



COMPENSATION AND REMUNERATION COMMITTEE CHARTER

The Compensation and Remuneration Committee (the "Committee") assists the Board of Directors (the "Board") and the Management of **Pacific Online Systems Corporation** (the "Company") in defining the Company's executive compensation policy and in carrying out various responsibilities relating to the compensation of the Company's executive officers and directors, including: evaluating and approving compensation to the Chief Executive Officer and evaluating and recommending to the Board compensation to all other executive officers; reviewing and recommending to the Board compensation to non-employee directors; and overseeing the development and administration of the Company's equity compensation and benefit plans.

I. Purposes

Review and, if necessary, establish a formal and transparent policy on executive remuneration and recommend to the shareholders the remuneration of directors.

The determination of the remuneration of senior management and other key personnel is the primary responsibility of the Chief Executive Officer and/or the Executive Committee. The Compensation Committee, however, shall ensure that compensation levels are consistent with the Company's financial capability as well as reasonable industry standards.

II. Membership

The Committee shall be composed of three or more Directors, at least one (1) of whom shall be an independent director as determined by the Board pursuant to the Securities and Exchange Commission and the Philippine Stock Exchange's definition of independence.

The Chairman and members of the Committee shall be appointed annually by the Board.

Vacancies shall be filled by approval of the Board, and any member of the Committee may be removed by the Board.

III. Meetings

1. The Committee shall meet in accordance with the annual meeting schedule or at the call of the Chair or a majority of the members. A majority of the members of the Committee shall constitute a quorum for the transaction of business.
2. Procedures fixed by the Committee shall be subject to any applicable provision of the Company's By-laws. Written minutes of each meeting shall be duly filed in the Company records, and reports of meetings of the Committee shall be made to the Board at its next regularly scheduled meeting following the Committee meeting and shall be accompanied by any recommendations to the Board approved by the Committee.

IV. Key Responsibilities

1. Assist Management and the Board in defining an executive compensation policy that (a) attracts, retains and appropriately rewards key executives of the Company, (b) links compensation with achievement of the Company's business objectives and (c) aligns the interests of key executives with the long-term interests of the Company's stockholders.
2. Regularly review and approve corporate goals and objectives relevant to the base salary, bonus amount and other compensation of the Chief Executive Officer/President and the Company's other officers.
3. Evaluate the performance of each of the Chief Executive Officer/President and the Company's other officers in light of those goals and objectives, and determine and approve the compensation level, including base salary, bonus amount and other compensation, if any, of each such officer based on this evaluation and other relevant factors.
4. Make recommendations to the Board with respect to incentive compensation plans and equity-based plans, including overseeing the development of new compensation plans and the revision of old plans.
5. Administer the Company's incentive compensation and equity-based plans, and approve restricted stock awards, stock option grants and other equity-based or incentive awards under these plans, including any performance criteria relating to these plans or any awards.

6. Review the Company's employee benefit plans and either recommend plan changes to the Board or amend such plans, subject to shareholders' approval, if required by law.
7. Recommend to the Board retainer, other compensation, and attendance fees, including Board committee attendance fees, for non-employee Directors.
8. Annually review and discuss with the Company's Management the Compensation Disclosure to be included in the Company's annual report and SEC Form 17-A and SEC Form 20-IS.
9. Provide in the Corporation's annual reports, information and proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and the ensuing year.
10. Evaluate annually the performance of the Committee and the adequacy of this Charter.
11. Perform such other duties and responsibilities as are consistent with the purpose of the Committee and as the Board or the Committee deems appropriate.

V. Outside Advisors

The Committee shall have the authority to retain such outside counsel, experts and other advisors as it determines appropriate to assist it in the full performance of its functions, including the sole authority to retain and terminate compensation consultants to assist in the evaluation of Director, Chief Executive Officer or other senior executive compensation; and to approve any such compensation, consultant's fees, and other retainer terms.

VI. Miscellaneous

Nothing contained in this Charter is intended to expand applicable standards of liability under statutory or regulatory requirements for the directors of the Company or members of the Committee. The purposes and responsibilities outlined in this Charter are meant to serve as guidelines rather than as inflexible rules, and the Committee is encouraged to adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.