

# REPORT OF THE PERSONNEL AND COMPENSATION COMMITTEE TO THE BOARD OF DIRECTORS

**For the year ended 31 December 2020**

The Personnel and Compensation Committee is tasked with establishing a formal and transparent procedure for developing an executive remuneration policy and for determining the remuneration packages of corporate officers and directors, in a manner that is consistent with the company's culture, strategy, and control environment. The Committee is further mandated to ensure alignment of the remuneration policy and package with the long-term interests of the company and its stakeholders, while remaining competitive against the market.

The Committee met two times and accomplished the following:

- Reviewed and endorsed for Board approval the timing of salary increases and release of bonus of the employees, the 2020 merit increase budgets for managers and staff, and the 2019 performance bonus multiples for the executives, managers, and staff.
- Reviewed and endorsed for Board approval the 2020 Employee Stock Ownership Plan (ESOWN), and the deferral of payments due in 2020 for ESOWNs for 2009, 2012, 2014, 2017-2019.
- Reviewed and endorsed for Board approval the compensation actions for the Chief Executive Officer and Chief Operating Officer including their performance bonus for 2019, merit increase for 2020 and 2020 ESOWN award.

February 23, 2021.



**RAMON R. DEL ROSARIO, JR.**  
Chairman<sup>1</sup>



**DELFIN L. LAZARO**  
Member



**KEIICHI MATSUNAGA**  
Member

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<sup>1</sup> Mr. Del Rosario was Chairman of the Committee until April 24, 2020.  
Last meeting of the committee was on April 7, 2020.