

## **CORPORATE GOVERNANCE COMMITTEE CHARTER**

This Charter sets forth the composition, authority and functions of the Corporate Governance Committee (the “**Committee**”) of Xurpas Inc. (the “**Corporation**”).

### **PURPOSES**

The Committee shall carry out responsibilities delegated by the board of directors (the “**Board**”) in relation to, among others, the adoption and implementation of governance principles and policy guidelines of the Corporation, and the establishment of legal and regulatory compliance structures and processes as required under existing securities laws, rules and regulations, and other applicable laws; and the evaluation and assessment of the performance of the Board, its members, as well as that of the Corporation’s key officers.

The Corporate Governance Committee shall report to the Board in such manner as the Board may require. Pursuant to the Corporation’s Manual on Corporate Governance (the “**Manual**”), the Corporate Governance Committee shall have a separate Charter, which shall define and govern, among other matters, the objectives, composition, membership qualifications and disqualifications, duties and responsibilities, conduct of meetings, standards for evaluating the performance of the Corporate Governance Committee, and procedure for escalation to the Board of decisions of such Committee and the Corporation’s Articles of Incorporation and By-Laws.

The Board shall approve the Committee Charter, which can only be amended, altered or varied through a Board action approving such amendment, alteration or variation.

The Committee shall report or submit to the Board a summary of the actions taken by such Committee pursuant to the terms of this Committee Charter.

### **ARTICLE I – MEMBERSHIP**

#### **1.1 Composition**

The Corporate Governance Committee shall be composed of at least three (3) members, all of whom should be independent directors, including the Chairman. The Committee shall assist the Board in the performance of its corporate governance responsibilities.

To ensure adherence to corporate principles and best practices, the Board shall likewise appoint a Compliance Officer, who shall have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation. The Compliance Officer shall not be a member of the Board and should annually attend a training on corporate governance.

The Compliance Officer is a member of the Corporation’s Management in charge of compliance function. He is primarily liable to the Corporation and its stockholders, and not to the Chairman or President of the Corporation.

The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to the said Officer.

## **1.2 Appointment and Term**

The Board shall appoint the members of the Committee at the annual organizational meeting of the Board, with each member serving upon his election until the next organizational meeting of the Board unless removed or replaced by the Board.

## **1.3 Vacancy**

Any vacancy occurring in the Corporate Governance Committee other than by removal by the Board or by expiration of term may be filled by the Board. An officer so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

The vacancy resulting from the removal of an officer by the Board in the manner provided by law may be filled by election at the same meeting of the Board.

## **ARTICLE II – SCOPE AND RESPONSIBILITIES**

### **2.1 Statement of Responsibility**

The Corporate Governance Committee shall represent the Board in discharging of its functions in relation to issues surrounding the Corporation's governance principles and guidelines, leadership, management roles, and the continuing education of the directors, and such other matters as outlined in the Manual.

### **2.2 Specific Powers of the Corporate Governance Committee**

The Committee, in accordance with the authority granted by the Board or during the absence of the Board, shall have the following duties:

- 2.2.1 Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;
- 2.2.2 Oversee the periodic performance of the Board and its committees as well as executive management and conduct an annual self-evaluation of its performance;
- 2.2.3 Recommend continuing education/training programs for directors and assignment of tasks/projects to board committees, succession plan for the board members and senior officers and remuneration packages for corporate and individual performance;
- 2.2.4 Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- 2.2.5 Propose and plan relevant trainings for the members of the Board;
- 2.2.6 Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation's culture and strategy as well as the business environment in which it operates;

- 2.2.7 Disallow any director to decide his own remuneration during his incumbent term; and
- 2.2.8 Annually evaluate the Manual and recommend to the Board the amendments to the Manual.

The Committee shall be guided by the Corporation's mission and vision and best corporate governance practices in the industry in the fulfillment of its functions.

### **2.3 Specific Powers of the Compliance Officer**

The Compliance Officer shall perform the following duties and responsibilities:

- 3.1 Operationalize and monitor compliance with the provisions and requirements of this Manual;
- 3.2 Ensure proper onboarding of new directors (i.e., orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);
- 3.3 Monitor, review, evaluate and ensure the compliance by the Corporation, its officers and directors with the relevant laws, the Code of Corporate Governance for Publicly-Listed Companies, rules and regulations and all governance issuances of regulatory agencies;
- 3.4 Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- 3.5 Ensure the integrity and accuracy of all documentary submissions to regulators;
- 3.6 Appear before the SEC when summoned in relation to compliance with the Code of Corporate Governance for Publicly-Listed Companies and for any matters that the Commission may require clarification of;
- 3.7 Submit a certification to the SEC on or before January 30 of each year on the extent of the Corporation's compliance with this Manual for the previously completed year, explaining the reasons for the letter's deviation from the same, unless the same is not required by Commission;
- 3.8 Provide the Commission, if applicable, at the end of every fiscal year with a sworn certification that the Corporation has complied with the requirement for independent directors and their attendance at meetings in accordance with Sec. 11(7) of SEC Memorandum Circular No. 2. The certification may be submitted with the Corporation's current report (SEC Form 17-1) or on a separate filing;
- 3.9 Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- 3.10 Identify, monitor and control possible areas of compliance issues and risks, and work towards the resolution of the same;
- 3.11 Ensure the attendance of board members and key officers to relevant trainings;

- 3.12 Determine violations of this Manual and create a system for giving due notice, hearing, and due process for dealing with violations of this Manual;
- 3.13 Recommend the penalties for violations of this Manual, for further review and approval of the Board; and
- 3.14 Perform such other duties and responsibilities as may be provided by SEC.

