



pioneer in renewable power

CORPORATE GOVERNANCE COMMITTEE CHARTER

I. Rationale

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

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with stockholder value – to the benefit of all stakeholders and society. Its purpose is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders and the nation.

II. Composition and Membership

A. Composition

The CGC shall have at least three (3) members, majority of whom shall be independent directors, including the Chairman.

B. Term

The members of the CGC shall be appointed by the Board, who shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the CGC may be removed, with or without cause, by the action of the Board.

III. Frequency, General Timing and Procedures of Meetings

A. Quorum and Meetings

The CGC shall meet at least twice annually and at such dates, times, and places, as it shall consider appropriate to fulfill its duties and responsibilities. Its meetings shall be convened by the Chairman as he considers appropriate, or upon the request of a majority of its members. All members are expected to attend meetings in person, but in special circumstances are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member, advisor or observer participate in a meeting of the CGC through teleconference or video conference, all persons participating in the meeting should be able to hear each other.

The Corporate Secretary shall send notice at least three (3) days before any meeting, specifying the place, date and time, and the agenda thereof.

The quorum for any meeting of the CGC shall be at least a majority of the members present throughout the meeting.

B. Approvals

When a quorum exists, the vote of majority of the members present shall constitute an action or a decision of the CGC.

C. Minutes and Records

The Corporate Secretary shall prepare the minutes of the CGC meetings and keep its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. Minutes of any meeting shall be signed by the Corporate Secretary and attested to by the CGC Chairman.

IV. Duties and Responsibilities

The CGC is tasked to assist the Board in the performance of its corporate governance responsibilities and ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:¹

1. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
3. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
5. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance. In the

¹ See Code for PLCs, Recommendation 3.6, Explanation in relation to, Recommendation 3.3, Explanation.

performance of this function, the CGC shall be assisted Compliance Officer, who shall have a rank of Vice-President, or an equivalent position, with adequate stature and authority in the organization;

6. Propose and plan relevant trainings for the members of the Board;
7. Ensure that a system is adopted on the training of directors which shall include an orientation program for first-time directors and relevant annual continuing training for all directors. The orientation program shall cover topics on corporate governance mandated by the Securities and Exchange Commission (“SEC”) and an introduction to the Company’s business, corporate/charter documents, and Company policies. Meanwhile, the annual seminars and/or training shall concern courses on corporate governance matters relevant to the Company, including audit, internal control, risk management, sustainability, and strategy.
8. Determine the nomination and election process for the company’s directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
9. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation’s culture and strategy, hitting sustainability targets, as well as the business environment in which it operates; and
10. Annually assess the performance and compliance of the Company with the Manual and other relevant regulatory requirements.

The CGC may also perform such other functions as may be delegated or authorized by the Board.

A. Access to Information and Employees

The CGC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.

B. Compliance Officer

The Compliance Officer shall annually attend training on corporate governance. He shall be a member of the Company’s management team in charge of the compliance function in corporate governance. Similar to the Corporate Secretary, he is primarily accountable to the Company and its shareholders, and not to its Chairman, President or Chief Executive Officer. The CGC shall ensure that the Compliance Officer performs his duties and responsibilities under the Manual.

C. Nomination and Election Process

In connection with the nomination and election process, the CGC shall:

1. Develop criteria for identifying, selecting and evaluating candidates for the Board, including guidelines for assessing their independence. Amongst these criteria are desired board skills and attributes, business and management experience, diversity of talents, background, perspectives, ability to devote the time and effort necessary to fulfill the responsibilities as a Board member, and familiarity with the business and relevant regulatory requirements. The process shall also include monitoring the qualifications of the directors and the grounds for the disqualification of a director.
2. Identify and recruit qualified director candidates for the Board and review director candidates recommended and nominated validly by the shareholders or directors of the Company.
3. Receive nominations of candidates for election as directors from stockholders either by electronic mail, regular mail or personal delivery and submitted by shareholders within the period designated.
4. Review and evaluate the qualifications of all persons nominated to the Board, in relation to the criteria set forth in the Manual, the Company By-Laws, and applicable regulations, including whether the candidates: (a) possess the knowledge, skills, experience, and in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (b) have a record of integrity and good repute; (c) have sufficient time to carry out their responsibilities; and (d) have the ability to promote a smooth interaction between Board members. The CGC may secure the assistance of an executive search firm, if necessary, for this purpose.
5. Review annually the contributions and independence of existing directors and recommend director nominee candidates to the Board for election or re-election at the annual stockholders meeting and to fill such Board vacancies as it may occur during the year.
6. Conduct a periodic review of the Board's committee structure, including evaluation of board size, composition and activities, practices, committees and committee membership. Review and recommend to the Board concerning qualifications, appointment, removal and replacement of directors and committee members.

D. Compensation

Directors' compensation shall always be in accordance with the By-Laws of the Company and/or as approved by the stockholders during an annual stockholders' meeting. The Board shall, from time to time, approve a reasonable *per diem* that a director may receive for attendance in Board meetings and Board committee meetings.

The specific duties and responsibilities of the CGC in relation to the Directors' compensation and per diem are detailed:

1. Oversee and evaluate the Company's human resource planning process and succession plans for senior executive positions.
2. Establish and review annually an emergency succession plan for the CEO and other senior executive positions.
3. Review and approve general criteria for senior officers' salary, bonuses and awards.
4. Oversee regulatory compliance with respect to compensation matters.
5. Review periodically and make recommendations to the Board concerning the level/status of the Board compensation in relation to best practices of other similarly situated public companies.
6. Evaluate annually the performance of the CGC and report the results of evaluation to the Board.
7. Prepare and approve all reports of the CGC in accordance with the applicable rules and regulations of the SEC.
8. Approve the Company's employee incentive program, including the Long-Term Incentive Plan.
9. Discharge any responsibilities delegated by the Board relating to the Company's compensation programs.

V. Evaluation and Reporting

A. Engagement of Outside Advisors.

In carrying out its duties or responsibilities, the CGC may directly engage outside advisors, such as, but not limited to, legal and accounting. The Company shall provide the necessary funding therefor, as *recommended* by the CGC. The advisors may be required by the CGC to submit written opinions or to attend any part of its meetings. Any members of the CGC may, however, ask for the exclusion of any advisor from its meetings.

B. Reporting

The CGC Chairman shall likewise submit and present a report to the Board, containing updates on all actions taken by the CGC at the Board meeting following the CGC meeting.

VI. Performance Evaluation

The CGC shall:

- A. Review its performance annually with respect to the fulfillment of its functions and responsibilities as mandated in this Charter; and
- B. Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for its approval.

VII. Resources

The Corporate Governance Committee shall have the right to request for resources as may be necessary.

VIII. Approval and Effectivity

This Charter was approved by the Board on _____ and shall take effect immediately upon such approval.

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