



## **BOARD OF DIRECTORS' CHARTER AND CORPORATE GOVERNANCE GUIDELINES**

This Charter and Corporate Governance Guidelines are adopted by the Company's Board of Directors, acting on the recommendation of its Nominating and Corporate Governance Committee, to assist the Board and its committees in the exercise of their responsibilities. These policies are in addition to and are not intended to change or interpret law or regulation, or the Certificate of Incorporation or Bylaws of the Company. The Board of Directors will review this Charter annually, or as needed.

### **I. OPERATION OF THE BOARD**

#### **1. Director Responsibilities**

The basic responsibility of the Directors is to exercise their business judgment to act reasonably to the best interests of the Company and its shareowners. The activities and responsibilities of the Board will include, but no limited to:

- A) Review, evaluate and approve, long-range plans for the Company, budget and forecasts, financial and operating results of the Company and approve the overall corporate organizational structure, the assignment of senior management responsibilities and plans for management development and succession.
- B) Review, evaluate and approve compensation of senior management of the Company.
- C) Adopt, implement and monitor compliance with the Company's Code of Conduct.
- D) Review periodically or as needed the Company's corporate objectives and policies on social responsibility
- E) Review and assess the effectiveness of the Company's policies and practices with respect to risk assessment and risk management.

#### **2. Board and Committee Meetings; Attendance at Annual Shareowner Meetings**

Regular Board meetings will be held at least once a year, and special meetings will be called as necessary. A schedule of locations of the regular meetings will be provided to the Directors well in advance. Executive Sessions will generally be held in conjunction with each Board meeting and the Directors will be provided the time and place in advance. Executive Sessions are designed to provide the Directors an opportunity to discuss matters that do not require formal Board action.

The Chairman, Chief Executive Officer or Committee Chairpersons may from time to time invite corporate officers, other employees and advisors to attend Board or committee meetings whenever deemed appropriate.

#### **3. Agenda Items for Board and Committee Meetings**

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year. Each Director is free to suggest the inclusion of items on the agenda. Each Director is free to raise at any Board meeting subjects that are not on the agenda for that meeting. A detailed agenda and supporting



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documents and proposed resolutions will be provided to the Directors one week prior to each Board meeting.

The Chairperson of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings. The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda. A detailed agenda and supporting documents and proposed resolutions will be provided to the committee members one week prior to each committee meeting. Committee members should review these materials in advance of the meeting.

#### **4. Director Compensation**

Non-employee Directors shall receive reasonable compensation for their services as such. Directors who are employees of the Company or any of its subsidiaries shall receive no additional compensation for serving as Directors.

#### **5. Director Orientation and Training**

Management will provide new Directors as well as key officers an initial orientation in order to familiarize them with their responsibilities as Directors, and with the Company and its strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its senior management, and its internal and independent auditors.

To facilitate the Directors' discharge of their responsibilities regarding continuing education and to enhance each Director's knowledge of the Company, the Company's business operations management shall provide Directors with the following:

- Educational programs supplemental to the initial orientation to explain the Company's business operations, including its technology, products and market position.
- Access to, or notice of, continuing educational programs that are designed to keep Directors abreast of the latest developments in corporate governance matters and critical issues relating to the operation of public company boards.
- Review of compliance with significant regulatory requirements, and corporate governance matters.

An orientation program for first time directors of the Company shall be conducted, for at least four (4) hours, and shall cover prescribed SEC-mandated topics on corporate governance and an introduction to the Company's business, Articles of Incorporation and Code of Conduct.

An annual continuing training for all directors shall be conducted for at least four (4) hours, and shall cover courses on corporate governance matters relevant to the Company, including audit, internal controls, risk management, sustainability and strategy.

#### **6. CEO Evaluation and Management Succession**

The Board of Directors will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Company in the long- and short-term.



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The Board will evaluate potential successors and approve management succession strategies and plans for Management and Key Officers of the Company. The Chief Executive Officer should make available his or her recommendations and evaluations of potential successors. Further information can be viewed at company policy page.

### **7. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a Director wishes to initiate may be arranged through the CEO or the Secretary or directly by the Director. The Directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company.

### **8. Independent Advisors**

The Board and each committee have the power to engage experts or advisors, including independent legal counsel, deemed appropriate by the Board or the committee, without consulting or obtaining the approval of any officer of the Company. The Company will provide for appropriate funding, as determined by the Board or committee, for payment of compensation to any such counsel, experts or advisors retained by the Board or a committee.

## **II. BOARD STRUCTURE**

### **1. Size of the Board**

The Company's Bylaws prescribe that the number of Directors of the Company which shall constitute the whole Board. The exact number of Directors shall be fixed by resolution of the Board.

### **2. Selection of Directors**

Nominees for directorship will be recommended to the Board by the Nominating and Corporate Governance Committee in accordance with the policies and principles set forth in its charter. The invitation to join the Board should be extended by the Board itself, by the Chairman of the Nominating and Corporate Governance Committee and the Chairman of the Board.

The Board is responsible for nominating members to the Board and for filling vacancies on the Board that may occur between annual meetings of shareowners, in each case based upon the recommendation of the Nominating and Corporate Governance Committee.

### **3. Director Qualifications**

The Nominating and Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include evaluation of the members' independence, as well as consideration of diversity, talent, skills, and other experience in the context of the needs of the Board. Policy on Board diversity is intact.



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The Nominating and Corporate Governance Committee and the Board shall evaluate desirable characteristics when considering candidates for nomination as Directors. The Nominating and Corporate Governance Committee will review such characteristics annually and recommend any appropriate changes to the Board for consideration.

#### **4. Director Retirement and Resignation**

Any Director may retire or resign by giving notice in writing or by electronic transmission to the Chairman of the Board, the President or the Secretary of the Company.

The Board through the Nominating and Corporate Governance Committee shall review the continued appropriateness of Board membership.

### **III. COMMITTEES OF THE BOARD**

A substantial portion of the analysis and work of the Board is done by standing Board committees. The Board has established the following standing committees: Audit; Compensation; AND Nominating & Corporate Governance. The Board may, from time to time, establish, maintain, unify committees as necessary or appropriate.

Committee members will be appointed by the Board upon recommendation of the Nominating and Corporate Governance Committee with consideration of the desires of individual Directors. The Board will have at all times an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. All of the members of these committees will have independent Directors.

### **IV. OTHER BOARD PRACTICES**

#### **1. Review of Roles and Responsibilities of Directors**

The Chairman of the Board will review with each Director as needed on the performance of each Director's duties as well as the role and responsibilities of each Director.

#### **2. Board Interaction with Institutional Investors, Media, Customers and the Public**

Except where directed by the Chief Executive Officer, communications on behalf of the Company with the media, securities analysts, stockbrokers and investors must be made only by specifically designated representatives of the Company.

#### **3. Performance Evaluation of the Board**

The Board of Directors will conduct an annual self-evaluation, or as needed, to determine whether it and its Committees are functioning effectively. The Nominating and Corporate Governance Committee will receive comments from all Directors and report annually to the Board with an assessment of the Board's performance. The Nominating and Corporate Governance Committee shall oversee and report annually to the Board its assessment of each Committee's performance evaluation process.