

COVER SHEET

COMPANY REGISTRATION AND MONITORING DEPARTMENT

SEC Registration Number

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Company Name

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Principal Office (No./Street/Barangay/City/Town/Province)

5th	7th		F	L	R.		T	H	E		C	U	R	R	E	N	C	Y		T	O	W	E	R		F,		O	R
T	I	G	A	S		J	R.		R	O	A	D		C	O	R	N	E	R		J.		V	A	R	G	A	S	
A	V	E.,		O	R	T	I	G	A	S		C	E	N	T	E	R		P	A	S	I	G		C	I	T	Y	

ZIP CODE

1	6	0	0
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COMPANY INFORMATION

AMENDED CORPORATE GOVERNANCE MANUAL

CONTACT PERSON INFORMATION

The designated person MUST be a director/Trustee/Partner/Officer/Resident Agent of the Corporation

Name of Contact Person

Email Address

Telephone Number/s

Company Telephone Number

ROSESHIEL BARRUN

rmbarrun@safc.com.ph
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N/A

(02)7373-6560 loc. 263

Contact Person's Address

6th & 7th Floors, The Currency Tower, F. Ortigas Jr. Road corner J. Vargas Ave., Ortigas Center, Pasig City

To be accomplished by CRMD Personnel

Date

Signature

Assigned Processor: _____

Document I.D.

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Received by Corporate Filing and Records Division (CFRD)

Forwarded to:

Corporate and Partnership Registration Division
 Green Lane Unit
 Financial Analysis and Audit Division
 Licensing Unit

SECURITIES AND EXCHANGE
COMMISSION SEC FORM MCG – 2009

CERTIFICATE

I, ROSESHL BARRUN, of legal age and with office address at 6/F & 7/F THE CURRENCY TOWER, J. VARGAS AVE. cor F. ORTIGAS JR RD., ORTIGAS CENTER PASIG CITY, after being sworn to in accordance with law, depose and state that:

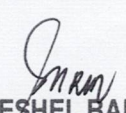
1. I am the incumbent Compliance Officer of SOUTH ASIALINK FINANCE CORPORATION (the "Company"), a corporation duly organized and existing in accordance with the laws of the Republic of the Philippines, with office address at 6/F & 7/F THE CURRENCY TOWER, J. VARGAS AVE. cor F. ORTIGAS JR RD., ORTIGAS CENTER PASIG CITY.
2. In **2022**, the Company substantially adopted all the provisions of the Manual on Corporate Governance (Model Corporation), as prescribed by SEC Memorandum Circular No. 6, Series of 2009;
3. **(N/A)** During the same year, the Company deviated from the following provisions of the said Manual for the reasons stated below:

Provision(s) of the Manual
None

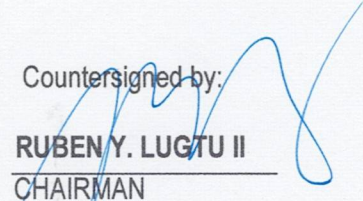
Explanation
None

4. I am issuing this Certificate in compliance with the requirement of the Securities and Exchange Commission on the annual reporting on the Company's compliance with the Manual of Corporate Governance.

IN WITNESS WHEREOF, I have signed this Certificate this JUL 01 2022 day of _____, _____ At Pasig City, Philippines.


ROSESHL BARRUN
Chief Compliance Officer

Countersigned by:

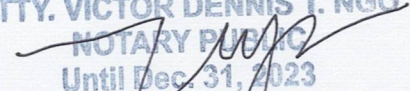

RUBEN Y. LUGTU II
CHAIRMAN

SUBSCRIBED AND SWORN TO before me this JUL 01 2022 day of _____, at _____, Philippines, affiant exhibiting to the Community Tax Certificate No's: Roseshl Barrun 309-583-107 and Ruben Y. Lugtu II 127-500-148, issued by the Bureau of Internal Revenue on _____, at _____.

WITNESS my hand and notarial seal on the date and place above written,

Doc No: 76
Page No: 1
Book No: 12
Series of: 2022

NOTARY PUBLIC
ATTY. VICTOR DENNIS T. NGO


NOTARY PUBLIC
Until Dec. 31, 2023
IBP NO.: 171950 01/04/2022/ Pasig City
PTR NO. 8098069 01/04/2022/ Pasig City
Appointment No. 22 (2022-2023)

MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management, including officers and staff, of **SOUTH ASIALINK FINANCE CORPORATION** (the "**Company**") have adopted the following principles and practices of good corporate governance contained in this Manual on Corporate Governance and have committed that these principles and practices shall serve as their guide in the attainment of the Corporation's corporate goals and objectives.

