

# FINANCE COMMITTEE CHARTER

## Rationale

In pursuit of good corporate governance, in compliance with Megawide Construction Corporation's (the "Company") New Manual on Corporate Governance (the "New Manual"), and upon recommendation of the Finance Committee (the "FC"), the Board of Directors (the "Board") of the Company hereby adopts this FC Charter (the "Charter") to govern its oversight functions and activities.

## Committee Composition

The FC shall have three (3) or more members, with at least one (1) independent director and/or a member with the relevant background and experience in accounting, banking, and/or finance. In the same manner, the Chairman of the FC shall preferably be an independent director who is knowledgeable in the foregoing fields.

The Board shall appoint the Chairman of the FC.

## Roles and Responsibilities

The FC shall assist the Board in its oversight responsibilities over management's regular finance functions and the Company's asset management, and bidding activities.

### A. Regular Finance Functions

The FC shall have the following oversight responsibilities on all corporate finance matters of the Company and its business units:

1. Overview of Management Discussion and Analysis;

The FC will ensure that the Company shall prepare timely and accurate management reports that will assist the Board in its oversight functions, and help boost decision-making and strategy execution by the management and senior officers of the Company.

Aside from the accuracy of the financial data, management reports must present valuable insight to the Board and management on driving operating performance and providing early warning signals for significant business risk exposures.

2. Evaluation of Major Capital Expenditures and Projects;

For a highly diversified corporation like the Company, it is normal to allot funds for the acquisition, improvement or upgrading of long-term assets such as factories, buildings, and property, plant and equipment. These significant capital expenditures and projects would require approval by the Board and formalization in an annual or special shareholders' meeting. The FC shall play a key role in overseeing the planning and execution of major capital projects, ensuring, for example, that the projects are on schedule at all times, within budget, and do not pose any potential business risk exposures to the organization. The top level review and evaluation prior to the Board approval shall be performed by the FC.

3. Share Capital Structuring and Restructuring Exercises;

Share capital transactions may

succession planning; (d) necessity of raising capital funds for expansion and other purposes; (e) transfer of controlling interests, and; (f) amending stockholders' rights and interests. Prior to Board approval, the FC

### C. Construction Bidding

Bidding for construction projects is a major aspect of the Company's business. Adeptness in bidding could spell the difference between sustainability and eventual bankruptcy, in the long run. In most cases, one of the most important considerations in the bidding process is the lowest bid price. As such, on behalf of the Board, the FC shall perform the following oversight roles:

1. ensure that the bidding sub-committee is composed of highly skilled members with diversified backgrounds and experiences;
2. monitor the reasonableness of the bases and assumptions used in the project financial model; and
3. ensure that the risks and benefits associated with each planned bidding project are carefully analyzed and evaluated using pre-determined or Board-approved criteria.

#### Committee Policies and Procedures

1. *Appointment and Removal.* The members of the FC shall be appointed by the Board, who shall

