



**REVISED CHARTER**

**CORPORATE GOVERNANCE  
AND SUSTAINABILITY  
COMMITTEE**

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**SHAKEY'S PIZZA ASIA VENTURES INC.**  
**CORPORATE GOVERNANCE COMMITTEE CHARTER**

## **A. PURPOSE**

The Corporate Governance and Sustainability Committee (the “**Committee**”) is tasked to assist the Board of Directors of Shakey’s Pizza Asia Ventures Inc. (the “**Corporation**”) in the performance of its corporate governance responsibilities, including the functions of a Nomination and Remuneration Committee.

The Committee is to also provide oversight of the Corporation’s strategies, opportunities, and risks concerning material sustainability issues to ensure progress in these areas and to advise management on process and performance improvements in order to achieve targets.

The Corporation, through this Committee, believes that sustainability means creating a long term value without ignoring the needs of our customers, suppliers and employees. Investing for sustainable growth should result in stronger economies, higher standards of living, better quality of life, a healthy environment, better government and more opportunities for individuals. Therefore, we believe that our business performance should redound to a better environment, just and peaceful society, and proper governance across all sectors and levels in the nation.

## **B. MEMBERSHIP**

1. The Board of Directors shall duly appoint the members of the Corporate Governance and Sustainability Committee.
2. The Committee shall be composed of at least three (3) members, all of whom should be independent directors, including the Chairman.
3. The Board of Directors shall have the power to remove and replace the members of the Committee, and fill in vacancies thereto.

## **C. DUTIES AND FUNCTIONS**

The Committee shall have the following duties and functions, 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;

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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 executive 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 control environment;
9. 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; and
10. 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.
11. Create an internal self-rating system for the annual performance self-assessment of the Chairman of the Board, the individual Directors and the Board committees in accordance with the process and criteria laid down in the Board Charter, and in line with the Corporation's plans and objectives.
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 ~~may consider adopting~~ globally recognized standards/framework in reporting sustainability and non-financial issues. It shall cause the filing of all required information through the appropriate PSE mechanisms for listed companies and submissions to the SEC for the interest of its Shareholders and other Stakeholders.

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13. Review the Corporation's framework, opportunities, risks, management approach, and performance with regard to sustainability, as well as related policies, and provide suggestions for process and performance improvement.

#### **D. EVALUATING 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:

- (i) 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;
- (ii) 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;
- (iii) 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;
- (iv) 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, as may be elected to the Board;
- (v) 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;
- (vi) 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; and

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- (vii) Identify and recommend directors to fill vacancies in any of the Board committees, taking into account the requirements set forth in their respective charters.

The processes and procedures in the nomination, election, and replacement of a director shall be annually evaluated by the Board.

#### **E. BOARD ASSESSMENT / PERFORMANCE ASSESSMENT**

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

Every three years, as far as practicable, 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.

The Board shall have in place a system that provides the criteria and process to determine the performance of the Board, the individual Directors, and Committees including feedback from Shareholders.

#### **F. MEETINGS**

The Committee shall meet at least twice a year, or more frequently as needed. All meetings shall be presided by the Committee Chairman and attended by all committee members, whether in person or via teleconference or videoconference. Meetings shall not proceed in the absence of a quorum; that is, more than half of the total number of committee members.

#### **G. QUORUM AND VOTING**

A majority of the members of the Committee shall constitute a quorum and every decision of at least a majority of the Committee members present at a meeting at which there is a quorum shall be valid, unless a specific number of votes is required by existing laws and regulations.

#### **H. DISCLOSURE AND TRANSPARENCY**

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.

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**I. EFFECTIVITY AND REVIEW**

1. This Charter shall take effect immediately upon approval by the Board.
2. The Committee shall review the Charter as may be needed and obtain the approval of the full Board for any revisions thereto or for any case where external bodies may suggest change.

Approved by Committee Members on \_\_\_\_\_

DocuSigned by:



PAULO L. CAMPOS, III...

Chairman

DocuSigned by:



FERNAN VICTOR P. LUKBAN

Member

DocuSigned by:



EILEEN GRACE Z. ARANETA...

Member