1. ADOPTION OF MANUAL

This Manual is adopted pursuant to Securities and Exchange Commission's Memorandum Circular No. 9 Series of 2014, Memorandum Circular No. 4 Series of 2017 and SEC Memorandum Circular No. 24 Series of 2019.

2. DEFINITION AND INTERPRETATION

2.1 Definition of Terms

Articles of Incorporation – the Articles of Incorporation of the Company and all amendments thereto as submitted to the Securities and Exchange Commission.

Board Committees – including but not limited to, the Corporate Governance Committee, the Audit Committee, the Risk Management Committee, and the Related Party Transactions Committee, and such other committees which the Board may constitute from time to time in accordance with the Company's By-Laws.

Board of Directors ("Board", for brevity) – the governing body elected by the stockholders that exercises the corporate powers of the Company, conducts all its business and controls its properties.

By-Laws – the By-Laws of the Company and all amendments thereto.

CEO – the Chief Executive Officer of the Company responsible for strategic and oversight of the company performance.

President and COO – an executive position responsible for the operation of the Company.

Chairperson – the Chairperson of the Board.

Vice Chairman – acts as a support or a deputy to the Chairperson.

Chief Audit Executive or "CAE" – the lead of the Internal Audit Group

Chief Finance Officer – a senior executive responsible for managing the financial activities of a company.

Code – Memorandum Circular No. 9 Series of 2014, Memorandum Circular No. 4 Series of 2017 and SEC Memorandum Circular No. 24 Series of 2019.

Commission – means the Philippine's Securities and Exchange Commission or SEC.

Corporate Governance – the system of stewardship and control to guide the Company in fulfilling its long-term economic, moral, legal and social obligations toward its stockholders and external/other Stakeholders which include, among others, customers, employees, suppliers, financiers, government and community which it operates. It is a system and process of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board of Directors and senior management accountable for ensuring ethical behavior and reconciling long-term customer satisfaction with stockholder's value to the benefit of all Stakeholders and society.

Corporation Code – Republic Act No. 11232 otherwise known as "Revised Corporation Code" approved on February 20, 2019, as amended, and other similar legislation enacted subsequently.

Enterprise Risk Management – a process of strategy setting designed to identify potential events that may affect the Company, manage risks to be within its risk appetite and provide reasonable assurance regarding the achievement of the Company's objectives.

Exchange – an organized market place or facility that brings together buyers and sellers for trade of securities and/or other commodities.

Executives – collectively, the executives of the Company with at least a rank of Senior Manager.

Executive Director – a member of the Board who also has executive responsibility of day-to-day operations of a part or the whole of the Company.

Internal Audit Group – a group or unit of the Company that provides independent and objective assurance services and consulting services designed to add value to and improve the Company's operations.

Independent Director – a person who, apart from his fees and shareholdings, is independent of Management and the controlling stockholders and 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 director.

Internal Audit – an independent and objective assurance activity designed to add value to and improve the Company's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes.

Internal Control – a process designed and effected by the Board of Directors, Management, and all levels of personnel to provide reasonable assurance on the achievement of the Company's objectives through efficient and effective operations; reliable, complete and timely financial and management of corporate information; and compliance with applicable laws, regulations, and the Company's policies and procedures.

Internal Control System – the framework under which Internal Controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the Company is exposed.

Management – a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Company.

Manual – this Manual on Corporate Governance, as the same may be amended from time to time.

Non-Audit Work – the other services offered by an external auditor to the Company, that are not directly related and relevant to the Company's statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor.

Non-Executive Director – a director who has no executive responsibility and does not perform any work related to the day-to-day operations of the Company.

Non-Proprietary Right – an interest, participation or privilege over a specific property of a corporation that allows the holder to use such property under certain terms and conditions. The holder, however, shall not be entitled to dividends from the corporation or to its assets upon its liquidation.

Proprietary Right – an interest, participation or privilege in a corporation which gives the holder the right to use the facilities and to receive dividends or earnings from the corporation. Upon the liquidation of the corporation, the holder shall have proportionate ownership rights over its assets.

Related Party – covers the Company's subsidiaries, as well as affiliates, and any party (including their subsidiaries, affiliates and special purpose entities) that the Company exerts direct or indirect control over or that exerts direct or indirect control over the Company; the Company's directors, officers, shareholders and related interests (DOSRI) and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company.

