

C05881-2017

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17 OF THE SECURITIES REGULATION CODE AND SRC RULE 17.2(c) THEREUNDER

1. Date of Report (Date of earliest event reported)
Sep 28, 2017
2. SEC Identification Number
36359
3. BIR Tax Identification No.
000-438-702-000
4. Exact name of issuer as specified in its charter
BASIC ENERGY CORPORATION
5. Province, country or other jurisdiction of incorporation
MAKATI CITY, METRO MANILA
6. Industry Classification Code(SEC Use Only)
7. Address of principal office
7/F BASIC PETROLEUM BLDG., 104 CARLOS PALANCA ST., LEGASPI VILLAGE,
MAKATI CITY
Postal Code
1229
8. Issuer's telephone number, including area code
(+632) 817-8596
9. Former name or former address, if changed since last report
not applicable
10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
Common	2,603,684,382
11. Indicate the item numbers reported herein
Item No. 9

The Exchange does not warrant and holds no responsibility for the veracity of the facts and representations contained in all corporate

disclosures, including financial reports. All data contained herein are prepared and submitted by the disclosing party to the Exchange, and are disseminated solely for purposes of information. Any questions on the data contained herein should be addressed directly to the Corporate Information Officer of the disclosing party.



Basic Energy Corporation

BSC

PSE Disclosure Form 4-30 - Material Information/Transactions
References: SRC Rule 17 (SEC Form 17-C) and
Sections 4.1 and 4.4 of the Revised Disclosure Rules

Subject of the Disclosure

Approval of Charters of the Board of Directors and Board Committees

Background/Description of the Disclosure

The Board in its regular meeting held on September 28, 2017, on recommendation of the Corporate Governance Committee and upon motion duly seconded unanimously approved the Charters of the Board of Directors and Board Committees.

Other Relevant Information

See attached SEC Form No. 17-C

Filed on behalf by:

Name	Angel Gahol
Designation	AVP - Asst. Corp. Sec./ Compliance Officer

COVER SHEET

3 6 3 5 9

SEC Registration Number

B A S I C E N E R G Y C O R P O R A T I O N

(Company's Full Name)

7 t h F l o o r , B a s i c P e t r o l e u m

B u i l d i n g , C . P a l a n c a , J r . S t r e e t ,

L e g a s p i V i l l a g e , M a k a t i C i t y

(Business Address: No. Street City/Town/Province)

Atty. Angel P. Gahol

(Contact Person)

(632) 817-8596 & 98

(Company Telephone Number)

1 2

Month Day
(Calendar Year)

3 1

1 7 - C

(Form Type)

0 6

Month Day
(Annual Meeting)

3 0

Not Applicable

(Secondary License Type, If Applicable)

MSRD

Dept. Requiring this Doc.

Not Applicable

Amended Articles Number/Section

6,607

Total No. of Stockholders

Total Amount of Borrowings

n/a

Domestic

n/a

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION
SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATIONS CODE

1. September 28, 2017
Date of Report (Date of earliest event reported).
2. SEC Identification Number 36359 3. BIR Tax Identification No. 000-438-702-000
4. BASIC ENERGY CORPORATION
Exact name of registrant as specified in its charter
5. Philippines 6. _____
Province, country or other jurisdiction Industry Classification Code
7. 7th Floors, Basic Petroleum Bldg., 104 C. Palanca St.
Legaspi Village, Makati City 1229
Address of principal office
8. (+632) 817-8596
Registrant's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report.
10. Securities registered pursuant to Sections 4 and 8 of the RSA

<u>Title of Each Class</u>	<u>Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding</u>
Common Shares	2,603,684,382
Listed with PSE	2,560,118,512


11. Indicate the item numbers reported herein: _____ Item 9

The Board in its regular meeting held on September 28, 2017, on recommendation of the Corporate Governance Committee and upon motion duly seconded, unanimously approved the Charters for the Board of Directors and Board Committees (Please see attached)

Pursuant to the requirements of the Securities Regulations Code, the Registrant has duly caused this report to be signed this September 28, 2017 on its behalf by the undersigned hereunto duly authorized.

BASIC ENERGY CORPORATION

Registrant


ANGEL P. GAHOL
Compliance Officer



BASIC ENERGY
CORPORATION

CHARTERS

BOARD OF DIRECTORS

BOARD COMMITTEES



CHARTER OF THE BOARD OF DIRECTORS

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BASIC ENERGY CORPORATION
CHARTER OF THE BOARD OF DIRECTORS

A. The Board of Directors

Section 1. Powers of the Board of Directors

As provided under the Corporation Code of the Philippines, the corporate powers of the Company are exercised, all business of the Company are conducted, and all property of the Company are controlled and held by its Board of Directors.

Within its authority under the Corporation Code and other applicable laws and the By-Laws of the Company, the Board is the governing body of the Company with full powers to conduct, manage and control the business affairs of the Corporation. In the exercise of these powers, the Board sets and defines corporate goals and objectives to achieve long term viability, stability and sustainable growth for the Company, ensuring consistency and alignment of these goals and objectives with the best interests of its stockholders and other stakeholders.

