

**ENERGY DEVELOPMENT CORPORATION**  
**Nomination and Compensation Committee Charter**

**I. MISSION**

The Mission of the Nomination and Compensation Committee is as follows:

A. Nomination

“To ensure the selection and retention of competent and qualified directors of the Company and other officers appointed by the Board of Directors by applying the standards, criteria and code of conduct established by law, the Code of Corporate Governance, the Company’s Articles of Incorporation and By-Laws.”

B. Compensation

“To ensure that the Company’s compensation policies and remuneration packages for its corporate officers, directors and key personnel are fair, equitable, competitive and consistent with the Company’s culture, strategy, objectives, plans and programs.”

**II. COMPOSITION**

The Nomination and Compensation Committee shall have at least three (3) Directors as members, one of whom shall be an Independent Director.

The Chairman shall either be a regular or independent Director, elected from among the members of the Committee.

There shall also be at least one (1) Vice-President of the Company appointed by the President as committee resource person.

**III. DUTIES AND RESPONSIBILITIES**

The Committee’s duties and responsibilities are as follows:

A. On Nomination:

1. To pre-screen and shortlist candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications for directors set forth in existing laws, relevant regulations and this Manual. In pre-screening and shortlisting of candidates, the Committee shall ensure that there is complementarity of skills and

experience and encourage diversity, considering factors such as, but not limited to, age, gender, ethnicity, culture, skills, competence, knowledge.

2. To consider and recommend to the Board the permanent or temporary disqualification or such other appropriate administrative sanction of any Director based on the grounds provided under this Manual and the Committee Charter
3. To determine, and submit an appropriate recommendation or finding on whether a candidate's directorship in other corporations would affect his capacity to serve and perform his duties as a Director diligently, taking into consideration the following factors:
  - a. The nature of the business of the Company;
  - b. The number of directorships/active memberships and officerships of a Director in other corporations or organizations;
  - c. Any possible conflict of interest;
  - d. The age of the Director; and
  - e. Such other factors which the Board may consider from time to time.
4. To ensure that the Executive Directors, the Independent Directors and Non-Executive Directors who serve as full-time executives in other corporations shall submit themselves to a low-indicative limit on directorships in other corporations in order that the capacity of said directors to serve the Company with utmost diligence shall not be compromised.
5. To ensure that the Company shall conform with the requirement to have an independent director or such number of independent directors as maybe required by law and its Articles of Incorporation and By-laws.
6. In connection with the qualification and election of regular and independent directors for purposes of a stockholder's meeting, to conduct the nomination process for the election of independent directors under the following procedures/guidelines:
7. After the nomination, to prepare a final list of all candidates which shall contain all the information about all the nominees for regular and independent directors, as required under Part IV (A) and (C) of Annex "C" of the Securities Code Rule 12, which list, shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, in accordance with Securities Code Rules 17.1 (b) or 20, respectively, or in such other reports the company is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the independent director shall be identified in such report including any relationship with the nominee. Only nominees whose names appear on the final List of Candidates shall be eligible for election as regular or Independent Directors. No other nomination shall be entertained after the final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the actual stockholders' meeting.

8. To identify and recommend the candidates among the incumbent directors to fill vacancies in any of the Board Committees, taking into consideration the factors set out in the respective Charters of said Committees as well as any other factors it deems appropriate.
9. To redefine, in consultation with the Board, the roles, duties and responsibilities of the President/CEO, if the Nomination Committee reasonably believes that such is necessary in order to integrate the dynamic requirements of the business as a going concern and the future plans of the Company, subject at all times to the principles of sound corporate governance.
10. To identify candidates for any vacancies in the Board.
11. To conduct and Annual Board evaluation process to assess the effectiveness of the Board.
12. To put together terms of reference or qualifications for senior executives of the Company, including the CEO, VPs, etc., setting forth qualifications and competencies for such offices, which shall include commercial, financial and/or technical experience and expertise in running a business enterprise.

B. On Compensation:

13. To establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors; provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is aligned with the long-term interests of the company, and consistent with the Company's culture, strategy objectives, plans and programs as well as the power and energy industry.ensuring that compensation is consistent with the Company's culture, strategy objectives, plans and programs as well as the power and energy industry.
14. To review and recommend to the Board the Company's compensation system, policies and guidelines and oversee the development and implementation of compensation and incentives program and guidelines affecting members of the Board, President , Vice Presidents and Senior Managers. The levels of honoraria, remuneration or compensation of the corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the honoraria, remuneration or compensation of executive directors may also be structured or be based on corporate and individual performance.
15. To review annually the existing salary structure of all President, Vice Presidents and Senior Managers against actual payline and existing trendline of the industry

compensation and benefits and brief the Board on the situation of the company and how it compares with the industries and leading companies.

16. To review and recommend to the Board changes in the organizational structure and staffing requirements affecting Senior Managers of higher.
17. To undertake any special projects or investigations which the Committee considers necessary, and perform other tasks or duties as may be requested or delegated by the Board of President.

#### **IV. AUTHORITIES**

The Committee shall have the following powers and authorities:

1. To access, gather or require the submission of any and all information, document or data on the Company's compensation and benefits packages or privileges for all of its officers and employees, including directors, executive and management officers.
2. To solicit professional advice and/or assistance from officers and employees within the Company or from appropriate external advisers/consultants who shall be subjected to the Full Business Interest Disclosure.
3. To approve any fee and other engagement terms of external advisers/consultants hired in the execution of its duties and responsibilities subject to the limits equal to that of the CEO consistent with the Company's Approvals Manual.
4. To approve, on behalf of the Board, the grant/payment of compensation benefits, such bonuses, increases, merit or performance incentives and such other monetary and non-monetary compensation benefits, entitlements and privileges to the Company's officers and employees.

#### **V. MEETINGS**

The Committee shall meet as required, but no less than two (2) times in a year. The Committee Secretariat or any member thereof may call a meeting of the Committee. The agenda and the relevant supporting papers will also be distributed to the members in advance

The Committee shall convene in person, unless despite notice of the meeting, personal appearance is physically impossible. In such case, and whenever at least two (2) Committee members are physically present, teleconferencing or videoconferencing may be utilized and the member so participating via teleconference or videoconference for the entire meeting shall be deemed present for the Committee's proceedings.

The minutes of the meeting will be prepared and presented to the Committee for approval in the succeeding meeting

## **VI. REPORTING RESPONSIBILITIES**

The Committee's proceedings and resolutions shall be reported in the immediately succeeding board meeting by the Committee Chairperson, or his designated representative.

## **VII. COMMITTEE SECRETARIAT**

The Committee Secretariat shall be headed by the Manager of the Human Resources Division, who shall have the authority to form and designate the members thereof

## **VIII. ACCOMPLISHMENT REVIEW**

The Committee shall present an annual performance report, and shall recommend to the Board any suggested changes in the duties and responsibilities of the Committee and terms of this Charter for increased effectiveness.