Related Party Transactions – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It shall be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

Securities Regulations Code - Republic Act No. 8799, otherwise known as "The Securities Regulations Code" approved on July 19, 2000;

Significant Influence – the power to participate in the financial and operating policy decisions of the Company but has no control or joint control of those policies. In respect of determining Significant Influence arising from a person's shareholding in the Company. Significant Influence shall only be deemed to exist when the relevant person holds and owns directly or indirectly, at least 20% of the issued and outstanding voting shares of the Company but not more than 50% plus one of the said issued and outstanding voting shares.

Subsidiary – a corporation more than fifty percent (50%) of the voting stock of which is owned or controlled, directly or indirectly, through one or more intermediaries, by another corporation, which thereby becomes its parent corporation.

Stakeholders – means any individual, organization or society at large who can either affect and/or be affected by the Company's strategies, policies, business decisions and operations.

In general, except such individual, entity or organization with an adverse interest to the Company, this includes, among others, non-proprietary certificate holders, creditors, employees, suppliers, investors, as well as the government and the community in which the Company operates.

2.2 Rules of Interpretation

All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the shareholders and investors of the Company.

A reference to a statute or statutory provision shall be construed as a reference to that statute or provision as from time to time amended, modified or re-enacted, any repealed statute or statutory provision which it re-enacts, and any orders, rules or regulations made under the relevant statute or statutory provision.

The headings in this Manual are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

3. OBJECTIVES

This Manual shall establish the principles of good corporate governance in the Company. Good corporate governance is a necessary component of sound and strategic business management towards the Company's long-term success.

4. BOARD GOVERNANCE RESPONSIBILITY

4.1 Board of Directors

The Board of Directors is primarily responsible for the management and exercise of good corporate governance of the Company through policies designed to the accomplishment of the Company's ideals and objectives.

4.1.1 Composition of the Board

The Board shall be composed of directors with a collective working knowledge experience or expertise that is relevant to the Company's industry or sector and shall have an appropriate mix of competence and expertise. It shall ensure that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities as well as respond to the needs of the Company based on the evolving business environment and strategic direction.

The Board shall be composed of such number of directors as provided in the Articles of Incorporation, who shall be elected by the shareholders in accordance with the relevant provisions of any shareholders' agreement to which the Company is a party. It shall be composed of a combination of Executive Directors and Non-Executive Directors (which include Independent Directors). For this purpose, a majority of the Board will be composed of Directors *per se* who shall possess the necessary qualifications to effectively participate and help secure objective independent judgment on corporate affairs and to carry out proper checks and balances.

The Board shall have at least three (3) Independent Directors or such higher number as may be required by law.

4.1.2 Board Diversity

The Board shall adopt a policy on diversity that takes into account factors including, but not limited to, gender, race or creed and focusing on the experience, expertise and relevant knowledge that may be contributed to ensure that optimal decision-making is achieved.

The company is committed to the following principles:

- a) To recognize and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in the attainment of its strategic objectives and maintaining a prudent corporate governance.
- b) All Board appointments are made on merit, considering the skills, experience, independence and knowledge of a candidate as basic criteria.

4.1.3 Adopt a Board Committee Charter that formalizes and clearly states the Board's roles responsibilities and accountabilities in carrying out its fiduciary duties. The Board Committee Charter shall serve as a guide to the directors in the performance of their functions and should be made publicly available;

4.1.4 Multiple Board Seats

- a) A director shall exercise due discretion in accepting and holding directorships outside of the Corporation. The director shall notify the Board where he/she is an incumbent before accepting a directorship in another company to prevent any conflict of interest with the Corporation.

- b) Non-executive and independent directors may hold a maximum of five (5) board seats in publicly-listed companies simultaneously.

4.1.5 The Chairperson, Chief Executive Officer and President and COO

The roles of Chairperson and CEO (or its equivalent position) are as a general rule, separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision making by the Board. A clear delineation of functions and responsibilities shall be made between the Chairman and CEO upon their election.

The position of the Chairperson and CEO (or its equivalent position) shall not be unified, to ensure that the Board gets the benefit of independent views and perspectives.

Chairperson

The Board shall be headed by a competent and qualified Chairperson. The duties and responsibilities of the Chairperson in relation to the Board shall include the following:

- a) Make certain that the meeting's agenda focuses on strategic matters, including the overall risk appetite of the Company, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b) Guarantee that the Board receives accurate timely, relevant, insightful, concise and clear information to enable it to make sound decisions;
- c) Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d) Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- e) Assure the conduct of proper orientation for first-time directors and continuing training opportunities for all directors;
- f) Make sure that performance of the Board is evaluated at least once a year and discussed or followed up on if necessary; and
- g) Preside during Board meeting and Call to Order the same.