Section 2. Duties and Responsibilities of the Board of Directors

a. The Board shall establish a competent, working and independent Board, with a collective working knowledge, experience and expertise that is relevant to the business of the Company. The Board shall ensure that it has an appropriate mix of competence, experience and expertise to enable the Board to direct and guide the Company's management in the strategic directions set by the Board for the Company, and to enable the Board to respond to the needs of the organization, and the requirements of an evolving business and economic environment.

b. The Board shall provide Management with clear, sound and relevant policies and guidelines on the operations and projects of the Company and key financial performance standards to be achieved by Management, with the objective of sustaining long-term viability, stability and strength. The Board shall oversee the development of and approve the Company's corporate goals and objectives and its business strategies, including the Company's annual business plans and operating budgets, and monitor their implementation by Management.

c. The Board shall properly discharge its duties and functions by meeting regularly. Independent views during Board meetings should be encouraged and given due consideration. During these meetings, the Board shall (i) act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders, and not only those of the controlling group of shareholders; and (ii) exercise an objective and independent judgment on all corporate and business matters and shall reinforce the independence of the Board from Management.

d. The Board shall elect and appoint the President & CEO and other senior officers of the Company, with the appropriate level of integrity, competence and professionalism.

e. The Board shall establish committees to assist in the performance by the Board of its duties and responsibilities, particularly with respect to audit, risk, and other corporate governance concerns, such as the Audit and Risk Committee, Corporate Governance Committee, Nominating Committee and the Finance and Investments Committee. When the size, risk exposure and complexity of operations of the Company warrant, the Board shall establish the Board Oversight Risk Committee and the Related Party Transactions Committee. In the meantime, the functions of these committees shall be assumed by the Audit and Risk Committee and the Finance and Investments Committee, as the case may be.

The committees shall be composed of Board members specifically chosen for their particular background and areas of expertise that will allow them to adequately perform the functions assigned to their respective committees. The rights and responsibilities of each Board committee shall be defined in greater detail in specific committee charters approved by the Board.

f. The Board shall ensure that its performance as a body shall be regularly, consistently and objectively evaluated and assessed to determine if it has the right mix of backgrounds, skills, competencies, expertise and experience and if it has performed its duties and responsibilities.

g. The Board shall maintain high professional and ethical standards for itself, Management and all employees of the Company, and for this purpose, the Board shall adopt a Code of Business Conduct and Ethics applicable to the Board, Management and all employees of the Company.

h. The Board shall adopt disclosure and reporting policies and procedures for a comprehensive, timely, accurate and reliable Company disclosures and reports that give a fair and complete picture of the Company's financial condition and operations and other material events or facts to stockholders and other stakeholders. The Board shall likewise set a policy on disclosures of non-financial and sustainability information, with emphasis on the management of economic, environmental, social and governance issues of the Company's business.

i. The Board shall take the necessary steps to strengthen the External Auditor's independence and integrity, and enhance audit quality and the effectiveness of the audit processes adopted by the external auditor.

j. The Board shall ensure that comprehensive and cost-efficient communication channels are established for the timely and accurate dissemination to the public, its stockholders and other investors or stakeholders, of relevant and material information on the Company.

k. The Board shall institute a strong and effective internal control system and an enterprise risk management framework, appropriate to its size, risk profile and complexity of its operations, to ensure integrity, transparency and proper governance in the conduct of the business affairs of the Company.

l. The Board shall ensure that the rights of all stockholders and other stakeholders are recognized, protected and promoted, and shall encourage active shareholder participation in the annual meetings of stockholders. The Board shall establish an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.

m. The Board shall establish policies and programs that will encourage employees to actively participate in the realization of the Company's goals and proper corporate governance.

n. The Board shall see to it that its operations serve its environment and stakeholders in a positive and progressive manner that is fully supportive of a comprehensive, balanced and sustainable development and allows the Company to grow its business, while contributing to the advancement of the communities in which the Company operates.

o. The Board shall ensure that all laws, rules and regulations relative to the business and operations of the Company are complied with by the Board, Management and all employees of the Company.

B. Composition of the Board of Directors

Section 1. Composition and Term

The Board of Directors shall be composed of eleven (11) directors, as prescribed in the Corporation's Articles of Incorporation and By-Laws, three (3) of whom shall be independent directors. The directors shall be elected by the Corporation's stockholders entitled to vote at the annual meeting of stockholders, and shall hold office for one (1) year and until their successors are elected and qualified, in accordance with the By-Laws of the Corporation.

Section 2. Qualifications and Disqualifications of Directors

a. Qualifications of Directors:

- (i) Owner of at least one (1) share of stock of the Company standing in his name on the books of the Company;
- (ii) At least a college graduate or, in the absence of such college degree or formal education, with sufficient experience in managing a business;
- (iii) At least twenty-one (21) years old;
- (iv) Shall have been proven to possess integrity and probity; and
- (v) Shall be assiduous.

b. Disqualifications of Directors

(i) Permanent Disqualifications

The following shall be grounds for the permanent disqualifications of a director:

(a) Any persons convicted by final judgment or order by a competent judicial or administrative body of any crime that (1) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (2) arises out of a 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 (3) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment houses or as an affiliated person of any of them;

(b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (1) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (2) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (3) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (1) and (2) above, or wilfully violating laws of that govern securities and banking activities.

The disqualifications shall also apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Company Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or

otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

(c) 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;

(d) Any person who has been adjudged by final judgment or order of the Commission, court or competent administrative body to have wilfully violated, or wilfully aided, abetted, counselled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;

(e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same Company;

(f) Any person judicially declared as insolvent;

(g) 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 acts, violations or misconduct enumerated in sub-paragraphs (a) to (e) above;

(h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or violation of the Company Code committed within five (5) years prior to the date of his election or appointment.

