

**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                            | -                         | /                 | In 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;<br>2. Risk Management;<br>3. Internal Control;<br>4. Internal Audit;<br>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.   |
| Compensation | 4                       | -                            | -                         | /                 | Establish a formal and transparent procedure for  | Review the structure and competitiveness of  | Power to establish a formal and   |

|  |  |  |  |  |   |  |   |
|--|--|--|--|--|---|--|---|
|  |  |  |  |  | developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors. | the Corporation's executive officer compensation programs considering the 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. | transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors.<br><br>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 |
|--|--|--|--|--|---|--|---|

## 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 | 2 years and 10 months              |
| Member (ED)  | Monico V. Jacob     | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |
| Member (ED)  | Yolanda M. Bautista | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |
| Member (ED)  | Martin K. Tanco     | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |
| Member (NED) | Rainerio M. Borja   | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed with SEC on 28 September 2015 and PSE on 25 September 2015

### (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% | 2 years and 10 months              |
| Member (ED)   | Martin K. Tanco          | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member (ED)   | Paolo Martin O. Bautista | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member (ID)   | Ernest L. Cu             | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed with SEC on 28 September 2015 and PSE on 25 September 2015

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 |
|--------------|---------------------------|---------------------|----------------------|--------------------------|------|------------------------------------|
| Chairman     | Eusebio H. Tanco          | 8 Dec. 2011         | 1                    | 1                        | 100% | 3 years and 10 months              |
| Member (ID)  | Ernest Lawrence Cu        | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member (NED) | Ma. Vanessa Rose L. Tanco | 19 Dec 2012         | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member (NED) | Rainerio M. Borja         | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed with SEC on 28 September 2015 and PSE on 25 September 2015

**(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 | 2 years and 10 months              |
| Member (ED) | Monico V. Jacob          | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |
| Member      | Yolanda M. Bautista      | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |
| Member (ED) | Joseph Augustin L. Tanco | 19 Dec. 2012        | 0                    | 0                        | 0 | 2 years and 10 months              |

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed with SEC on 28 September 2015 and PSE on 25 September 2015

**(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% | 2 years and 10 months              |
| Member (ED) | Monico V. Jacob          | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member      | Yolanda M. Bautista      | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |
| Member (ED) | Paolo Martin O. Bautista | 19 Dec. 2012        | 1                    | 1                        | 100% | 2 years and 10 months              |

Updated based on SEC Form 17 – C, Item 4. Election of Directors, Officers and Committee Members filed with SEC on 28 September 2015 and PSE on 25 September 2015

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 | N/A    |
| Nomination                | No change | 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 2015 to the Board for approval on 13 July 2015   | There were no issues addressed by the Audit Committee.       |
| Nominations       | Pre-screened, shortlisted, and presented to the Board on 27 July 2015 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 25 September 2015.  | There were no issues addressed by the Nominations Committee. |
| Compliance        | <p>STI Holdings is included in the list of top 50 Philippine-listed companies evaluated under the ASEAN Corporate Governance Scorecard in 2014. 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.</p> <p>The company is one of the 60 publicly-listed companies that have made it to the latest cut of the PSE Shariah-compliant firms, as of end-March 2015, following a screening of 260 listed firms assessed for their compliance with the rules, regulations, teachings, and values that govern the lives of Muslims.</p> | There were no issues addressed by the Compliance Committee.  |
| Remuneration      | N/A   | There were no issues addressed by the Remuneration Committee |

Updated based on: Audit – SEC Form 17A for the FY ended 31 March 2015 filed with SEC and PSE on 14 July 2015; Nomination – SEC Form 17 –C, Item 9, Other Matters – Other Events filed with SEC and PSE on 27 July 2015; Compliance - SEC Form 17 – C, Item 9. Other Matters – Press Release “STI Holdings breaks P2 billion mark as enrollments drive more students” filed with SEC on 16 July 2015