Chief Executive Officer

In addition to such responsibilities as maybe provided in the By-Laws and those that may be delegated by the Board the CEO shall have the duties and responsibilities:

- a) Implement the Company's strategic plan on the direction of the business; and
- b) Communicate and implement the Company's vision, mission, values and overall strategy as formulated by the Board and promote any organization or Stakeholder change in accordance with the same.

President and COO

The Board appoint a President and COO with responsibilities that be delegated by the Board the CEO and as maybe provided also in the By-Laws, duties and responsibilities as follows:

- a) Oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan;
- b) Have a good working knowledge of the Company's industry and market and be up-to- date with its core business purpose;
- c) Direct evaluate and guide the work of the key officers of the Company;
- d) Manage the Company's resources prudently and ensure a proper balance of the same;
- e) Provide the Board with timely information and interfaces between the Board and the employees;
- f) Build the corporate culture and motivate the employees of the Company; and
- g) Serve as the link between internal operations and external Stakeholders.

4.1.6 Duties and Functions

The Board shall undertake the following duties and functions:

- a) Appoint competent, professional, honest and highly-motivated Management and key officers;
- b) Assess Management's performance led by the CEO (or his equivalent) and control functions led by their respective heads;
- c) Adopt an effective succession planning program for directors, key officers and Management to ensure the continuous and consistent growth of the Company. The program shall include a retirement policy for directors and key officers;
- d) Align remuneration of its key officers and the directors with the long-term interests of the Company and formulate and adopt a policy specifying the relationship between remuneration and performance;
- e) Adopt a formal and transparent board nomination and election policy that should include how it accepts nominations from its shareholders and reviews the qualifications of nominated candidates. The policy shall include an assessment of the effectiveness of the Board's process and procedures in the nomination, election or replacement/removal of a director. The process of identifying the quality of directors shall be aligned with the strategic direction of the Company;
- f) Provide sound strategic policies and guidelines to the Company on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;
- g) Establish an effective performance evaluation including the standard or criteria for assessment, that will ensure that Management (including the

- CEO or is equivalent) and personnel's performance is at par with the standards set by the Board and senior management;
- h) Ensure that the Company complies with all relevant laws, regulations and codes of best business practices;
 - i) Establish and maintain an investor relations office or customer relations office or its equivalent as may be necessary to ensure constant engagement and communication with its shareholders;
 - j) Identify the Company's Stakeholders, and promote cooperation between them and the Company in creating wealth, growth and sustainability;
 - k) Establish clear policies and programs to provide a mechanism on the fair treatment protection and enforcement of the rights of Stakeholders;
 - l) Adopt a system of internal checks and balances within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times;
 - m) Ensure that an appropriate Internal Control System is in place including setting up a mechanism for monitoring and managing potential/actual conflicts of interest of board members, management and shareholders. The Board shall adopt an Internal Audit Charter;
 - n) Ensure that a sound Enterprise Risk Management framework is in place to effectively identify, monitor, assess and manage key business risk. The risk management framework should guide the Board in identifying unit's/business lines and enterprise- level risk exposures, as well as the effectiveness of risk management strategies;
 - o) Identify key performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;
 - p) Formulate and implement policies and system that would ensure the integrity and transparency of Related Party Transactions and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material Related Party Transactions, which guarantee fairness and transparency of the transactions;
 - q) Establish an Audit Committee and such other Board Committees it deems necessary to assist the Board in the optimal performance of its duties and responsibilities. The Board shall ensure that the Board Committees shall only be composed of members of the Board;
 - r) Ensure that basic shareholder rights are disclosed in this Manual;
 - s) Encourage active shareholder participation in meetings of the shareholders, including the timely sending of notices of meetings with sufficient and relevant information;
 - t) Establish a mechanism to resolve intra-corporate disputes in an amicable and effective manner following such process as the shareholders may agree upon;

- u) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration;
- v) Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-Laws, and in accordance with existing laws, rules and regulations; and
- w) Ensure that it is assisted in its duties by a Corporate Secretary and the Chief Compliance Officer.

4.1.7 Code of Business Conduct and Ethics is a set of rules which provides standards for professional and ethical behavior, acceptable and unacceptable conduct and practices in internal and external dealings of members of the Board.

The Code of Business Conduct and Ethics shall be properly disseminated to all members of the Board and should be disclosed and made available to the public through the Company's website. The Code of Business Conduct and Ethics shall serve the following purposes:

- a) Ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics;
- b) Establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other Stakeholders that gives a fair and complete picture of the Company's financial condition, results and business operations;
- c) Establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and governance;
- d) Adopt an anti-corruption policy and program in its Code of Business Conduct and Ethics and disseminate the policy and program to employees across the organization through orientations and continuous trainings to embed them in the Company's cultures; and
- e) Establish, supervise and implement a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members and the Board Committees. For such purpose, the Board shall put in place a system that provides the minimum criteria and a process to determine the performance of the Board, the individual directors and Board Committees. Such system should allow for a feedback mechanism from the shareholders.