(ii) Temporary Disqualifications of a Director

The followings are the temporary disqualifications of a director:

(a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing rules and regulations. The disqualifications shall be in effect as long as the refusal persists.

(b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) months period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualifications shall apply for purposes of the succeeding election.

(c) Dismissal or termination for cause as director of any company covered by the Corporation Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.

(d) If the beneficial equity ownership of an independent director is the Company or its subsidiaries and affiliates exceeds two (2) percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

(e) If any of the judgments or orders cited in the grounds for permanent disqualifications has not become final.

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

Section 3. Independent Directors

a. Number of Independent Directors

In line with the Board's duty to exercise an objective and independent judgment on all corporate affairs, the Board shall have at least three (3) independent directors.

b. Definition of Independent Director

"Independent Director" means a person who is independent of management and controlling shareholder, and is free from any business or other relationship which could or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a directors

An Independent Director refers to a person who ideally:

(i) Is not, or has not been a senior officer or employee of the company unless there has been a change in the controlling ownership of the Company;

(ii) Is not, and has not been in the three (3) years immediately preceding the election, a director of the Company; a director, officer, employee of the Company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Company's substantial shareholders and its related companies;

(iii) Has not been appointed in the Company, its subsidiaries, associates, affiliated or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the

performance of its duties and responsibilities within three (3) years immediately preceding his election;

(iv) Is not a relative of a director, officer, or substantial shareholder of the Company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

(v) Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its related subsidiaries, associates, affiliates or related companies;

(vi) Is not acting as a nominee or representative of any director of the Company, or any of its related companies;

(vii) Is not employed as an executive officer of another company where any of the Company's executives serve as directors;

(viii) Is not retained, either in his personal capacity or through his firm, as professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of election;

(ix) Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refer to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

(x) Does not engage and has not engaged, whether by himself or with other person or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the Company or any of its related companies or substantial shareholders, other than transactions which are conducted at arms-length and are immaterial and could not materially interfere with or influence the exercise of his independent judgment; and

(xi) Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders.

Related companies, as used in this section, refer to (a) its holding company/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

c. Term of Independent Directors

The Board's Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned from 2012, pursuant to SEC Memorandum Circular No. 4, series of 2017. After which, the independent director concerned shall be perpetually barred from re-election as an independent director in the Company; but may continue to qualify for nomination and election as a non-independent director. In case the Board decides to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

Section 4. Multiple Board Seats

A director shall exercise his/her best judgment and due discretion in accepting and holding directorships outside of the Company and/or its subsidiaries and affiliates. A director may hold any number of directorships outside of the Company, its subsidiaries and affiliates, if in the director's opinion, these other positions do not conflict with or affect the director's capacity to diligently perform his duties as a director of the Company. However, the director concerned shall notify the Chairman of the Board before accepting a directorship with another Company.

Independent directors shall be required to disclose all concurrent directorships in other companies, whether as regular or independent directors, for compliance with the reporting requirements of the Philippine Stock Exchange.

Considering the full-time nature of the position of executive directors, the Board shall set a maximum limit for directorships in other companies of executive directors.

Section 5. Vacancies

In case any vacancy or vacancies should occur in the Board due to death, resignation or other causes other than by removal, the remaining directors, if still constituting a quorum, may fill said vacancies by a majority vote of the remaining directors. In the absence of such quorum or in case of removal of a director, the vacancy shall be filled by the shareholders at a regular or special meeting of shareholders called for the purpose.

Section 6. Compensation

As specified in the By-Laws of the Company, the members of the Board shall not receive any salary, compensation or remuneration from the Company, except per diems as may be approved by the Board, for attendance in the Board or Board Committee meetings.

Section 7. Professional Development Program for Directors

The Board shall support the professional development of its members consisting of an orientation program for new directors and a relevant annual continuing training and professional development program for all directors. .

This program should be aimed at providing directors with a working knowledge of the statutory and regulatory requirements affecting the business and operations of the Company, including the contents of the Articles and By-laws of the Company and the amendments thereof, the requirements of law and regulations for the conduct of the Company's business, and where applicable, the requirements of other regulatory agencies. This program should also be aimed to keep the directors abreast with industry developments and business trends in order to promote the Company's competitiveness.

Section 8. Succession Planning

The Board shall adopt an effective succession planning program for directors, as well as key officers, to ensure the long-term growth and a continued stability of the Company. The Board shall likewise adopt a policy on retirement age for directors and key officers as part of management succession planning, to promote dynamism in the Company.

C. The Chairman of the Board

Section 1. Duties and Functions of the Chairman of the Board

- a. The Chairman of the Board shall, when present, preside at all meetings of the Board and shall render advice and counsel to the President & CEO and senior management.
- b. As specified in the Company's By-Laws, the Chairman shall have the following duties:
 - (i) Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chairman may deem necessary;
 - (ii) Supervise the preparation of the meeting agenda in coordination with the Corporate Secretary, taking into consideration the suggestions of the President, Management and directors; and
 - (iii) Maintain qualitative and timely lines of communication and information between and among the members of the Board and between the Board and Management.
- c. As specified in the Company's Manual on Corporate Governance, the Chairman shall have the following roles and responsibilities: .

