

REMUNERATION POLICY AND STRUCTURE FOR EXECUTIVE AND NON-EXECUTIVE DIRECTORS

	Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Salary structure as approved by the Compensation Committee and the Board of Directors	Basic monthly pay plus other benefits mandated by law	Compensation package as agreed by management and the employee
Non-Executive Directors	The non-executive directors are not given any compensation, other than per diem allowance of P80,000 for every attendance in board meetings and Php40,000.00 for every attendance in committee meetings.		

AGGREGATE REMUNERATION ACCRUED IN 2017

Remuneration Item	Executive Directors	Non-Executive Directors (other than independent directors)	Independent Directors
(a) Fixed Remuneration	Php 7,434,322.22	-	-
(b) Variable Remuneration	-	-	-
(c) Per diem Allowance	Php 1,520,00.00	Php 1,920,000.00	Php 1,280,000.00
(d) Bonuses	-	-	-
(e) Stock Options and/or other financial instruments	-	-	-
(f) Others (Specify)	-	-	-
Total	Php 8,954,322.22	Php 1,920,000.00	Php 1,280,000.00

REMUNERATION OF THE CEO AND THE FOUR (4) MOST HIGHLY COMPENSATED MANAGEMENT OFFICERS

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	<p>The Compensation and Remuneration (ComRem) under the Corporate Governance Committee, assess and evaluate the annual performance of the CEO. The ComRem reports to the Board and recommends the remuneration of the CEO for approval. Remuneration is composed of basic monthly salary, 13th month pay, and other benefits mandated by law.</p>	<p>The ComRem designates amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers. The determination of the remuneration is based on the performance and salary range appropriate to the position. The ComRem reports and recommends to the Chairman of the Board for approval.</p>
(2) Variable remuneration	<p>The Company has performance-based mechanisms that directly align rewards and incentives to employees with the financial results of the company. Also, a part of our performance-enhancing incentive is to ensure that deserving and senior professional officers are allotted representation in the board of directors of our major operating subsidiaries.</p>	
(3) Per diem allowance	<p>Each director shall receive a reasonable per diem for his attendance at every meeting of the Board. On March 31, 2016, the Board of Directors approved the increase in <i>per diem</i> from Php10,000.00 to Php80,000.00 <i>per diem</i> for Board Meetings and Php40,000.00 <i>per diem</i> for Committee Meetings.</p> <p>Subject to the approval of the stockholders owning at least a majority of the outstanding capital stock, directors may also be granted such compensation (other than per diems) provided however, that the total yearly</p>	

	<p>compensation of directors, as such directors, shall not exceed ten (10%) percent of the net income before income tax of the Corporation during the preceding year.</p>	
<p>(4) Bonus and other incentives</p>	<p>The Company does offer incentives that address the critical needs of its employees, such as merit increases, performance bonuses, continuing education, housing loan, as well as retirement benefits.</p> <p>The mechanism for issuing rewards is based on the attainment of company and employee goals, as measured against key performance metrics. These financial and non-financial metrics are determined during the planning or goal setting sessions of the different companies.</p>	
<p>(5) Stock Options and other financial instruments</p>	<p>None</p>	<p>None</p>