4.1.8 Duties and Responsibilities of a Director

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. He should also

exercise leadership, prudence and integrity in directing the Company towards sustained progress.

A director shall observe the following norms of conduct:

- a) Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interest of the Company;

The basic principle to be observed is that a director should not use his position for personal profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it, abstain from taking part in the deliberations for the same and recuse from voting on the approval of the transaction. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company or stands to acquire or gain any form of advantage at the expense of the Company. For example, a director shall not participate in the determination of his own per diem or compensation.

A director should notify the Board before accepting a directorship in another company.

- b) Devote time and attention necessary to properly discharge his duties and responsibilities;

A director should devote sufficient time to familiarize himself with the Company's business. He should be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in all meetings of the Board, Board Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission. Except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so. In the meetings of the Board and the Board Committees, the directors should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The Non-Executive Directors should have separate meetings as may be needed, with the external auditor and heads of the Internal Audit, Compliance and Risk functions without any Executive Directors present to ensure that proper checks and balances are in place within the Company.

- c) Act judiciously;
Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.

- d) Exercise independent judgment;
A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the Company.
- e) Have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies. A director should also keep abreast with industry developments and business trends in order to promote the Company's competitiveness.
- f) Observe confidentiality
A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board; and
- g) Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.

4.1.9 Board Meetings and Quorum Requirements

Members of the Board shall attend the regular and special meetings in person or through tele-/videoconferencing conducted in accordance with the Philippine rules and regulations of the Commission.

4.1.10 Training and Orientation of Directors

The Company shall establish policies on the training of directors including an orientation program for first-time directors and relevant annual continuing training for all directors, in each case, with the purpose of promoting effective board performance and continuing qualification of the directors in carrying-out their duties and responsibilities.

4.2 Board Committees

The Board shall constitute the following committees to assist in the good corporate governance implementation, namely: (a) the Corporate Governance Committee; (b) the Audit Committee; (c) Risk Management Committee; (d) Related Party Transactions Committee; and (e) Compensation and Remuneration Committee.

All Board Committees established by the Board shall have committee charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The charters should provide the standards for evaluating the performance of the Board Committees and its members.

4.2.1 Corporate Governance Committee

The Corporate Governance Committee shall be composed of at least three directors, majority of whom shall be Independent Directors.

The Chairman of the Committee or any of its members may be removed from the office only by the Board. If the office of the member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.

4.2.1.1 Duties and Responsibilities

- a) Oversee the implementation of the corporate governance framework and conduct periodical review of said framework to be aligned to material changes to the Company's size, complexity of operations and business strategy, as well as its business and regulatory environments;
- b) Oversee the periodic performance evaluation of the Board Committees as well as the executive management and conduct an annual evaluation of the said performance;
- c) Ensure that the results of the Board evaluation are tackled and that concrete plans are developed and implemented to address the identified areas;
- d) Recommend the continuing education/training programs for directors/officers;
- e) Succession plan for members of the Board and senior officer;
- f) Adopt and propose corporate governance policies that are consistently reviewed and updated pursuant to prevailing laws/regulations;
- g) Develop succession planning for the company hierarchy;
- h) Ensure that the Company has a Standard and Written Policy and Procedure; and
- i) Evaluates and encourage the different departments to have their own Standard Policy, Process and Procedure;

Nomination-Election Duties

- j) Oversee nomination and election process of directors;
- k) Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval;
- l) Regularly assess the effectiveness of the Board's processes and procedures in the election or replacement of directors; and
- m) Without prejudice to any applicable provision of any shareholders' agreement to which the Company is a party, the nomination shall pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the following qualifications and disqualifications.

4.2.1.2 Qualifications of Directors in General

In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws each member of the Board must possess the following qualifications:

- a) He must be a holder of at least one share of stock of the Company;
- b) He shall be at least a college graduate or have sufficient experience in managing a business to substitute for such formal education;
- c) Membership in good standing in relevant industry, business or professional organization;
- d) He shall have proven to possess integrity and probity; and
- e) He shall be assiduous.