(i) Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

(ii) Guarantees that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;

(iii) Facilitates discussions on key issues by fostering an environment conducive for constructive discussions and leveraging on the skills and expertise of individual directors;

(iv) Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

(v) Assures the availability of proper orientation for the first-time directors and continuing training opportunities for all directors; and

(vi) Makes sure that performance of the Board is evaluated at least once a year and discussed in the Board and follow up actions are taken.

d. The Chairman shall have such other responsibilities as the Board of Directors may impose upon him.

D. Board Meetings and Quorum Requirements

Section 1. Board Meetings

a. The Board of Directors shall hold regular monthly meetings, at such time and place as the Board of Directors may prescribe. Special meetings may be called by the Chairman, President or by written request of at least two (2) directors. Directors are enjoined to devote time and attention necessary for an active participation in the meetings of the Board.

b. The meetings of the Board of Directors may be conducted through modern technologies, such as but not limited to teleconferencing or video-conferencing, as long as the director who is so taking part in the meeting can actively participate in the deliberations on matters taken up in the meeting.

c. The members of the Board should attend regular and special meetings of the Board in person in at least 25% of the meetings convened during the director's term, and via teleconference or videoconference or by any other technological means allowed by the Board in not more than 25% of the meetings for the director's term. As prescribed in the

Company's By-laws, the total required attendance of a director in Board meetings shall be at least 50% of the meetings convened during his term.

d. The independent directors shall, as far as possible, be in attendance in the Board meetings. However, the absence of an independent director will not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice, he fails to attend.

e. The Board meetings for the one (1) year term of the directors shall be scheduled in the first month of their term and notices of the monthly meetings shall be given at the preceding month's Board meeting. Reminders shall be sent at least two (2) days prior to the date of the meeting. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.

f. Board meetings shall be chaired by the Chairman of the Board or, in his absence, by anyone of the Vice Chairmen present.

g. Minutes of the Board meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the Chairman of the meeting and by the Secretary of the meeting.

Section 2 Quorum

a. The members of the Board shall act only as Board and the individual directors have no power or authority to act individually.

b. A majority of the entire membership of the Board at a meeting duly assembled shall be necessary to constitute a quorum for the transaction of business, and the act of the majority of the quorum so present shall be valid as a corporate act.

c. A director shall abstain himself from the deliberations on a matter presented to the Board which, in his best judgment, will prevent him from making an independent and objective judgment on said matter. Such abstention shall be noted in the minutes of the meeting.

E. Performance Evaluation of the Board of Directors, the Board Committees and Management

Section 1. Annual/Self-Evaluation

(i) The Board shall conduct a yearly self-evaluation of its own performance. The Board shall ensure that an assessment process is regularly and consistently conducted to evaluate and assess its performance as a body, and assess whether it possesses the right

mix of backgrounds, skills, competencies and experience of its members and if it has performed its duties and responsibilities.

(ii) The annual self-assessment of the Board's performance shall include the evaluation of the performance of the Chairman, the individual directors and the Committees and Management. This process shall be monitored by the Corporate Governance Committee.

Section 2. Engagement of External Facilitator

Every three (3) years, an external facilitator may be engaged to assist the Board in its performance evaluation process, to achieve objectivity of the assessment.

F. Miscellaneous Provisions

Section 1. Technical Assistance

Management, the Corporate Secretary and all personnel of the Company shall provide assistance and support to the Board. In order to properly perform its functions, the Board may engage the services of auditors, legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings. All resources necessary for the Board to perform its duties and functions shall be provided at the Company's expense.

Section 2. Access to Information

The Board shall have free and full access to all relevant information, data, records of the Company and may request for such information or data directly from any personnel of the Company.

Section 3. Confidentiality of Board Records

The records of the Board shall be kept confidential, except when disclosure is required pursuant to law or regulations issued by competent government authorities. The Corporate Secretary shall keep and have custody of the minutes of the Board meetings and materials presented and discussed in said meetings.

G. Effectivity and Review of the Charter

This Charter shall take effect upon approval by the Board of Directors and shall apply prospectively. The Board shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.



CHARTER OF THE AUDIT AND RISK COMMITTEE

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BASIC ENERGY CORPORATION

CHARTER OF THE AUDIT AND RISK COMMITTEE

A. The Audit and Risk Committee

Section 1. Purpose of the Committee

The Audit and Risk Committee shall assist the Board in enhancing its oversight capability over the Company's financial reporting, risk management, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

Section 2. Composition

The Committee shall be composed of at least five (5) non-executive directors, the majority of whom, including the Chairman, shall be independent directors. All of the members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, risk management, finance and regulatory compliance.

The members of the Committee are appointed at the organizational meeting of the Board of Directors convened immediately after the election of directors at the annual stockholders meeting.

Section 3. The Chairman of the Committee

The Chairman of the Audit Committee shall be an independent director and shall not be appointed as the Chairman of the Board or the Chairman of any other Board committee.

Section 4. Term

The members of the Committee shall serve as such from the date of their appointment until the next organizational meeting of the Board where the members of the Committee are appointed for the ensuing year, unless sooner replaced by the Board.

Section 5 Vacancy

In case any vacancy or vacancies should occur in the Committee due to death, resignation or other similar causes, the Board, if still constituting a quorum, shall fill the vacancy by appointment from among the other members of Board, taking into consideration the requisite background, knowledge and experience required for members of the Committee.