## **ARTICLE III – OPERATION**

### **3.1 Notice**

The Chairman of the Corporate Governance Committee shall call for a meeting of the Committee by directing the Corporate Secretary to send notices of such meeting to all members.

Notice of the regular or special meeting of the Committee, specifying the date, time, and place of the meeting, shall be communicated by the Corporate Secretary at least two (2) business days before the date of the meeting by delivery, fax, electronic mail or short messaging system (SMS) to each member or by other means of written or printed communication generally accepted and used by the business community as at present available through or as may be made available through technical advances or innovations in the future.

### **3.2 Quorum**

A majority of all the members of the Committee shall constitute a quorum.

### **3.3 Corporate Governance Committee Meetings**

Meetings of the Corporate Governance Committee shall be presided over by the Chairman of the Corporate Governance Committee, or in his absence, by any other member chosen by the Corporate Governance Committee.

The Corporate Secretary shall act as secretary of every meeting, and if absent, the Chairman of the meeting shall appoint a secretary of the meeting.

Meetings may be conducted in person or via videoconference or teleconference.

Actions of Committee may also be taken by written consent (in physical, electronic or digital format) by majority of the members when deemed necessary by its Chairman. In such instances, the Chairman of the Committee may allow the Corporate Secretary to seek the approval of the Committee to be taken by circulation of the proposal for which an approval is sought, provided, however, that such circulated proposal shall be submitted for ratification of the Corporate Governance Committee at the immediately following meeting.

### **3.4 Approvals**

The Committee shall, in a meeting in which there was a quorum, decide by a majority vote of its members. When possible, the members shall endeavor to reach a consensus.

### **3.5 Other Rules of Procedure**

The Committee may set such other rules of procedure as it deems necessary from time to time, subject only to the limits stated herein.

## **ARTICLE IV – REPORTING PROCESS**

The Chairman of the Committee or his designated representative shall report to the Board all actions taken by the Committee at the meeting of the Board immediately following such action. The Chairman or designated representative shall discuss with the Board highlights of the matters discussed during the Committee meeting.

The Committee shall also ensure compliance with the Manual. Consistent with the Manual, the Compliance Officer shall be responsible for determining violations, after notice and hearing, and shall recommend to the Chairman of the Committee the imposable penalty for such violation, subject to the review of the Committee and the further approval by the Board.

To strictly encourage observance and implementation of the provisions of the Manual, the following penalties may be imposed, after notice and hearing, on the Corporation's Directors, Officers, Executives and employees in case of violation of any provision of the Manual:

1. For the first violation, the subject person may be reprimanded;
2. For the second violation, the subject person may be suspended from holding office; provided that the duration of such suspension shall be at the reasonable discretion of the Board depending on the gravity of the violation; and
3. For the third violation, the subject person may be removed from office.

The willful commission of a third violation of any provision of the Manual by any Director, Officer, Executive or employee shall be a sufficient cause for removal from office of such Director, Officer, Executive or employee.

## **ARTICLE V – RESOURCES**

### **5.1 Primary Resource**

The Corporate Governance Committee is the primary resource of the Committee. Its primary function is to oversee and handle corporate governance related matters in keeping with the Manual and this Committee Charter.

It may also appoint, retain, and terminate, as it may deem necessary or appropriate, any consultant, legal advisor or professional to advise and assist the Committee in the discharge of its functions.

**5.2 Access to Information**

The Committee shall have reasonably free and full access to all relevant information, data, records, properties and personnel of the Corporation.

**5.3 Technical Assistance**

The Corporate Secretary, Management, and personnel of the Corporation shall provide such necessary technical assistance and support to the Committee.

**5.4 Records**

The Corporate Secretary shall be in custody of the records of the Committee. Any document held, action taken, or matter discussed by the Committee, except for information required to be disclosed pursuant to laws, rules or regulations by competent and relevant government authorities, are understood to be absolutely confidential in nature.

**5.5 Annual Review of the Charter**

This Charter shall be reviewed by the Corporate Governance Committee annually. Any proposed change shall be approved by the Board.

**ARTICLE VI – EFFECTIVITY**

This Charter has been approved and adopted by the Board of the Corporation on May 28, 2018.