



**House of Investments, Inc.**

A YGC Member

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Makati City

**HOUSE OF INVESTMENTS, INC.  
Revised Corporate Governance, Nomination and Related  
Party Transaction Committee Charter**

**1. Overall Purpose / Objectives**

The House of Investments, Inc. ("HI" or the "Company") has formed a Corporate Governance, Nomination and Related Party Transaction Committee ("CG, Nomination & RPT Com" or Committee) which is primarily tasked in ensuring compliance with and proper observance of the Board of the corporate governance principles and policies; selecting and evaluating candidates nominated to become a member of the Board of Directors and other key positions in accordance with the qualifications and disqualifications prescribed in HI's Manual of Corporate Governance; and reviewing all material related party transactions of the Company.

The CG, Nomination & RPT Com has adopted this Charter ("Charter") that contains among others, its purpose/objectives, membership, structure, operations, roles and responsibilities, and other relevant information pursuant to good corporate governance, nomination and related party transaction.

**2. Structure and Operations**

**A. Membership**

- The HI CG, Nomination & RPT Com is composed of at least three (3) members of the Board of Directors, all of whom shall be independent directors, including the Chairman.
- The Board shall designate a Chairman who will preside at each meeting of the CG, Nomination & RPT Com. If, in any year, the Board does not appoint a Chairman, the incumbent Chairman will continue in office until a successor is appointed.
- Any member of the CG, Nomination & RPT Com may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as he or she ceases to meet the qualifications set out above. The Board will fill vacancies on the CG, Nomination & RPT Com by appointment from among qualified members of the Board on the recommendation of the CG, Nomination & RPT Com. If a vacancy exists on the CG, Nomination & RPT Com, the remaining members may exercise all of its powers so long as a quorum exists.

**B. Attendance at Meetings**

- Meetings of the CG, Nomination & RPT Com shall be held at least annually. The Chairman may call for a special meeting upon the recommendation of the Chairman

of the Board, Chief Executive Office, Compliance Officer, Committee Chairman, HR Head, key officer, employee or shareholder.

- Quorum for meetings of the CG, Nomination & RPT Com will be two (2) members.
- The Chairman of the CG, Nomination & RPT Com shall propose a list of items to be addressed by the Committee during the year.
- The CG, Nomination & RPT Com may invite such other persons (e.g. members of the management team, the CEO, COO, CFO, head of internal audit, external audit and other resource persons) to its meetings, as it deems necessary.
- The proceedings of all meetings will be minuted.

### **3. Roles and Responsibilities**

To fulfill its responsibilities, the CG, Nomination & RPT Com shall:

- Develop and recommend to the Board a corporate governance guideline applicable to the Company. The Committee shall, at least annually and as it deems appropriate, review and reassess the adequacy of such guidelines and recommend and propose changes to the Board for approval.
- Review at least annually the size and composition of the Board as a whole and recommend, if necessary, measures to be taken so that the Board reflects the appropriate balance of background, diversity, skills and experience required for the Board as a whole and contains at least the minimum number of independent directors required by the SEC and satisfies any other legal or regulatory requirements, i.e.:
  - a) The Board shall have at least three (3) independent directors, or such number as to constitute at least one-third of the members of the Board whichever is higher, pursuant to the rules and regulations of the SEC;
  - b) Independent directors should not, if at all possible, and all director candidates should have no material financial, economic or other ties to any member of Company management or the Board or be a member of a board of, or otherwise be associated with, an entity whose interests conflict with the interests of the Company or an entity which is a related party.
  - c) Board members should have appropriate and complimentary skills set to provide needed guidance to company operations and planning.
  - d) The Committee shall prescribe the procedure in the election/re-election of the Chairman and Board Members
    - A) Chairman
      - a) The Chairman of the Board shall be elected yearly by the members of the Board by a secret ballot or as otherwise determined.
    - B) Board members
      - a) Board members shall be elected by the plurality of stockholders.

- Make recommendations to the Board with respect to size and composition of committees of the Board, including the CG, Nomination & RPT Committee, and recommend individual directors to fill any vacancy that might occur on a committee, including the CG, Nomination & RPT Com.
- Make recommendations on the frequency and structure of Board meetings.
- Monitor and evaluate the functioning of the committees of the Board and make recommendations for any changes, including the creation and elimination of committees and committee assignments.
- Comply with the reporting requirements by the SEC, PSE and other regulatory body, such as the Integrated - Annual Corporate Governance Report, and other disclosures.
- Make recommendations concerning any other aspect of the procedures of the Board that the CG, Nomination & RPT Com considers warranted, including, but not limited to, procedures with respect to the non-compliance by the Board of any company rule, guideline, procedure or corporate governance principle.
- Maintain an orientation program for new directors and continuing education programs for directors.
- Review and recommend retirement policies for Company directors as may be adopted from time to time.
- Monitor the performance of the Chief Executive Officer.