B. Functions and Responsibilities of the Audit and Risk Committee

The Audit and Risk Committee shall have the following responsibilities:

- (i) Recommends to the Board the approval of the Internal Audit Charter, which formally defines the role of Internal Audit and the audit plans, and oversees the implementation of said Charter;
- (ii) Through the Internal Audit function, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the Company's resources and ensure their effective utilization; (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations;
- (iii) Oversees the Internal Audit unit, which shall be either established within the organization or outsourced, and recommends the appointment and/or grounds for approval of the internal audit head. If the internal audit function is outsourced, the Audit Committee shall approve the terms and conditions for outsourcing internal audit services;
- (iv) Establishes and identifies the reporting time of the Internal Audit to enable him to properly fulfil his duties and responsibilities. For this purpose, he shall directly report to the Audit and Risk Committee;
- (v) Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- (vi) Recommends to the Board the appointment, reappointment, removal and audit fees of the External Auditor, which should be duly accredited by the Securities and Exchange Commission (SEC), for approval of the Board and the stockholders of the Company. For removal or change or replacement of the External Auditor, the reasons therefor shall be disclosed to the SEC and the Philippine Stock Exchange, and to the public through the Company's website.
- (vii) The Committee shall be responsible for assessing the integrity, suitability and independence of the External Auditor and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.

(viii) Prior to the commencement of the audit of the financial statements of the Company, the Committee shall discuss with the External Auditor the nature, scope and expenses of the audit, and the manner by which the financial statements should be prepared and presented to the stockholders, and if more than one audit firm is involved in the activity, to ensure proper coordination to secure proper coverage and minimize duplication of efforts;

(ix) Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with its duties as an External Auditor or may pose a threat to its independence. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;

(x) Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

- * Any change/s in accounting policies and practices
- * Areas where a significant amount of judgment has been exercised
- * Significant adjustments resulting from the audit
- * Going concern assumptions
- * Compliance with accounting standards
- * Compliance with tax, legal and regulatory requirements

(xi) Reviews the disposition of the recommendations in the External Auditor's management letter;

(xii) Performs other oversight functions over the Company's Internal and External Auditors, to ensure their independence, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

(xiii) Meets with the Board at least once a quarter without the presence of the President and CEO or senior management, and periodically meets with the Internal Auditor; and

(xiv) Performs the functions of the Board Risk Oversight Committee and Related Party Transactions Committee, as prescribed under the Company's Manual on Corporate Governance, in the meantime that these committees have not been established.

C. Meetings of the Committee

Section 1 Meetings

a. The members of the Committee shall meet in person, via teleconference, or video conferencing facility or through such other similar means, at such times and frequency as may be necessary.

b. The members of the Committee are encouraged to attend all Committee meetings.

c. As a general rule, the Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.

c. Majority of the members of the Committee shall constitute a quorum for the holding of a Committee meeting. The majority vote of all the members of the Committee as constituted herein shall be necessary to carry an act or resolution of the Committee.

e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman to be designated by the Chairman of the Committee.

f. To further ensure the independence of the Committee, the Committee shall have at least one (1) meeting with the Board every year, after the audit results for the preceding year have been issued, without the presence of the President and CEO and other executive officers of the Company.

g. The Committee shall meet periodically with the Internal Auditor and the External Auditor, without the presence of the President and CEO and other executive officers of the Company, to ensure that proper checks and balances are in place within the Company.

Section 2. Minutes

The Corporate Secretary shall act as the secretary of the Committee and shall record and take minutes of the meetings of the Committee. The Minutes shall be signed by the Chairman of the meeting and by the Corporate Secretary or in her/his absence, the officer designated by the Chairman who has been appointed to take note and record the minutes of the meetings of the Committee.

Section 3. Reports and Actions for Approval by the Board

The Chairman of the Committee or in his absence, his designated Committee member shall report to the Board, for approval, all actions taken by the Committee, at the meeting of the Board following such actions.

D. Miscellaneous Provisions

Section 1. Technical Assistance

Management, the Corporate Secretary and all personnel of the Company shall provide assistance and support to the Committee. In order to properly perform its functions, the Committee may engage the services of legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings, upon request of the Chairman of the Committee. All resources necessary for the Committee to perform its duties and functions shall be provided at the Company's expense.

Section 2. Access to Information

The Committee shall have free and full access to all relevant information, data, records of the Company and may request for such information or data directly from any personnel of the Company.

Section 3. Confidentiality of Committee Records

The records of the Committee shall be kept confidential, except when disclosure is required pursuant to law or regulations issued by competent government authorities. The Corporate Secretary shall keep and have custody of the minutes of the Committee meetings and materials presented and discussed in said meetings.

E. Effectivity and Review of the Charter

This Charter shall take effect upon approval by the Board of Directors and shall apply prospectively. The Committee shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.



CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

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BASIC ENERGY CORPORATION

CHARTER OF THE CORPORATE GOVERNANCE COMMITTEE

A. The Corporate Governance Committee

Section 1. Purpose of the Committee

The Corporate Governance Committee shall assist the Board in the performance of its corporate governance responsibilities and in ensuring that the Board, Management and all employees of the Company comply with the laws and regulations applicable to or affecting the business and operations of the Company. It shall assume the functions of the former Remuneration and Compensation Committee which reviews and aligns executive compensation with performance and the long-term interests of the Company.