4.2.1.3 Disqualification of Directors

4.2.1.3.1 Permanent Disqualification

The following are the grounds for the permanent disqualification of a director:

- a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:
 - (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code;
 - (ii) arises out of the 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
 - (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house 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, BSP or any court or administrative body of competent jurisdiction from:
 - (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;
 - (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company or as an affiliated person of any of them; or
 - (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.
- c) The person is currently the subject of an order of the Commission, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or under any rule or regulation issued by the Commission or BSP, or has 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;
- d) 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;
 - e) Any person who has been adjudged by final judgment or order of the Commission, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counselled induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law rule regulation or order administered by the Commission or BSP;
 - f) Any person judicially declared as insolvent;
 - g) Conviction by final judgment of an offense punishable by imprisonment for more than six years, or a violation of the Corporation Code committed within five years prior to the date of his election or appointment; and
 - h) Any person engaged in any business, which competes with, or is antagonistic to that of, the Company or any of its Subsidiaries or affiliates. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:
 - (i) If he is an officer, manager or controlling person of, or the owner (either of record or beneficial) of 20% or more of any outstanding class of shares of any corporation (other than the one in which this Company owns at least 30% of the capital stock) engaged in business which the Board, by at least two-thirds vote, determines to be competitive or antagonistic to that of the Company or any of its Subsidiaries or affiliates;
 - (ii) If he is an officer, manager or controlling person of, or the owner (either of record or beneficial) of 20% or more of any outstanding class of shares of, any corporation or entity engaged in any line of business of the Company or of any of its Subsidiaries or affiliates, when in the judgment of the Board, by at least two-thirds vote, the law against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
 - (iii) The Board, in the exercise of its judgment in good faith, determines by at least two-thirds vote that he is the nominee of any person in (i) or (ii) above. In determining whether or not a person is a controlling person, beneficial owner or the nominee of another, the Board may take into account such factors as business and family relationships.

4.2.1.3.2 Temporary Disqualification

The following are the grounds for temporary disqualification of a director:

- a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing rules and regulations. This disqualification shall be in effect as long as his refusal persists;
- b) Absence in more than 50% of all meetings, both regular and special, of the Board of Directors during his incumbency, or any 12-month period during said incumbency. This disqualification applies for purposes of the succeeding election;
- c) Dismissal, termination or removal for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission Refusal to comply with the disclosure requirements of the Securities Regulation Code and its implementing rules and regulations. This disqualification shall be in effect as long as his refusal persists;
- d) Being under preventive suspension by the Company;
- e) If the beneficial equity ownership of an Independent Director in the Company or its Subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity which gave rise to his dismissal, termination or removal; and
- f) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporary disqualified director shall, within 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 disqualification shall become permanent.

4.2.1.4 Additional Considerations for Independent Directors

The Board should ensure that the Independent Directors possesses the necessary qualifications and none of the disqualifications for an Independent Director to hold the position. An Independent Director must be a person who ideally:

- a) 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 or the Board has vetoed this prohibition;
- b) is not and has not been in the two 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 or employee of the Company's substantial shareholders and its related companies;
- c) has not been appointed in the Company, its subsidiaries, associates, affiliates or related companies as Chairperson Emeritus, ex-official, directors/officers or members of any advisory board, or otherwise appointed in any capacity to assist the Board in the performance of its

- duties and responsibilities within two years immediately preceding his election;
- d) is not an owner of more than two percent (2%) of the outstanding shares of its subsidiaries, associates, affiliates or related companies;
 - e) is not a relative of a director, officer or substantial shareholder of the Company or any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister
 - f) is not acting as a nominee or representative of any director of the Company or any of its related companies;
 - g) is not a securities broker-dealer of listed companies and registered issuers of securities;
 - h) is not retained, either in his personal capacity or through a firm, as a professional advisor, 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 two years immediately preceding the date of his election;
 - i) does not engage or has not engaged, whether by himself or with other persons, 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 such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment within the two years immediately preceding the date of his election;
 - j) is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders;
 - k) is not employed as an executive officer of another company where any of the Company's executives serve as directors; and
 - l) As used herein, "related companies" refer to: (i) the Company's holding/parent company; (ii) the Company's subsidiaries; and (iii) the subsidiaries of the Company's holding/parent company. Notwithstanding the foregoing guidelines, an Independent Director shall have all of the qualifications and none of the disqualifications prescribed under applicable regulations.

4.2.1.5 Term Limits for Independent Directors

The Board's Independent Directors should serve for a maximum cumulative term of (9) nine years. After which the Independent Director shall be perpetually barred from re-election as such in the Company but may continue to qualify for nomination and election as a non-independent director. In the instance that a company wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek shareholder's approval during the annual shareholders' meeting.

