

LOPEZ HOLDINGS CORPORATION

CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Purpose and Composition

The Board of Directors shall create a Corporate Governance Committee which shall assist the Board (i) in the performance of its corporate governance responsibilities, including the determination of the process for the nomination and election of directors and for the appointment and promotion of senior officers, (ii) in the performance of the functions which were formerly assigned to the Compensation and Remuneration Committee, and (iii) in reviewing all material related party transactions of the Corporation.

The Committee shall be composed of at least three (3) members, all of whom are independent directors. The Committee shall have a Chairman who shall be appointed by the Board and who shall be an independent director.

II. Duties and Responsibilities

The Committee shall ensure compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversees the implementation of the corporate governance framework and periodically reviews 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. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- c. Ensures 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. Recommends continuing education or training programs for directors, assignment of tasks to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant training for the members of the Board;
- g. Determines the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of the board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
- h. Determines the process for the appointment and promotion of the Corporation's senior officers;

- i. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates;
- j. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, related party transactions (RPTs) are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators;
- k. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
 - i. The related party's relationship to the Corporation and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - iii. The benefits to the Corporation of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and
 - v. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- i. Ensures that appropriate disclosure is made, and information is provided to regulators relating to the Corporation's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;
- j. Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- k. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- l. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

The Committee shall set the criteria to be used for the selection and nomination of directors, and for passing upon their qualifications which shall be consistent with the By-Laws and the Manual of Corporate Governance, and such criteria shall be disclosed.

The Committee is tasked to review the structure, size and composition of the Board of Directors and make appropriate recommendations thereto. It shall ensure that the Corporation has at least three (3) independent directors or such number of independent directors which constitute at least one-third (1/3) of the members of the Board or otherwise required by law, rules and/or regulations, whichever is higher

The Committee shall adhere to the policy, consistent with rules and regulations, of submitting all directors for election or re-election once a year.

In establishing a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers, the Committee shall ensure that the remuneration structure shall have a proper mix of short-term and long-term incentives, and in the case of the President and senior officers, are tied to performance measures.

III. Meetings and Resources

The Chairman shall preside during the meetings. The Committee shall appoint a Secretary, who may or may not be a director or member of the Committee, to prepare minutes of meetings of the Committee and keep appropriate books and records thereof, if necessary.

The Board, or the Committee, may appoint one or more persons to serve as advisor(s) to the Committee. Advisors may attend and speak during the meetings, but have no voting rights on any action of the Committee.

The Committee shall only act as a committee and the individual members thereof shall have no powers as such. A majority of the whole number of members shall constitute a quorum for the transaction of business and every decision of a majority of the quorum duly assembled shall be valid as an act of the Committee. Each member shall have one (1) vote. In case of a deadlock in the voting, the Chairman of the Committee shall break the deadlock by casting a second vote.

Regular meetings may be held at such time and place and upon such notice, if any, as the Committee may prescribe. However, at the minimum, the Committee should meet twice a year. Special meetings may be called by the Chairman of the committee or by request of a majority of the Committee members with at least one day's notice of the time and place of the meeting, given personally or by letter, telegram, telephone, electronic mail, short messaging system or facsimile. Meetings may be held at any time and place without notice if all the members are present or of those not present waive notice in writing before or after the meeting. Meetings may be held in person or via telephone or video conference.

Summaries of matters discussed at such meetings are to be presented at the next succeeding meeting of the Board. Relevant information on meetings shall be included in the Corporation's annual report.

IV. Performance Evaluation

The members of the Committee shall evaluate the Committee's performance in the discharge of its duties and responsibilities under this committee charter using as standard the best practices set out in memorandum circulars and other issuances of the Securities and Exchange Commission, and the ASEAN Corporate Governance Scorecard concerning corporate governance committees. Committee members shall fill up a self-assessment questionnaire that is developed by the Corporate Governance Committee.

The results of the performance evaluation and any recommendation for improvement shall be reported to the Board.

V. Disclosure

This committee charter shall be fully disclosed on the company's website.