



DEL MONTE PHILIPPINES, INC.

TERMS OF REFERENCE FOR THE REMUNERATION AND SHARE OPTION COMMITTEE

The Board of Directors (the “**Board**”) of Del Monte Philippines, Inc. (the “**Corporation**”) hereby adopts these terms of reference for the Remuneration and Share Option Committee (the “**RSOC**”) to assist the Board in the performance of its responsibilities.

The primary role of the RSOC is to ensure appropriate transparency and accountability to shareholders and to make recommendations to the Board on remuneration matters of the Directors and Key Management Personnel¹ in the Corporation.

1. **MEMBERSHIP**

1.1 The RSOC shall be appointed by the Board from amongst its members. It shall comprise at least three members, majority of whom, including the RSOC Chairman, shall be Independent Directors. This is to minimize the risk of any potential conflict of interest.

1.2 The RSOC Chairman shall be elected by the Board from among the members of the RSOC and shall be an Independent Director.

1.3 An Independent Director is one who has no relationship with the Corporation, its related companies, or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director’s independent business judgment with a view to the Corporation’s best interests. He/she possesses all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation, as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, other issuances of the Securities Exchange Commission, and other applicable laws.

1.4 On appointment, and thereafter, on an annual basis, every independent member shall execute a certification to confirm his/her independence (in the form set out in Annex 1).

The Board shall review the return to decide if a Director is to be considered independent.

1.5 An independent member shall immediately notify the Corporate Secretary of any change in circumstances that may result in him/her not being able to meet the criteria for independence.

The Nominating and Governance Committee (“**NGC**”) may, after considering the change in circumstances, recommend the the resignation of the member to the Board, in compliance with provisions of the RSOC’s terms of reference and/or any other applicable statutes, rules or regulations.

The Board may, as a result of the resignation, re-constitute the RSOC before the next scheduled meeting.

¹ Key Management Personnel shall mean the Chief Executive Officer and other persons having authority and responsibility for planning, directing and controlling the activities of the Corporation.



DEL MONTE PHILIPPINES, INC.

- 1.6 A member who wishes to retire or resign from the RSOC shall notify the Board in writing, giving at least one month's notice.
- 1.7 The office of a member shall become vacant upon the member's death, resignation, retirement, removal or disqualification as a Director of the Corporation.
- 1.8 Any vacancy in the RSOC shall be filled within three months. The Board shall appoint a new member as may be required to comply with the minimum membership composition provided herein.

2. ADMINISTRATION

2.1 Meetings

- a. The meetings of the RSOC ("**RSOC Meetings**") may be conducted by means of telephone conference, video conference or any other form of audio or audio-visual instantaneous communication, and the participation in the meeting pursuant to this provision shall constitute presence in person at such meeting.

The minutes of such a meeting signed by the RSOC members who attended the meeting shall be conclusive of any meeting conducted as aforesaid.

- b. RSOC Meetings shall be held at least once a year. Additional RSOC Meetings may be called, at any other time, by the RSOC Chairman or any member.
- c. The RSOC shall have full discretion to invite any Director or Management to attend its meetings.
- d. The Secretary of the RSOC shall be the Corporate Secretary for the time being or, such other person as may be nominated by the RSOC.
- e. The Secretary shall attend all RSOC Meetings and minute the proceedings thereof, including providing an attendance record of individual members present at all meetings.
- f. Minutes of all RSOC Meetings shall be confirmed by the RSOC Chairman or Chairman of the meeting and circulated to all members.
- g. If the RSOC Chairman so decides, the minutes shall be circulated to other members of the Board. A Director may, provided there is no conflict of interest and with the agreement of the RSOC Chairman, obtain copies of the minutes of RSOC Meetings from the Secretary.
- h. The notice of each RSOC Meeting confirming the venue, date and time, and enclosing an agenda of items to be discussed shall, other than under exceptional circumstances, be forwarded to each member of the RSOC at least seven working days prior to the date of the meeting.



DEL MONTE PHILIPPINES, INC.

2.2 Quorum

The quorum shall be three members, including at least two members who are Independent Directors. An RSOC meeting at which a quorum is present shall be competent to exercise all the powers and discretion for the time being exercisable by the RSOC.

