#### **2.2 Qualification**

Each member of the Committee shall have the qualifications and none of the disqualifications of a Director, as set out in the CG Manual.

#### **2.3 Appointment**

The Chairman and the members of the Committee shall be appointed by a majority vote of the members of the Board present during the organizational meeting of the Board. Any vacancy occurring in the Committee may be filled by the vote of at least a majority of the remaining Directors, if still constituting a quorum, during any meeting of the Board.

Membership shall be reviewed every year after election of the Board by the Corporation's stockholders at their annual meeting or earlier, if the Board deems necessary.

## **2.4 Removal**

The Chairman of the Committee or any of its members may be removed from office only by action of the Board.

## **3. STRUCTURE AND OPERATIONS**

### **3.1 Meetings**

The Committee shall meet at such times and places as it considers appropriate and as designated in the notice. The Chairman of the Committee, any Committee member, or the Corporate Secretary of the Corporation may call a meeting of the Committee.

### **3.2 Quorum**

Attendance of at least a majority of all the voting members of the Committee shall constitute a quorum for the Committee to transact business in a meeting to be convened. The Committee shall act only on the affirmative vote of at least a majority of the voting members present at a meeting at which there is a quorum.

### **3.3 Chairman**

The Chairman of the Committee shall preside in all meetings of the Committee. In the absence of the Committee Chairman, the Committee members present shall elect one of their members as Chairman of the meeting.

### **3.4 Secretary of the Meeting**

The Corporation's Corporate Secretary shall be the secretary of the Committee. He/she shall record or see to the proper recording of the minutes and transactions of the Committee.

### **3.5 Notice of the Meeting**

A notice of each meeting setting out the date, time, venue, and agenda shall be sent to each member of the Committee at least five (5) working days prior to the date of the meeting.

### **3.6 Record of Meetings**

Full minutes of the proceedings of, and resolutions made during Committee meetings shall be kept by the Corporate Secretary. Notices, minutes, agenda and materials presented during meetings will be made available to any Director upon request to the Corporate Secretary.

### **3.7 Other Attendees**

As the Committee deems necessary, the Committee may invite members of Management and the organizational staff to attend the Committee meetings to provide relevant information or data necessary for the matters for discussion during the Committee meeting. At the discretion of the Committee, separate meetings with any member of the Corporation's Management may be held, whenever it is deemed appropriate by the Committee for the exercise of its functions.

### **3.8 Access to Resources**

The Committee shall be given access to the Corporate Secretary, Management, personnel and records of the Corporation for the purpose of performing its duties and responsibilities hereunder. The Committee may also obtain independent professional advice if it considers it necessary in the performance of its functions. The Committee shall be provided with sufficient resources by the Corporation to discharge its duties.

## **4. DUTIES AND RESPONSIBILITIES**

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

- 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 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 action plans are developed and implemented to address the identified areas for improvement;

- d. Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession plan for the Board members and Senior Officers, and remuneration packages for corporate and individual performance;
- 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 define the general profile of Board members that the Corporation may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
- h. Pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications as provided in the CG Manual;
- i. In consultation with the appropriate executive or Management committee/s and with the supervision of the Board, re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times; and
- j. Consider the following guidelines in the determination of the number of directorships which a member of the Board may hold in accordance with the policy on holding multiple Board seats under the CG Manual:
  - a. The nature of the business of the corporations of which he is a Director;
  - b. Age of the Director;
  - c. Number of directorships/active memberships and officerships in other corporations or organizations; and
  - d. Possible conflict of interest;

The capacity of a Director to perform his or her duties diligently, in general, shall be considered in determining the optimum number of directorships which a member of the Board may hold.

## **5. REPORTING PROCESS**

### **5.1 Report of Meetings Convened**

The Chairman of the Committee, or in his/her absence, the Chairman of the meeting, shall report to the Board on the decisions and recommendations made by the Committee during the meeting it has convened in the next scheduled Board meeting.

### **5.2 Other Reports**

The Committee shall prepare such reports as may be necessary to document the activities of the Committee in the performance of its functions and duties. Such reports may be included in the Corporation's annual report and other corporate disclosures as may be required by the Securities and Exchange Commission (the "SEC") and/or a stock exchange such as the Philippine Stock Exchange, Inc. (the "Exchange").

## **6. PERFORMANCE EVALUATION**

The Committee shall assess its effectiveness periodically, with the end in view of ensuring that its performance accords with best practice. Such assessment must compare the Committee's performance with the requirements of this Charter and the CG Manual, which shall be the basis of its formulation of objectives and plans to improve its performance, including any recommendations for amendments to this Charter for approval by the Board.

The Committee shall assess its performance through a self-assessment worksheet (the "Assessment") that substantially adopts the pertinent and relevant guidelines of the SEC.

The Assessment shall be accomplished by the Committee on an annual basis or in such shorter intervals as may be set by the Board. The results of the Assessment shall be validated by the Corporation's Compliance Officer.

A feedback mechanism shall be in place to receive comments from Management. This should facilitate dialogue within the organization about possible ways to improve its performance.

The entire assessment process shall be documented and shall form part of the records of the Corporation that may be examined by the SEC and/or the Exchange, where appropriate, from time to time.

**7. ANNUAL REVIEW**

This Charter shall be reviewed annually, updated as required, and copies of this Charter shall be made available to any requesting party upon written request to the Corporate Secretary.

**8. AMENDMENT**

This Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.