

**E. BOARD COMMITTEES**

**1) Number of Members, Functions and Responsibilities**

Provide details on the number of members of each committee, its functions, key responsibilities and the power/authority delegated to it by the Board:

Committee	No of Members			Committee Charter	Functions	Key Responsibilities	Power
	Executive Director (ED)	Non-Executive Director (NED)	Independent Director (ID)				
Executive	4	1	-	/	During the absence of the Board, the Executive Committee shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors.	The Executive Committee shall have and may exercise all the powers which may be lawfully delegated to them, subject to such limitations as may be provided by resolution of the Board.	All powers which may be lawfully delegated to them, subject to such limitations as may be provided by resolution of the Board.
Audit	2	-	2	/	To assist the Board in fulfilling its oversight responsibility of the Company's corporate governance processes relating to the: (1) FS and Financial reporting process; (2) Internal Control Systems; (3) Internal and External Audit; (4) Compliance by the Company with accounting standards, legal and regulatory requirements; (5) Risk Management Policies and Processes and (6) Business practices and ethical standards.	1. Financial Reporting and Disclosures; 2. Risk Management; 3. Internal Control; 4. Internal Audit; 5. External Audit;	Power to perform oversight financial and risk management; Power to improve the stakeholder's confidence and corporate governance by bringing out better internal control systems, better monitoring and oversight, and better disclosures and quality of internal and external reporting.
Nominations	1	2	1	/	The Nominations Committee is responsible for reviewing the qualifications of the nominees for directors and preparing the Final List of Candidates.	The Nominations Committee is responsible for reviewing the qualifications of the nominees for directors and preparing the Final List of Candidates.	Power to pre-screen and shortlist candidates for election to the Board.
<b>Committee</b>		<b>No of Members</b>		<b>Committee Charter</b>	<b>Functions</b>	<b>Key Responsibilities</b>	<b>Power</b>
Compensation	4	-	-	/	Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the	Review the structure and competitiveness of the Corporation's executive officer compensation programs considering the	Power to establish a formal and transparent procedure for developing a policy on executive

					remuneration packages of corporate officers and directors.	following factors (1) the retention of executive officers (2) motivation of executive officers to achieve the Corporation's business goals and (3) alignment of the interest of executive officers with the long-term interests of the corporation's shareholders.	remuneration and for fixing the remuneration packages of corporate officers and directors.  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
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## 2) Committee Members

### (a) Executive Committee (New)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Eusebio H. Tanco	19 Dec. 2012	0	0	0	1 year and 10 months
Member (ED)	Monico V. Jacob	19 Dec. 2012	0	0	0	1 year and 10 months
Member (ED)	Yolanda M. Bautista	19 Dec. 2012	0	0	0	1 year and 10 months
Member (ED)	Martin K. Tanco	19 Dec. 2012	0	0	0	1 year and 10 months
Member (NED)	Rainerio M. Borja	19 Dec. 2012	0	0	0	1 year and 10 months

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed on 29 September 2014

### (b) Audit Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman (ID)	Johnip G. Cua	19 Dec. 2012	1	1	100%	1 year and 10 months
Member (ED)	Martin K. Tanco	19 Dec. 2012	1	1	100%	1 year and 10 months
Member (ED)	Paolo Martin O. Bautista	19 Dec. 2012	1	1	100%	1 year and 10 months
Member (ID)	Ernest L. Cu	19 Dec. 2012	1	1	100%	1 year and 10 months

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed on 29 September 2014

#### Disclose the profile or qualifications of the Audit Committee members.

Audit Committee members shall preferably have accounting and finance backgrounds. Each member should have at least an adequate understanding or competence of most of the financial management systems and environment of STI Holdings.

#### Describe the Audit Committee's responsibility relative to the external auditor.

The Audit Committee performs oversight functions over the external auditors. The Audit Committee should ensure that external auditors act independently and that they have unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions. Prior to the commencement of the audit, the Audit Committee shall discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The Audit Committee shall evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the annual income of the external auditor and to the Corporation's overall consultancy expenses. The Audit Committee shall disallow any non-audit work that may conflict with the duties of the external auditor as such or may pose a threat to his independence.

