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## COMPENSATION AND REMUNERATION COMMITTEE CHARTER

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In compliance with the Securities and Exchange Commission Memorandum Circular No. 19 series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies,<sup>1</sup> the Board of Directors of MJC Investments Corp. adopts the following Compensation and Remuneration Committee Charter subject to the provisions of the Company's Articles of Incorporate and By-Laws and all applicable laws of the Philippines

### **I. PURPOSE**

The Board of the Directors shall establish a Compensation and Remuneration Committee which shall assist the Board and the Company's Management in defining the executive compensation policy and in carrying out various responsibilities relating to compensation of the Company's executive officers and directors, including, among others: evaluating and recommending to the Board the compensation of all other executive officers; reviewing and recommending to the Board the compensation of non-employee directors; and overseeing the development and administration of the Company's equity compensation and benefit plans.

### **II. AUTHORITY**

The Compensation and Remuneration Committee has the authority to review and, if necessary, to establish a formal and transparent policy on executive remuneration and recommend to the shareholders the remuneration of directors.

The determination of remuneration of senior management and other key personnel is the responsibility of the chief executive officer and/or the Executive Committee. The compensation and remuneration committee should, however, ensure that compensation levels are consistent with the Company's financial capability as well as reasonable industry standards.

The Committee is likewise empowered to develop a form on Full Business Interest Disclosure as part of the pre-employment requirement for all officers and directors, which

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<sup>1</sup> Hereinafter referred to as the "Code."



should require all officers and directors to declare under the penalty of perjury all their existing business interest or shareholdings that may directly or indirectly conflict with their performance of duties to the Company. Such disclosures should be updated at least every year. It should be clear that it is mandatory for officers and directors, even within the yearly reporting period, to declare prior to investing in or acquiring an interest, being employed or retained, in any manner, by a competitor or potential competitor.

### **III. COMPOSITION**

The Committee shall be composed of three (3) or more Directors, at least one (1) of whom shall be an Independent Director, as determined by the Board pursuant to the Securities and Exchange Commission and the Philippine Stock Exchange's definition of independence. The Chairman and members of the Committee shall be appointed annually. The Chairman or any of its members may be removed from the Committee only by majority vote of the Board. The Committee shall have the power and authority to delegate any of its duties or responsibilities herein to a subcommittee comprised of one or more members of the Committee.

### **IV. MEETINGS**

The committee shall meet at least once a year or as often as the circumstances require. All committee members are expected to attend each meeting. The committee will invite members of management or other officers to attend meetings and provide pertinent information, as necessary. It will meet periodically in executive session.

Procedures fixed by the Committee shall be subject to any applicable provision of the Company's By-laws. Written minutes of each meeting shall be duly filed in the Company records, and reports of meeting of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting and shall be accompanied by any recommendations to the Board approved by the Committee.

### **V. RESPONSIBILITIES**



The Committee shall have the following responsibilities:

1. To assist Management and the Board in defining an executive compensation policy that: (a) attracts, retains and appropriately rewards key executive of the Company; (b) links compensation with achievement of the Company's business objectives; and (c) aligns the interests of key executives with the long-term interest of the Company's stockholders.
2. To annually review and approve corporate goals and objectives relevant to the base salary, bonus amount, and other compensation of the Chief Executive Officer/President and the Company's other officers.
3. To evaluate the performance of each of the Chief Executive Officer/President and the Company's other officers in light of those goals and objectives, and determine and approve the compensation level, including base salary, bonus amount and other compensation if any, of each such officer based on this evaluation and other relevant factors.
4. To make recommendations to the Board with respect to incentive compensation plans and equity-based plans, including overseeing the development of new compensation plans and the revision of old plans.
5. To administer the Company's incentive compensation and equity-based plans and approve restricted stock awards under these plans, including any performance, criteria relating to these plans or any awards.
6. To review the Company's employee benefit plans and either recommend plan changes to the Board or amend such plans, subject where required by shareholder approval.
7. To recommend to the Board the retainer, other compensation, and attendance fees, including Board committee attendance fees, for non-employee Directors.



8. To annually review and discuss with the Company's management the Compensation Disclosure to be included in the Company's annual report and SEC Form 17-A and SEC Form 20-IS.

9. To provide in the Company's annual reports, 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.

10. To evaluate annually the performance of the Committee and the adequacy of this Charter.

11. To perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

## **VI. EXTERNAL ADVISORS**

The Committee shall have the authority to retain such outside counsel, experts, and other advisors as it determines appropriate to assist in the full performance of its function, including the sole authority to retain and terminate compensation consultants to assist in the evaluation of Director, Chief Executive Officer, or other senior executive compensation and to approve any such compensation consultant's fees and other retention terms.

## **VII. FINAL PROVISIONS**

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfil its responsibilities.