The RSOC Chairman shall preside as chairman at all RSOC Meetings. If the RSOC Chairman is not present within 15 minutes from the appointed time of the meeting, the members present may elect one of their members, who must be an Independent Director, to chair the meeting.

2.3 Voting

- a. Each member present shall have one vote. A resolution shall be considered passed if:
 - i. There is a majority of votes cast in favor of the resolution at an RSOC Meeting, or
 - ii. There is agreement in writing by a majority of members entitled to vote on the decision.

In the event of an equality of votes, all conflicting views shall be submitted to the Board for its final decision.

- b. Any member who has an interest in any matter being reviewed or considered by the RSOC shall abstain from voting on the matter.

2.4 Attendance at Annual Stockholders' Meeting

The RSOC Chairman (or, in his absence, another member of the RSOC) shall attend the annual stockholders' meetings of the Corporation and be prepared to answer questions concerning remuneration matters of the Directors and Key Management Personnel.

3. DUTIES

- 3.1 The role of the RSOC is to ensure that a formal and transparent procedure is in place for fixing the remuneration packages of the Directors as well as the Key Management Personnel of the Corporation and its subsidiary companies (the "**Group**").

- 3.2 The duties of the RSOC shall, on an annual basis, be:

- a. to review and recommend to the Board in consultation with the Chairman of the Board, a framework of remuneration for members of the Board and Key Management Personnel, and to determine the specific remuneration packages and terms of employment for each of the Executive Directors ("**EDs**") and Key Management Personnel of the Group, including those employees who are immediate family members of EDs and controlling shareholders of the Group (immediate family members shall cover spouse, parents, children, adopted child and step-child).
- b. to recommend to the Board any long term incentive plans which may be set up from time to time and to do all acts necessary in connection therewith.



DEL MONTE PHILIPPINES, INC.

- c. to administer such incentive plans in accordance with their duly approved terms and in connection therewith to recommend to the Board, in consultation with the Chairman of the Board and Senior Management (e.g., the Chief Executive Officer and Head of Human Resources), any modifications to such incentive plans which may be set up from time to time, and to do all acts necessary in connection therewith.
- 3.3 Carry out its duties in the manner that it deems expedient, subject always to any regulations or restrictions that may be imposed upon the RSOC by the Board from time to time.
- 3.4 As part of its review, the RSOC shall ensure that:
- a. all aspects of remuneration including Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind are covered.
 - b. the level and structure of remuneration is:
 - i. aligned with the long-term interest and risk policies of the Corporation and should be appropriate to attract, retain and motivate the Directors to provide good stewardship of the Corporation and Key Management Personnel to successfully manage the Corporation;
 - ii. performance-related and aligned with the interests of shareholders and promote the long-term success of the Corporation;
 - iii. symmetric with risk outcomes and be sensitive to the time horizon of risks;
 - iv. comparable within the industry and with comparable companies; and
 - v. appropriate and meaningful as measures for assessing the performance of EDs' and Key Management Personnel's performance.

A significant and appropriate proportion of the remuneration of EDs and Key Management Personnel should be structured so as to link rewards to corporate and individual performance and align such Directors' interests with those of shareholders.
 - c. the remuneration of Independent Directors is appropriate to the level of their contribution, taking into account factors such as effort and time spent, and responsibilities. The Independent Directors should not be overly compensated to the extent that their independence may be compromised. The RSOC may, if it considers necessary and in consultation with the Chairman of the Board, consult experts on the remuneration of the Independent Directors. The RSOC should also consider implementing schemes to encourage Independent Directors to hold shares in the Corporation so as to better align the interests of such Independent Directors with the interests of shareholders.
 - d. the remuneration package of employees related to Directors or controlling shareholders of the Group is in line with the Group's staff remuneration guidelines and is commensurate with their respective job scopes and levels of responsibility.



DEL MONTE PHILIPPINES, INC.