### (c) Nomination Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
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Chairman	Eusebio H. Tanco	8 Dec. 2011	1	1	100%	2 years & 10 months
Member (ID)	Ernest Lawrence Cu	19 Dec. 2012	1	1	100%	1 year & 10 months
Member (NED)	Ma. Vanessa Rose L. Tanco	19 Dec 2012	1	1	100%	1 year & 10 months
Member (NED)	Rainerio M. Borja	19 Dec. 2012	1	1	100%	1 year & 10 months

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed on 29 September 2014

(d) Remuneration/Compensation Committee (New)

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Eusebio H. Tanco	19 Dec. 2012	0	0	0	1 year & 10 months
Member (ED)	Monico V. Jacob	19 Dec. 2012	0	0	0	1 year & 10 months
Member	Yolanda M. Bautista	19 Dec. 2012	0	0	0	1 year & 10 months
Member (ED)	Joseph L. Augustin Tanco	19 Dec. 2012	0	0	0	1 year & 10 months

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed on 29 September 2014

(e) Compliance Committee

Office	Name	Date of Appointment	No. of Meetings Held	No. of Meetings Attended	%	Length of Service in the Committee
Chairman	Arsenio C. Cabrera, Jr.	19 Dec. 2012	1	1	100%	1 year & 10 months
Member (ED)	Monico V. Jacob	19 Dec. 2012	1	1	100%	1 year & 10 months
Member	Yolanda M. Bautista	19 Dec. 2012	1	1	100%	1 year & 10 months
Member (ED)	Paolo Martin O. Bautista	19 Dec. 2012	1	1	100%	1 year & 10 months

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed on 29 September 2014

3) Changes in Committee Members

Indicate any changes in committee membership that occurred during the year and the reason for the changes:

Name of Committee	Name	Reason
Executive	No change	N/A
Audit	No change – updated the names of members elected on 19 Dec 2012	N/A
Nomination	No change – updated the names of members elected on 19 Dec 2012	N/A
Remuneration/Compensation	No change	N/A
Compliance	No change	N/A

4) Work Done and Issues Addressed

Describe the work done by each committee and the significant issues addressed during the year

Name of Committee	Work Done	Issues Addressed
Audit	Reviewed/Approved/Submitted the Final Draft FS for the Fiscal Year ending 31 March 2014 to the Board for approval	There were no issues addressed by the Audit Committee.

<b>Nominations</b>	Pre-screened, shortlisted, and presented to the Board for their acceptance and approval, the names of the candidates for election to the Board of Directors and Independent Directors in the Annual Meeting of the Stockholders held on 26 September 2014.	There were no issues addressed by the Nominations Committee.
<b>Compliance</b>	STI Holdings was included in the list of top 50 Philippine-listed companies evaluated under the Asean Corporate Governance Scorecard. The top listed companies from six participating Asean member-countries were evaluated based on the international standards of corporate governance, including the five Organization for Economic Cooperation and Development principles of corporate governance. STI Holdings, based on a report published last July 2, 2014, was also one of the 48 companies listed as Shariah-compliant securities, following a screening of 296 listed firms assessed for their compliance with the rules, regulations, teachings, and values that govern the lives of Muslims.	There were no issues addressed by the Compliance Committee.
<b>Remuneration</b>	N/A	There were no issues addressed by the Remuneration Committee

Updated based on SEC Form 17 – C, Item 9. Other Matters – Press Release Increase in Enrollment Boosts STI Holdings’ Revenues, Earnings filed on 18 August 2014

5) **Committee Program**

Provide a list of programs that each committee plans to undertake to address relevant issues in the improvement or enforcement of effective governance for the coming year.

<b>Name of Committee</b>	<b>Planned Programs</b>	<b>Issues to be addressed</b>
<b>Executive</b>	To ensure that the Group is accurately identifying synergies and that it is implementing plans and utilizing common resources in the best interest of the Group as a whole and that no company in the Group is disadvantaged by transactions with another affiliate or by sharing of resources.	Identification of synergies, plans and common resources of the group.
<b>Audit</b>	To ensure that the internal audit examinations cover the evaluation of adequacy and effectiveness of controls encompassing the Company's governance, operations, information system, reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules and regulations.	Formulation and implementation of controls encompassing the company's governance, operations, information system, reliability and integrity of financial and operational information.
<b>Nomination</b>	To make sure that there is a mix of competent nominees, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.	Selection of qualified nominees to the Board for election by the stockholders in accordance with the By-laws, Manual of Corporate Governance and relevant laws, rules and regulations.
<b>Compensation</b>	To ensure that 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.	Formulation of the Corporation's executive officer compensation programs considering the following factors: (i) the attraction and retention of executive officers; (ii) the motivation of executive officers to achieve the Corporation's business objectives, and (iii) the alignment of the interest of executive officers with the long-term interests of the Corporation's shareholders.
<b>Compliance</b>	To ensure that all material information, corporate acts and development of events will be disclosed properly and that it shall have the 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.	Overseeing of the Company's compliance efforts with respect to relevant Company policies, the Company's Code of Business Conduct, and other relevant laws and regulations and monitoring the implementation of compliance programs, policies and procedures that are designed to be responsive to the various compliance and regulatory risks facing the Company.