Section 2. Composition

The Committee shall be composed of at least five (5) non-executive directors, the majority of whom, including the Chairman, shall be independent directors. All of the members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, finance, legal and regulatory compliance.

The members of the Committee are appointed at the organizational meeting of the Board of Directors convened immediately after the election of directors at the annual stockholders meeting.

Section 3. The Chairman of the Committee

The Chairman of the Committee shall be an independent director and shall not be appointed as the Chairman of the Board or the Chairman of any other Board committee.

Section 4. Term

The members of the Committee shall serve as such from the date of their appointment until the next organizational meeting of the Board where the members of the Committee are appointed for the ensuing year, unless sooner replaced by the Board.

Section 5 Vacancy

In case any vacancy or vacancies should occur in the Committee due to death, resignation or other similar causes, the Board, if still constituting a quorum, shall fill the vacancy by appointment from among the other members of Board, taking into consideration the requisite background, knowledge and experience required for members of the Committee.

B. Functions and Responsibilities of the Corporate Governance Committee

The Committee shall have the following responsibilities:

- (i) Oversees the implementation of the corporate governance framework of the Company and periodically reviews the said framework to ensure that it remains appropriate in the light of the material changes to the Company's size, resources, complexity and business strategy, as well as its business and regulatory environments;
- (ii) Oversees the periodic performance evaluation of the Board and its Committees as well as Management, and conducts an annual self-evaluation of its performance as a Committee;
- (iii) Ensures that the results of the Board's performance evaluation are shared, and discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- (iv) Plans and recommends, for Board approval, continuing training and professional development programs for directors and Management, succession plan for the Board members and Management and remuneration packages for corporate and individual performance.
- (v) Establishes a formal and transparent procedure to develop a policy for determining the remuneration of officers that is consistent with the Company's business objectives and strategies as well as the business environment in which it operates, and its long-term interests.
- (vi) Meets with Management on a regular basis, on statutory and regulatory compliance issues and recommends to the Board resolutions for these issues.
- (vii) Ensures the proper and effective implementation of the Code of Business Conduct and Ethics.
- (viii) Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.

C. Meetings of the Committee

Section 1 Meetings

- a. The members of the Committee shall meet in person, via teleconference, or video conferencing facility or through such other similar means, at such times and frequency as may be necessary.
- b. The members of the Committee are encouraged to attend all Committee meetings.
- c. As a general rule, the Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.
- c. Majority of the members of the Committee shall constitute a quorum for the holding of a Committee meeting. The majority vote of all the members of the Committee as constituted herein shall be necessary to carry an act or resolution of the Committee.
- e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman to be designated by the Chairman of the Committee.

Section 2. Minutes

The Corporate Secretary shall act as the secretary of the Committee and shall record and take minutes of the meetings of the Committee. The Minutes shall be signed by the Chairman of the meeting and by the Corporate Secretary or in her/his absence, the officer designated by the Chairman who has been appointed to take note and record the minutes of the meetings of the Committee.

Section 3. Reports and Actions for Approval by the Board

The Chairman of the Committee or in his absence, his designated Committee member shall report to the Board, for approval, all actions taken by the Committee, at the meeting of the Board following such actions.

D. Miscellaneous Provisions

Section 1. Technical Assistance

Management, the Corporate Secretary and all personnel of the Company shall provide assistance and support to the Committee. In order to properly perform its functions, the Committee may engage the services of legal advisers, as well as internal and external

consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings, upon request of the Chairman of the Committee. All resources necessary for the Committee to perform its duties and functions shall be provided at the Company's expense.

Section 2. Access to Information

The Committee shall have free and full access to all relevant information, data, records of the Company and may request for such information or data directly from any personnel of the Company.

Section 3. Confidentiality of Committee Records

The records of the Committee shall be kept confidential, except when disclosure is required pursuant to law or regulations issued by competent government authorities. The Corporate Secretary shall keep and have custody of the minutes of the Committee meetings and materials presented and discussed in said meetings.

E. Effectivity and Review of the Charter

This Charter shall take effect upon approval by the Board of Directors and shall apply prospectively. The Committee shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.

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CHARTER OF THE FINANCE AND INVESTMENTS COMMITTEE

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BASIC ENERGY CORPORATION

CHARTER OF THE FINANCE AND INVESTMENTS COMMITTEE

A. The Finance and Investments Committee

Section 1. Purpose of the Committee

The Committee shall assist the Board in enhancing its oversight capability over the management and disposition of the Company's funds and assets, ensuring that all project proposals and major capital expenditures and the funding requirements thereof are consistent with the business strategies of the Company and are within approved budgets for such projects and investments.

Section 2. Composition

The Committee shall be composed of at least seven (7) directors, at least one of whom shall be an independent director. All of the members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, finance, investments or fund management and/or energy development and business.

The members of the Committee are appointed at the organizational meeting of the Board of Directors convened immediately after the election of directors at the annual stockholders meeting.

Section 3. The Chairman of the Committee

The Chairman of the Committee need not be an independent director and shall not be appointed as the Chairman of the Board or the Chairman of any other Board committee.

Section 4. Term

The members of the Committee shall serve as such from the date of their appointment until the next organizational meeting of the Board where the members of the Committee are appointed for the ensuing year, unless sooner replaced by the Board.