- e. service contracts should include a fixed appointment period for all Directors, after which they are subject to re-election. Such contracts should neither be excessively long nor include onerous removal clauses. In the event of early termination, the RSOC should consider what the compensation commitments entail.
 - f. existing relationships, if any, between the Corporation and its appointed remuneration consultants will not affect the independence and objectivity of the remuneration consultants.
 - g. the contracts of services of the EDs and Key Management Personnel should contain contractual provisions:
 - i. to allow the Group to reclaim incentive components of remuneration from EDs and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Group.
 - ii. that are fair and reasonable and are not overly generous in the event of termination of the contracts of service of the EDs and Key Management Personnel. The RSOC should aim to be fair and avoid rewarding poor performance.
 - h. in the event that the remuneration package of an RSOC member is to be discussed, the RSOC member concerned should abstain from the discussion on his/her own remuneration package.
- 3.5 All recommendations of the RSOC should be made in consultation with the Chairman of the Board and submitted for endorsement and approval by the Board.

4. REMUNERATION

- 4.1 Having regard to the functions performed by members in relation to the activities of the RSOC and pursuant to the specific powers conferred upon the Board by the By-Laws of the Corporation, members may be paid such special remuneration in respect of their appointment as shall be fixed by the Board.
- 4.2 Such special remuneration shall be in addition to the annual fees payable to members.

5. EVALUATION

- 5.1 The RSOC members shall undertake an evaluation of the performance of the Committee at least on a yearly basis. The evaluation shall cover the following standards:
- a. Sufficiency of the RSOC's terms of reference;
 - b. RSOC's composition and membership;
 - c. Holding of regular, well-attended and properly organized meetings;
 - d. Adequacy of the RSOC's training and resources;
 - e. Reporting to the Board;
 - f. Proper oversight of remuneration framework and its alignment with Corporation's long-term interest and risk policies;
 - g. Standards of conduct; and
 - h. Effective communication with the shareholders.



DEL MONTE PHILIPPINES, INC.

6. GENERAL

- 6.1 The RSOC in carrying out its tasks under these terms of reference may obtain such external or other independent professional advice as it considers necessary to effectively carry out its duties.
- 6.2 The Board will ensure that the RSOC has access to internal and external professional advice in order for it to effectively perform its duties.
- 6.3 These terms of reference may from time to time be amended as required.

Approved by the Board on:



DEL MONTE PHILIPPINES, INC.

CERTIFICATION OF INDEPENDENCE

I, [name of Independent Director], [nationality], of legal age, and a resident of [address], after having been duly sworn in accordance with law, do hereby declare that:

1. I am [a nominee for / an incumbent] Independent Director of Del Monte Philippines, Inc. (“DMPI”) and have been its Independent Director since [year of first appointment].
2. I am affiliated with the following companies or organizations (including government-owned and controlled corporations (“GOCC”)):

Company/Organization	Position/Relationship	Period of Service

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of DMPI, as provided for in Section 38 of the Securities Regulation Code (“SRC”), its Implementing Rules and Regulations, and other issuances of the Securities and Exchange Commission (“SEC”).
4. I am related to the following director, officer, or substantial shareholder of (covered company, and its subsidiaries and affiliates) other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)

Name of Director / Officer / Substantial Shareholder	Company	Nature of Relationship

– or –

I am not related to any director, officer or substantial shareholder of DMPI and its subsidiaries or affiliates other than the relationship provided under Rule 38.2.3 of the SRC. (where applicable)

5. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding. (where applicable)

– or –

To the best of my knowledge, I disclose that I am the subject of the following criminal / administrative investigation or proceeding (as the case may be):

Offense Charged / Investigated	Tribunal or Agency Involved	Status

6. (For those in government service / affiliated with a government agency or GOCC) I have the required permission from the [head of the agency / department] to be an Independent Director in



DEL MONTE PHILIPPINES, INC.

DMPI, pursuant to the Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

7. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the SRC and its Implementing Rules and Regulations, the SEC Code of Corporate Governance for Publicly Listed Companies and other SEC issuances.
8. I shall inform the Corporate Secretary of DMPI of any changes in the abovementioned information within five days from its occurrence.

Done this [date] in [place of execution].

[Name of Affiant]

SUBSCRIBED AND SWORN to before me this [date] at [place], affiant personally appeared before me and exhibited to me his/her [competent evidence of identity] issued at [place of issuance] on [date of issuance].

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Series of _____.