
NOMINATION AND COMPENSATION COMMITTEE CHARTER

LT GROUP, INC.

NOMINATION AND COMPENSATION COMMITTEE CHARTER

1. Purpose

The Board of Directors has established a Nomination and Compensation Committee (or the “Committee”) to ensure a formal and transparent Board nomination process, and likewise, to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning.

2. Committee Structure and Operation

- a. The Committee shall be composed of at least three (3) members, at least one (1) of whom shall be an independent director and with knowledge of executive compensation or access to expert advice.
- b. Each member of the Committee shall serve as such for a term of one (1) year or until such time that their successors are qualified and duly appointed.
- c. The Committee shall meet at least once a year or as often as needed.
- d. Duties and Responsibilities:
 - i. Pre-qualify and shortlist candidates for election to the Board of Directors. Nominate at least two (2) independent directors or such as to constitute at least twenty percent (20%) of the members of the Board;
 - ii. Nominate directors, considering the director’s contribution and performance (e.g. attendance, preparedness, participation and candor);
 - iii. Consider the following guidelines in determining the number of directors to be nominated to the Board:
 1. The scope and nature of the operations of the Corporation;
 2. Age of the director; and
 3. Possible conflict of interest among the directors.
 - iv. Establish a formal and transparent procedure for fixing the remuneration packages of individual directors. No director shall be involved in deciding his own remuneration;
 - v. Provide a clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration, in the Corporation’s annual report;

- vi. Designate amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Corporation successfully;
- vii. Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- viii. Ensure, in the Corporation's annual reports, information and proxy statements, the inclusion of a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year; and
- ix. In consultation with the Executive Committee, define the role, duties and responsibilities of the President/Chief Operating Officer by integrating the dynamic requirements of the business as a going concern and future expansionary prospects within the realm of good corporate governance at all times.

3. Nomination of Candidates

In the nomination of individuals believed to be qualified to become Board members, the Committee shall consider the following requirements:

Qualifications:

- 1. Bona fide holder of at least one thousand (1,000) shares of the capital stock of the Corporation;
- 2. He/She shall at least be a College graduate or have sufficient experience and/or understanding in managing a business such as that of the Corporation to substitute for such formal education;
- 3. He/She shall at least be twenty-one (21) years old;
- 4. He/She shall have proven to possess integrity and probity;
- 5. He/She is a member in good standing of relevant industry, business or professional organizations;
- 6. He/She shall have attended a seminar on corporate governance with a duly-accredited or recognized private or government institution and submitted a copy of his/her certificate of attendance to the Compliance Officer.

Permanent Disqualifications:

1. Any person engaged in any commercial venture or undertaking, which is in competition with the business of the Corporation or any of its subsidiaries. For this purpose, and unless the Board, in its reasonable exercise of discretion determines otherwise, a person shall be deemed to be so engaged where:
 - a. He/She is a director, officer or the record or beneficial owner of at least 10% of any outstanding shares of any other corporation or entity engaged in any line of business of the Corporation or any of its subsidiaries;
 - b. He/She is a director, officer, or the record or beneficial owner of at least 10% of any outstanding shares of any other corporation or entity engaged in any line of business which the Board determines to be in competition with the business of the Corporation or any of its subsidiaries; or
 - c. The Board, in the exercise of its judgment in good faith, determines that such person is a nominee of any person referred to in (a) or (b) above.
2. Any person convicted by the final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code (SRC); (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
3. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as a Director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in (a) and (b) above, or willfully violating the laws that govern securities and banking activities;
4. Any person who, apart from the reason given in the preceding item, has been legally restrained to engage in activity involving securities and banking;
5. Any person who is currently the subject of an order of the SEC or any court or administrative body denying, revoking, or suspending any registration, license, or permit issued to him under the Corporation Code, SRC, or any other law administered by the SEC or the Bangko Sentral ng Pilipinas (BSP), or has otherwise been restrained to engage in any activity involving securities and banking;

6. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts;
7. Any person who has been adjudged by final judgment or order of the SEC, court or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, SRC or any other law administered by the SEC or BSP or any of its rule, regulation or order;
8. Any person currently the subject of an effective order of a self-regulatory organization, suspending or expelling him/her from membership, participation or association with a member or participant of the organization;
9. Any person earlier elected as Independent Director who becomes an officer, employee, or consultant of the Corporation, he/she shall be automatically disqualified from being an independent director;
10. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the foregoing acts, violation, or misconduct enumerated in the foregoing paragraphs;
11. Any person judicially declared to be insolvent; and
12. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his/her election or appointment.

Temporary Disqualifications

Any of the following shall be a ground for the temporary disqualification of a Director:

1. Refusal to fully disclose the extent of his/her business interest as required under the SRC and its Implementing Rules and Regulations. This disqualification shall be in effect as long as the refusal persists;
2. Dismissal/termination from Directorship in another listed corporation for cause. This disqualification shall be in effect until the said involvement in the alleged irregularity is cleared or settled;
3. If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later on complied with;
4. Being under preventive suspension by the Corporation; and

5. Conviction that has not yet become final referred to in the grounds for the disqualification of Directors.

A temporarily disqualified Director shall within sixty (60) days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he/she fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

4. EFFECTIVITY

This Charter shall take effect upon approval of the Corporation's Board of Directors.