The Corporate Governance Committee shall consider the following guidelines in the determination of the ceiling of the number of directorships in other corporations which may be held by members of the Board:

- a) The nature of the business of the Company;
- b) Age of the director;
- c) Number of directorships/active memberships and officers in other corporations or organizations of such director; and
- d) Possible conflict of interest.

The CEO and other Executive Directors shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to Non-Executive Directors who serve as full-time executives in other corporations. In any case, the capacity of directors to serve with diligence shall not be compromised.

4.2.2 Audit Committee

The Audit Committee shall enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations and to ensure its functionality and effectiveness.

The Audit Committee shall be composed of at least three appropriately qualified Non- Executive Directors majority of whom (including the chairperson) shall be Independent Directors. All of the members of the Audit Committee must have relevant background knowledge skills and/or experience in the areas of accounting, auditing and finance. The chairperson of the Audit Committee should not be the chairperson of the Board or any other Board Committees.

4.2.2.1 Duties and Responsibilities

- a) Define the responsibilities, powers and authority of the Internal Audit Team, the audit plan of the Internal Audit Team and oversee the implementation of the Internal Audit Process;
- b) Through the Internal Audit Team, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting and security of physical and information assets;
- c) Oversee the Internal Audit Team and recommend the appointment or removal of a head of the Internal Audit Team as well as his/her qualifications, and grounds for appointment and removal. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services if applicable;
- d) Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities;
- e) Monitor the Management's responsiveness to the internal auditor's findings and recommendations;

- f) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to identify proper coverage and minimize duplication of efforts;
- g) Evaluate and determine the Non-Audit Work, if any, of the external auditor, and periodically review the non-audit fees paid to the external auditor in relation to the total fees paid and the Company's overall consultancy expenses. The Audit Committee should be alert for any potential conflict of interest situations given the guidelines or policies on Non-Audit Work, and disallow any Non-Audit Work that will conflict with the duties of an external auditor or may pose a threat to his independence;
- h) Review and approve the interim and annual financial statements before their submission to the Board, with focus on the following matters:
 - (i) any change/s in accounting policies and practices;
 - (ii) areas where a significant amount of judgment has been exercised;
 - (iii) significant adjustments resulting from the audit;
 - (iv) going concern assumptions;
 - (v) compliance with accounting standards; and
 - (vi) compliance with tax, legal and regulatory requirements;
- i) Review the recommendations in the external auditor's management letter;
- j) Establish a robust process for approving and recommending the appointment, re-appointment, removal and fees of the external auditor: recommend to the Board the appointment, reappointment, removal and fees of the external auditor (who shall be duly accredited by the Commission and shall undertake the independent audit of the Company) and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the shareholders; and
- k) Meet internally and with the Board as may be needed, without the presence of the CEO or other Management team members and periodically meet with the head of the Internal Audit.

4.2.3 Risk Management Committee

The Risk Management Committee shall be composed of at least three (3) appropriately qualified Directors majority of whom (including the chairperson) shall be Independent Directors. At least one member must have relevant thorough knowledge and experience on risks and risk management.

The Chairman of the Committee or any of its members may be removed from the office only by the Board. If the office of the member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.

4.2.3.1 Duties and Responsibilities

- a) Review the formal Enterprise Risk Management plan which contains the following elements:

- (i) common language or register of risks;
 - (ii) well-defined risk management goals and objectives;
 - (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks;
 - (iv) designing and implementing risk management strategies; and
 - (v) continuing assessments to improve risk strategies, processes and measures;
- b) Review the economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
 - c) Evaluate the Enterprise Risk Management plan to ensure its continued relevance, comprehensiveness and effectiveness;
 - d) Advise the Board on its risk appetite levels and risk tolerance limits;
 - e) Review, at least annually, the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and major events which may have occurred in the Company;
 - f) Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence;
 - g) Oversee management's activities in managing strategic, financial, compliance and operations risks;
 - h) Report to the Board on a regular basis or as necessary, the Company's material risk exposures, the actions taken to reduce the risks and recommend further actions or plans, as necessary; and
 - i) Oversee the Cyber Security Risk in the System that the company use and its limitations.

4.2.3.2 Chief Risk Officer

In managing the Company's Risk Management System, the Company shall have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his responsibilities, subject to the company's size, risk profile and complexity of operations. The CRO duties and responsibilities is defined in the Risk Management Charter.

4.2.4 Related Party Transactions Committee

The Related Party Committee shall be composed of, at least, three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the chairperson. The Committee shall, at all times, be entirely consisting of independent and non-executive directors, with independent directors comprising majority of the members.

