

# **STI Education Systems Holdings, Inc.**

## **Compliance Committee Charter**

### **I. Purpose**

The Compliance Committee (the “Committee”) is a committee of the Board of Directors (the “Board”) of STI EDUCATION SYSTEMS HOLDINGS, INC. (the “Company”), which has general oversight responsibility for the Company’s compliance and ethics programs, policies and procedures. The purpose of the Committee is to:

- (i) oversee the Company’s implementation of compliance programs, policies and procedures that are designed to be responsive to the various compliance and regulatory risks facing the Company; and
- (ii) perform any other duties as are directed by the Board.

### **II. Membership, Structure and Organization**

**1. Members.** The Committee shall be composed of at least three (3) Directors. All of the members of the Committee shall meet the independence requirements of the Philippine Stock Exchange (the “PSE”) and any other applicable regulations. The Board may remove any member from the Committee at any time.

The Board appoints the members of the Committee at the annual organizational meeting of the Board and each member shall serve upon his election until the next organizational meeting of the Board unless removed or replaced by, and in the sole discretion of the Board. The Committee shall comply with the rules and regulations of the Securities and Exchange Commission and the Philippine Stock Exchange.

**2. Meetings.** The Company’s Corporate Secretary sends the notice of each meeting confirming the date, time, venue, and agenda shall be given to each member of the Committee at least two (2) working days prior to the date of the meeting. The notice will include the agenda to be discussed during the meeting.

The Committee shall meet in person or via teleconference 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. Actions of the Committee may also be taken by unanimous written consent when deemed necessary or desirable by the Committee or its Chairman.

**3. Minutes** Full minutes of the proceedings of, and resolutions made during, Committee meetings, shall be kept by the Corporate Secretary. Draft minutes shall be sent to the Committee members for their comment. Notices, minute, agenda and supporting papers will be made available to any Director upon request to the Corporate Secretary.

Minutes of the Committee meeting will be recorded and maintained by the secretary of the meeting and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designate shall act as secretary for the meetings.

**4. Resources.** The Committee has the authority to retain such outside advisors, including legal counsel or other experts, as it deems appropriate, and to approve the fees and expenses of such advisors.

**5. Charter.** The Committee shall annually review and reassess the adequacy of this charter and recommend any proposed changes subject to the approval of the Board.

The Chairperson of the Committee will report regularly to the Audit Committee, as well as the full Board, on the Committee's activities, findings and recommendations, including the results of the Committee evaluation. The report to the Board may take the form of an oral report by the Chairperson or by any other member of the Committee designated by the Chairperson to make such report. The Corporate Secretary shall assist the Committee in maintaining minutes or other records of meetings and activities.

### **III. Roles and Responsibilities**

The responsibilities of the Compliance Committee shall include the following:

**1. Compliance Matters** Recognizing that the Audit Committee shall have sole oversight over matters of financial compliance (including auditing, financial reporting, and disclosures to investors), the Committee shall have oversight responsibility for matters of non-financial compliance, including the Company's overall compliance programs, policies and procedures; significant legal or regulatory compliance exposure; and material reports or inquiries from government or regulatory agencies.

The Committee shall oversee the Company's compliance efforts with respect to relevant Company policies, the Company's Code of Business Conduct, and other relevant laws and regulations. The Committee shall monitor the Company's efforts to implement compliance programs, policies and procedures that are designed to be: responsive to the various compliance and regulatory risks facing the Company; communicated in an effective manner to the Company's employees; and developed to support lawful and ethical business conduct by the Company's employees. The Committee shall also monitor the Company's efforts to implement legal obligations arising from settlement agreements and other similar documents or orders, and shall review and issue any reports required by settlement agreements or other relevant legal obligations.

**2. Investigations.** The Committee shall oversee the investigation of, and may also request the investigation of, any significant instances of non-compliance with laws or the Company's compliance programs, policies or procedures, or potential compliance violations that are reported to the Committee; provided, however, that matters related to financial non-

compliance or potential financial compliance violations shall be directed to the Audit Committee for investigation.

**3. Review of Complaints.** The Committee shall oversee the review of complaints received from internal and external sources.

**4. Other Duties.** The Committee shall also discharge such other duties as may be delegated to it by the Board from time to time.

**STI EDUCATION SYSTEMS HOLDINGS, INC.**

**Approved by:**

  
**EUSEBIO H. TANCO**  
Chairman of the Board

  
**ARSENIO C. CABRERA, JR.**  
Corporate Secretary, Corporate Information Officer  
and Chairman of the Compliance Committee