Section 5 Vacancy

In case any vacancy or vacancies should occur in the Committee due to death, resignation or other similar causes, the Board, if still constituting a quorum, shall fill the vacancy by

appointment from among the other members of Board, taking into consideration the requisite background, knowledge and experience required for members of the Committee.

B. Functions and Responsibilities of the Committee

The Committee shall have the following responsibilities:

- (i) Oversees the management of funds and assets of the Company by Management;
- (ii) Ensures that the business strategies approved by the Board are properly implemented by Management;
- (iii) Reviews the financial reports and statements of the Company and ensures that Management keeps and maintains a complete and accurate record of all financial transactions;
- (iv) Reviews the annual operating budgets of the Company, including the budgets allocated for projects and investments, ensuring that funds for projects and investments are or will be available, and are properly disbursed and used for the purpose for which these funds were allocated;
- (v) Reviews and recommends to the Board all major capital expenditures, projects and investments of the Company, ensuring that risks and the possible impacts thereof on the financial position or condition of the Company are properly identified and evaluated in accordance with applicable and relevant risk management strategies and measures;
- (vi) Recommends capital or debt raising activities or options which may be undertaken by the Company; and
- (vii) Reviews the capital structure of the Company and recommends to the Board measures to address issues relative to the capital structure and shares of the Company

C. Meetings of the Committee

Section 1 Meetings

- a. The members of the Committee shall meet in person, via teleconference, or video conferencing facility or through such other similar means, at such times and frequency as may be necessary.
- b. The members of the Committee are encouraged to attend all Committee meetings.
- c. As a general rule, the Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by

e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.

c. Majority of the members of the Committee shall constitute a quorum for the holding of a Committee meeting. The majority vote of all the members of the Committee as constituted herein shall be necessary to carry an act or resolution of the Committee.

e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman to be designated by the Chairman of the Committee.

Section 2. Minutes

The Corporate Secretary shall act as the secretary of the Committee and shall record and take minutes of the meetings of the Committee. The Minutes shall be signed by the Chairman of the meeting and by the Corporate Secretary or in her/his absence, the officer designated by the Chairman who has been appointed to take note and record the minutes of the meetings of the Committee.

Section 3. Reports and Actions for Approval by the Board

The Chairman of the Committee or in his absence, his designated Committee member shall report to the Board, for approval, all actions taken by the Committee, at the meeting of the Board following such actions.

D. Miscellaneous Provisions

Section 1. Technical Assistance

Management, the Corporate Secretary and all personnel of the Company shall provide assistance and support to the Committee. In order to properly perform its functions, the Committee may engage the services of legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings, upon request of the Chairman of the Committee. All resources necessary for the Committee to perform its duties and functions shall be provided at the Company's expense.

Section 2. Access to Information

The Committee shall have free and full access to all relevant information, data, records of the Company and may request for such information or data directly from any personnel of the Company.

Section 3. Confidentiality of Committee Records

The records of the Committee shall be kept confidential, except when disclosure is required pursuant to law or regulations issued by competent government authorities. The Corporate Secretary shall keep and have custody of the minutes of the Committee meetings and materials presented and discussed in said meetings.

E. Effectivity and Review of the Charter

This Charter shall take effect upon approval by the Board of Directors and shall apply prospectively. The Committee shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.

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CHARTER OF THE NOMINATING COMMITTEE

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BASIC ENERGY CORPORATION
CHARTER OF THE NOMINATING COMMITTEE

A. The Nominating Committee

Section 1. Purpose of the Committee

The Committee shall be tasked to assist the Board in overseeing the nomination, screening and election process for members of the Board, ensuring that the nominees possess the qualifications and none of the disqualifications prescribed in the Manual. The Committee shall be composed of at least three (3) members, at least one (1) of whom shall be an independent director. The Chairman of the Committee shall be the Chairman of the Board of Directors of the Company. All of the members of the Committee must have adequate and relevant background, knowledge, skills, and/or experience in the fields of business and management and in the line of business of the Company.

Section 2. Composition

The Committee shall be composed of at least three (3) members, at least one (1) of whom shall be an independent director. The Chairman of the Committee shall be the Chairman of the Board of Directors of the Company. All of the members of the Committee must have adequate and relevant background, knowledge, skills, and/or experience in the fields of business and management and in the line of business of the Company.

The members of the Committee are appointed at the organizational meeting of the Board of Directors convened immediately after the election of directors at the annual stockholders meeting.

Section 3. The Chairman of the Committee

The Chairman of the Committee shall be the Chairman of the Board, or in his absence, anyone of the Vice- Chairman of the Board, as may be designated by the Chairman of the Board.

Section 4. Term

The members of the Committee shall serve as such from the date of their appointment until the next organizational meeting of the Board where the members of the Committee are appointed for the ensuing year, unless sooner replaced by the Board.

Section 5 Vacancy

In case any vacancy or vacancies should occur in the Committee due to death, resignation or other similar causes, the Board, if still constituting a quorum, shall fill the vacancy by appointment from among the other members of Board, taking into consideration the requisite background, knowledge and experience required for members of the Committee.

