



**CHARTER OF THE CORPORATE GOVERNANCE  
AND NOMINATION COMMITTEE**

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# **Charter of the Corporate Governance and Nomination Committee**

The Board of Directors (“Board”) of Ayala Land Inc. (the “Corporation”) hereby adopts this Charter of the Corporate Governance and Nomination Committee (the “Committee”).

## **1. Membership**

### **1.1 Composition**

The Corporate Governance and Nomination Committee shall be composed of at least three (3) all of whom shall be independent directors, including its Chairman.

The Board shall designate the Chairman of the Committee.

The Committee has to be composed in such a way that it possesses, as a group, the necessary knowledge, skills and experience required to properly perform its duties.

The Committee shall regularly review its composition, taking into account the evolving requirements of the Corporation, and best practices in corporate governance.

### **1.2 Term**

The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his appointment until the next organizational meeting of the Board, unless removed or replaced by the Board.

### **1.3 Vacancy**

In case any vacancy should occur on the Committee other than by removal or expiration of term, due to death, resignation or other causes, the remaining Directors, may fill the vacancy by appointment from among the members of Board.

### **1.4 Compensation**

The members of the Committee shall receive such compensation as the Board of Directors may fix and determine.

## **2. Powers, Duties and Responsibilities of Committee**

### **2.1 Duties and Responsibilities**

- a. 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;
- b. 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;
- c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete plans are developed and implemented to address identified areas for improvement;
- d. Recommend continuing education/training programs for directors, assignment of tasks, projects to board committees, succession planning for the board members and senior officers.
- e. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Propose and plan relevant trainings for the members of the Board;
- g. Determine the nomination and election process for the Corporation's directors and has 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; and
- h. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.
- i. Establish and maintain a process to ensure that all candidates/nominees to be nominated for election as directors at the Annual Stockholders' Meeting are qualified in accordance with the By-Laws, Manual of Corporate Governance and relevant laws, rules and regulations and possess none of the disqualifications stated in the Corporation's Revised Manual of

Corporate Governance and Code of Corporate Governance for Publicly-Listed Companies;

- j. Encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. In the selection of candidates, the objectives set by the Board regarding its composition are to be seriously considered, as well as the required knowledge, abilities and experience needed to successfully manage the Corporation. Careful attention must be given to ensure that there is independence and diversity, and appropriate representation of women in the Board, subject to the possession of the knowledge, abilities and experience determined by the Board as necessary for the Board to properly perform its functions;
- k. Review and evaluate the qualifications of persons nominated to positions in the Corporation which require appointment by the Board, and provide guidance and advice as necessary for the appointments of persons nominated to other positions.
- l. Review and disclose succession plans for members of the Board, and officers for the position of Group Directors to the President/CEO.
- m. Provide assessment on the Board's effectiveness in directing the process of renewing and replacing Board members and in appointing officers or advisors and develop, update as necessary and recommend to the Board policies for considering nominees for directors, officers or advisors.
- n. Discharge any other duties and responsibilities delegated to the Committee by the Board from time to time.

The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

## **2.2 Process and Criteria for Nominations to the Board**

**The Committee shall observe the following process and criteria in receiving and evaluating nominations to the Board in line with the Corporation's strategic directions:**

- a. **Receive all written nominations to the Board submitted by stockholders together with the consent of the nominees, at least thirty (30) business days before the date of the next annual meeting of the stockholders.**
- b. **Review and evaluate the qualifications of all those nominated in accordance with the following criteria:**

- i. ownership of at least one (1) share of stock of the Corporation standing in his name in the books of the Corporation;
- ii. a college degree of the equivalent or adequate competence and understanding of the fundamentals of the business of the Corporation or sufficient experience and competence in managing a business to substitute for such formal education;
- iii. membership in good standing in relevant industry, and membership in business or professional organizations; and
- iv. possesses integrity, probity and shall be diligent and assiduous in the performance of his functions;
- v. directorships in other companies, taking into account the following factors:
  - (i) Nature of the business of the Corporation;
  - (ii) Number of directorships in other companies;
  - (iii) Any possible conflict of interest; and
  - (iv) Age of the director;
- vi. possesses none of the grounds for disqualification provided in applicable laws, rules and regulations of the Securities and Exchange Commission, the Corporate Governance Manual and By-Laws of the Corporation;
- vii. for independent directors, beneficial equity ownership in the Corporation, or in the related companies, which must not exceed two percent (2%); and
- viii. the term limit set for independent directors under applicable laws, rules and regulations.

The Committee may consider and recommend to the Board other qualifications for directors, including independence criteria or standards for independent directors, which are aligned with the Corporation's vision, mission and corporate strategy that are now or may hereafter be provided in relevant laws or any amendment thereto.

The Committee may likewise recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee shall make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board.

## 2.3 Nominees for Election

All nominees for election to the following offices shall be referred to the Committee for evaluation of their qualifications:

- a. Board of Directors
- b. President and Chief Executive Officer
- c. Chief Finance Officer or Treasurer
- d. Group Directors or Vice President level
- e. **Compliance Officer**
- f. Corporate Secretary
- g. Assistant Corporate Secretary/**ies**
- h. Other executive officers of the Corporation whose appointments are required by the Board to be submitted to the Board for approval

The Committee shall not endorse a nominee for appointment by the Board unless it has determined that all nominees have all the qualifications and none of the disqualifications for the position.

## 3. Resolutions and Actions

### 3.1 Meetings, Quorums and Actions

- a. The Committee shall meet in person, **through remote communication, such as teleconferencing or videoconferencing or other alternative modes of communications allowed by the Securities and Exchange Commission** at least twice a year at a time and place determined by its Chairman, with further meetings to occur when deemed necessary or desirable by the Committee or its Chairman.
- b. As a general rule, Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g., by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.
- c. Two thirds (2/3) of members shall constitute a quorum for the holding of a Committee meeting.
- d. The majority vote of all its members shall be necessary to approve an act or resolution of the Committee.
- e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman.

Approved:



**FERNANDO ZOBEL DE AYALA**  
*Chairman*



**JAIME AUGUSTO ZOBEL DE AYALA**  
*Director*



**BERNARD VINCENT O. DY**  
*Director*



**ANTONINO T. AQUINO**  
*Director*



**ARTURO G. CORPUZ**  
*Director*



**RIZALINA G. MANTARING**  
*Director*



**REX MA. A. MENDOZA**  
*Director*



**SHERISA P. NUESA**  
*Director*



**CESAR V. PURISIMA**  
*Director*