The Committee, in conjunction with the Remuneration Committee, shall as necessary or appropriate, initiate an annual review and evaluation of the performance of the Chief Executive Officer particularly the following:

a) Overseeing the development of and approving the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength.

b) Communication and implementation of the corporation's vision, mission, values and overall strategy and promotion of any organization's or stakeholder's changes in relation to the same.

c) Overseeing the operations of the corporation and managing human and financial resources in accordance with the strategic plan.

d) Possession of a good working knowledge of the corporation's industry and market and how he/she keeps it up-to-date with the core business purpose.

e) Direction, evaluation and guidance on the work of the key officers of the corporation.

f) Managing the corporation's resources prudently and ensuring a proper balance of the same.

g) Providing the Board with timely information and interfacing between the Board and employees.

h) Building the corporate culture and motivating the employees of the corporation.

i) Serving as the link between internal operations and external stakeholder.

- Make reports and recommendations to the Board within the scope of its functions.
- Recommend to the Board candidates for election or re-election to the Board at each annual meeting of stockholders of the Company or any other meeting of Company stockholders where the election of directors is to be considered. The Committee shall, beforehand, pre-screen and shortlist all candidates nominated to become a member of the Board of Directors in accordance with the qualifications and disqualifications enumerated in the Company's Manual of Corporate Governance. It shall also review and evaluate the qualifications of those persons nominated to other positions requiring appointment by the Board of Directors. The Committee shall provide a final list of all qualified nominees to the Board.
- Recommend to the Board candidates for election by the Board to fill vacancies occurring on the Board. Candidates for Board nomination shall submit credentials and listing of affiliations to assure that they meet the requirements of the selection criteria established by the Committee from time to time. Such credentials and affiliations shall be reviewed by the Committee and the Board as a part of the nomination process.
- Consider stockholders' nominees in accordance with applicable rules and regulations and develop procedures regarding the nomination process as required by the securities laws and the rules and regulations of the PSE.
- Make recommendations to the Board concerning the selection criteria to be used by the Committee in seeking nominees for election to the Board. Nominees for director shall be selected on the basis of 1) whether he/she possesses knowledge, skills, experience and particularly, in the case of non-executive directors, independence of mind given their responsibilities to the Board and in the light of the Company's business and risk profile; 2) a record of integrity, good repute, ability to make independent analytical inquiries and understanding of the Company's business environment; 3) his/her willingness to devote adequate time to Board duties; 4) ability to promote smooth interaction between Board members; and such other specific criteria as may be established by the Committee from time to time.
- Aid in attracting qualified candidates to serve on the Board and interview and otherwise assist in the screening of such candidates.
- Evaluate and make recommendations to the Board concerning the structure, composition and functioning of the Board and all Board committees. In addition, evaluate Board effectiveness, the mix of director experience, personalities and other characteristics needed to balance the Board.
- Perform any other activities consistent with this Charter, the Corporation's By-Laws and governing law, as the CG, Nomination & RPT Com or as the Board deems appropriate.

- Oversee the evaluation of the Board as a whole, including the overall effectiveness of the organization of the Board.
  - a) Ensure that the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.
  - b) Update knowledge and understanding on new or recent development concerning matters relevant to CG, Nomination & RPT Com's functions and responsibilities.
  - c) Adopt rating system for its overall level of compliance based on certain parameters as mandated by the applicable Corporate Governance Code.
- Evaluate on an ongoing basis existing relation between and among businesses and counterparties to ensure that all related parties are continuously identified, 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/supervisors.
- Evaluate all material RPT's 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 company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPT's, the Committee takes into account, among others, the following:
  1. The related party's relationship to the company and interest in the transaction;
  2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  3. The benefits to the corporation of the proposed RPT;
  4. The availability if other sources of comparable products or services; and
  5. 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 company should have an effective price discovery system in place an exercise due diligence in determining a fair price for RPTs.
- Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information in the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
- Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposure to all related parties;
- Ensure that transactions with related parties including write-off of exposures are subject to a periodic independent review or audit process; and

- Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPT's, including a periodic review of RPT policies and procedures.

#### **4. Compliance with laws, rules and regulations**

The Compliance Officer shall monitor, review, evaluate and ensure the compliance by the corporation, its officers and directors with the relevant laws, this charter, rules and regulations and all governance issuances of regulatory agencies. Through this Committee, he/she shall keep the Board informed of all new requirements and compliance matters. He/she shall also offer procedures or solutions with respect to the non-compliance by the Company of any rule, guideline, procedure or any corporate governance principle.

#### **5. Charter Review**

The Board shall review and assess the adequacy of this charter annually or as the need arises.

#### **6. Effective Date**

This Charter shall take effect upon approval of the Corporate Governance, Nomination and Related Party Transaction Committee and replaces all previous Charters.

**Approved:**

**Date: October 29, 2019**

**By:**

**CORPORATE GOVERNANCE, NOMINATION & RELATED PARTY TRANSACTION  
COMMITTEE:**

**(Sgd)**  
**JUAN B. SANTOS**  
Chairman

**(Sgd)**  
**JOHN MARK S. FRONDOSO**  
Member

**(Sgd)**  
**ROBERTO F. DE OCAMPO**  
Member

