



STENIEL MANUFACTURING CORPORATION

CHARTER

**CORPORATE GOVERNANCE,
NOMINATION AND
COMPENSATION COMMITTEE**

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PURPOSE

The Corporate Governance Committee (the “**Committee**”) is tasked to assist the Board of Directors of Steniel Manufacturing Corporation (the “**Corporation**”) in the performance of its corporate governance responsibilities, including the functions of a Nomination and Compensation Committee.

COMPOSITION

1. The Corporate Governance Committee, which shall also act as the Nomination and Compensation Committee, shall have at least three (3) members, all of whom should be independent directors.
2. The Chairman of the Corporate Governance Committee or any of the members may be removed from office only by the Board.

DUTIES AND RESPONSIBILITIES

The Committee shall have the following duties and responsibilities, among others:

1. 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.
2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance.
3. 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.
4. 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.
5. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.
6. Propose and plan relevant training for the members of the Board.

7. Determine the nomination and election process for the Corporation's directors and have the special duty of defining the general profile of board members that the Corporation may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board.
8. Establish a formal and transparent procedure for developing a policy on remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Corporation's culture, strategy, and business environment.
9. Create an internal self-rating system for the annual performance assessment of the Chairman of the Board, the individual directors and Board committees in accordance with the Corporation's plans and objectives.
10. Upon thorough deliberation, recommend the replacement, including separation from the Board of any Director, member of a Board Committee, or executive officer, in case of non-compliance with the Code of Corporate Governance for Publicly Listed Companies, or for failure to effectively perform his duties and responsibilities.
11. Promulgate guidelines or criteria to govern the conduct of nomination of the Board of Directors. The decision of the Committee, once confirmed by the Board of Directors, shall be final and binding upon the shareholders and may no longer be raised during the stockholder's meeting.
12. Ensure the comprehensive, accurate, reliable and timely report to the shareholders and other stakeholders that give a fair and complete picture of Corporation's non-financial and sustainability issues related to economic, environmental, social and governance (EESG) which underpin sustainability. The Corporation shall adopt a globally recognized standards/framework in reporting sustainability and non-financial issues. It shall cause the filing of all required information to The Philippine Stock Exchange, Inc. ("PSE") through the PSE's Electronic Disclosure Generation Technology (EDGE) or such other appropriate mechanisms and to the Securities and Exchange Commission for the interest and information of its shareholders and other stakeholders alike.

EVALUATION OF NOMINEES

The Committee shall observe the following process in receiving and evaluating nominations to the Board in line with the Corporation's strategic directions and in accordance with its board diversity policy:

1. Receive all written nominations to the Board submitted by shareholders not later than the date prescribed by law, rules and regulations or at such earlier or later date as the Board may fix before the date of the next annual meeting of the stockholders.

2. Review and evaluate the qualifications of all those nominated to the Board, including whether candidates: (a) possess the knowledge, skills, experience, and particularly in the case of non-executive and independent directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (b) have a record of integrity and good repute; (c) have sufficient time to carry out their responsibilities; and (d) have the ability to promote a smooth interaction between board members.
3. Consider and recommend to the Board other qualifications for directors including independence criteria/standards for independent directors, which are aligned with the Corporation's strategy that are now or may hereafter be provided in relevant laws or any amendments thereto. The Committee may likewise identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee may make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board.
4. Screen and shortlist qualified individuals for election as directors to ensure that only those that possess all the qualifications and none of the disqualifications from directorship as provided in the Corporation's By-Laws, Manual on Corporate Governance, and relevant laws, rules and regulations, including the Code of Corporate Governance for Publicly Listed Companies.
5. Identify and prepare a final list of qualified nominees, recommend for final approval of the Board such final list, and recommend to the stockholders the qualified nominees included in the final list for election in the annual meeting of stockholders.
6. In case of vacancy in the Board other than removal of a director or expiration of term, determine and identify the qualified nominee and recommend to the Board, if the remaining directors still constitute a quorum, to elect such qualified nominee to fill the vacancy.
7. Identify and recommend directors to fill vacancies in any of the Board committees, taking into account the requirements set forth in their respective charters.

PERFORMANCE ASSESSMENT

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, including those of the committees. The Compliance Officer, under the direction of the Committee, shall oversee the assessment/evaluation process.

Every three years, as far as practicable, the conduct of the assessment may be supported by an external facilitator. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization appointed by the Board. The Board assessment system shall provide a criteria and process to determine the performance of the Board, individual directors and committees. The

system shall allow for a feedback mechanism from shareholders.

DISCLOSURE

The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of EESG. The Corporation shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

PERIODIC REVIEW

1. The Committee shall review the Charter at least annually or as the need arises, and obtain the approval of the Board for any revisions thereto.
2. 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.