B. Functions and Responsibilities of the Nominating Committee

The Committee shall have the following responsibilities:

- (i) Defines the general profile of the members of the Board that the Company may need to sustain its growth, stability and viability, ensuring that appropriate knowledge, competencies, experience and expertise are identified to match or complement the existing skills and competencies of the individual members of the Board;
- (ii) Prescribes the nomination and election process for the Company's directors. This process must recognize the right of stockholders to nominate candidates for members of the Board, and shall be transparent and made public by posting the same in the Company's website.
- (iii) Pre-screens and shortlists candidates nominated to become members of the Board considering factors such as judgment, skill, expertise and experience and compared with other business organizations of a size comparable to that of the Company, and the interplay of a candidate's background, skill and experience with that of the other nominees or directors.
- (iv) Ensures that the nominees for election as members of the Board of Directors possess all the qualifications and none of the disqualifications of directors of the

Company, as prescribed in the Company's Manual on Corporate Governance, the Company's By-Laws and other applicable laws and regulations.

C. Nomination Process

(i) The Board of Directors sets the date, time and venue for the year's annual stockholders meeting in its regular meeting for the month of February. The Compliance Officer discloses to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE) the setting of the stockholders meeting immediately after the Board meeting.

(ii) Any stockholder may submit nominations for election as members of the Board after the disclosures to the SEC and the PSE. Nominations shall be signed by the nominating stockholder and accepted and signed by the would-be nominee and submitted to the Nominating Committee at any time before the Committee submits the Final List to the Board.

(iii) The Nominating Committee pre-screens the would-be nominees, ensuring that they possess all the qualifications and that they do not possess any of the disqualifications for directors as prescribed in the Manual on Corporate Governance, the Company's By-Laws and other applicable laws and regulations.

(iv) The Nominating Committee shall have the right to require the nominating stockholder to submit a resume of the would-be nominee and such other documents as may be necessary for the Nomination Committee to undertake its pre-screening functions.

(v) After the pre-screening process, the Nominating Committee prepares a Final List of all nominees and submits the list to the Board of Directors for approval, complete with the information required by the Securities Regulation Code.

(vi) The Final List of nominees as approved by the Board shall be immediately disclosed to the SEC and the PSE, and in the Information Statement furnished to all stockholders prior to the stockholders' meeting. In case a nominee is not included in the Final List, the Corporate Secretary shall accordingly advise, in writing, the nominating stockholder and his/her nominee.

(vii) Only nominees whose names appear on the Final List of Nominees shall be eligible for election as directors. No other nomination shall be entertained after the Final List of Nominees shall have been disclosed and submitted to the SEC and the PSE. No further

nominations shall be entertained or allowed on the floor during the actual stockholders' meeting.

D. The Election Process

(i) Under the Company's By-laws, every stockholder is entitled to one vote for each share of stock standing in his name in the books of the Company, except in the case of voting for election of directors where every stockholder entitled to vote shall be allowed to accumulate his vote in accordance with the provisions of the Corporation Code.

(ii) The election of directors shall be part of the regular agenda for the annual stockholders meeting.

(iii) The top eleven (11) nominees with the most number of votes will be declared as the elected directors. If the number of the nominees does not exceed the number of directors to be elected, all the shares present or represented at the meeting will be cast by the Corporate Secretary in favour of the nominees. If the number of nominees exceeds the number of directors to be elected, voting will be done by ballot.

(iv) Counting of votes in the ballots will be done by the Corporate Secretary (or his authorized representatives) with the assistance of the representatives of the external auditors and the stock transfer agent of the Company. All votes attaching to the shares of stock owned by stockholders whose proxies were received by the Corporate Secretary will be cast in accordance with the instructions given or authority granted under the proxies.

E. Meetings of the Committee

Section 1 Meetings

a. The members of the Committee shall meet in person, via teleconference, or video conferencing facility or through such other similar means, at such times and frequency as may be necessary.

b. The members of the Committee are encouraged to attend all Committee meetings.

c. As a general rule, the Committee meetings shall be announced at least two (2) weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda.

d. Majority of the members of the Committee shall constitute a quorum for the holding of a Committee meeting. The majority vote of all the members of the Committee as constituted herein shall be necessary to carry an act or resolution of the Committee.

e. Committee meetings shall be chaired by the Chairman of the Committee or, in his or her absence, by a Deputy Chairman to be designated by the Chairman of the Committee.

Section 2. Minutes

The Corporate Secretary shall act as the secretary of the Committee and shall record and take minutes of the meetings of the Committee. The Minutes shall be signed by the Chairman of the meeting and by the Corporate Secretary or in her/his absence, the officer designated by the Chairman who has been appointed to take note and record the minutes of the meetings of the Committee.

Section 3. Reports and Actions for Approval by the Board

The Chairman of the Committee or in his absence, his designated Committee member shall report to the Board, for approval, all actions taken by the Committee, at the meeting of the Board following such actions.

F. Miscellaneous Provisions

Section 1. Technical Assistance

Management, the Corporate Secretary and all personnel of the Company shall provide assistance and support to the Committee. In order to properly perform its functions, the Committee may engage the services of legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings, upon request of the Chairman of the Committee. All resources necessary for the Committee to perform its duties and functions shall be provided at the Company's expense.

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The records of the Committee shall be kept confidential, except when disclosure is required pursuant to law or regulations issued by competent government authorities. The Corporate Secretary shall keep and have custody of the minutes of the Committee meetings and materials presented and discussed in said meetings.

G. Effectivity and Review of the Charter

This Charter shall take effect upon approval by the Board of Directors and shall apply prospectively. The Committee shall review and re-assess the adequacy of its Charter annually, including the effectiveness of the nomination or election processes, and submit proposed changes to the Board for approval.

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