The Chairman and the members of the Committee shall be appointed by the Board. In case a member has conflict of interest in a particular RPT, he should refrain from evaluating that particular transaction.

The Chairman of the Committee or any of its members may be removed from the office only by the Board. If the office of the member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.

The Chief Compliance Officer or Chief Internal Audit may sit as resource persons in said Committee.

The Committee shall evaluate on an ongoing basis existing relationships between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs, and changes in relationships shall be reflected in the relevant reports to the Board and to SEC.

4.2.4.1 Duties and Responsibilities

- a) Evaluate all Related Party Transactions to ensure that these are not undertaken on more favorable economic terms to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied;
- b) Determine any potential reputational risk issues that may arise as a result of or in connection with Related Party Transactions;
- c) Ensure that appropriate disclosure is made and/or information is provided to regulating and supervising authorities relating to the Company's Related Party Transaction exposures and policies on potential and/or actual conflicts of interest;
- d) Report to the Board, on a regular basis, the status and aggregate exposure to each Related Party, as well as the total amount of exposure to all related parties;
- e) Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process;
- f) Oversee the implementation of the system for identifying, monitoring, measuring, controlling and reporting of Related Party Transactions, including a periodic review of related party policies and procedures; and
- g) Evaluate on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified Related Party Transactions are monitored the related party registry is updated to capture subsequent changes in relationships with counterparties (from non-related to related and vice versa).

4.2.5 Compensation and Remuneration Committee

The Compensation and Remuneration Committee composition shall be composed of at least three (3) members of the Board of Directors, two (2) of whom shall be independent directors, including the chairperson. The Committee shall at all times

be entirely consisting of independent and non-executive directors, with independent directors comprising majority of the members.

The Chairman of the Committee or any of its members may be removed from the office only by the Board. If the office of the member is vacated, the Board shall appoint a new member in order to meet the required composition of the Committee.

4.2.5.1 Duties and Responsibilities:

- a) Establish a formal and transparent procedure and policy on executive remuneration and for fixing the remuneration packages of directors;
- b) Oversee remuneration of senior management and other key personnel ensuring that the compensation is consistent with the Company's culture, strategy and control environment;
- c) Designate the amount of remuneration, which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- d) Develop a form on full business interest disclosure as part of the pre-employment requirements for all incoming officers, which, among others, compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict in their performance of duties once hired;
- e) Provide in the Company's annual reports, information and proxy statements a clear, concise and understandable disclosure of all fixed and variable compensation paid, directly or indirectly, to its executive officers, directors and management officers for the previous fiscal year and the ensuing year; and
- f) Review the existing relevant corporate policies, to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

5. CORPORATE SECRETARY AND COMPLIANCE OFFICER

5.1 Corporate Secretary Qualification

- a) The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines;
- b) He shall have proven to possess integrity and probity; and
- c) He shall not be a member of the Board, unless otherwise approved by the board and shall annually attend a training on corporate governance.

5.1.1 Duties and Responsibilities

The Corporate Secretary shall be primarily responsible to the Company and its shareholders and shall have the following duties and responsibilities, among others:

- a) Assist the Board and the Board Committees in the conduct of their meetings;
- b) Declare Quorum during Board meeting and draft the minutes of said meetings;
- c) Assist the Board in its duties and shall be separate individual from the Chief Compliance Officer;
- d) Safekeep and preserve the integrity of the minutes of the meetings of the Board Committees and shareholders, as well as the other official records of the Company;
- e) Keep abreast of relevant laws, regulations, all governance issues, industry developments and operations of the Company, and advise the Board and the Chairperson on all relevant issues as they arise;
- f) Work fairly and objectively with the Board, Management, shareholders, and stakeholders, and contribute to the flow of information between the Board and Management, the Board and the Board Committees and the Board and its shareholders as well as other stakeholders;
- g) Advise on the establishment of Board Committees and their terms of reference;
- h) Inform members of the Board, in accordance with the By-Laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- i) Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- j) Perform all required administrative functions;
- k) Oversee the drafting of the By-Laws and ensures that they conform with regulatory requirements; and
- l) Perform such other duties and responsibilities as may be delegated by the Board and the Commission.

5.2 Chief Compliance Officer

The Chief Compliance Officer shall assist the Board in its duties and ensure adherence to good corporate principles and best practices.

He shall not be a member of the Board and shall annually attend a training on corporate governance.

5.2.1 Duties and Responsibilities

The Chief Compliance Officer shall be primarily responsible to the Company and its shareholders and shall have the following duties and responsibilities, among others:

- a) Ensure proper onboarding of new directors (i.e. orientation on the Company's business, charter, Articles of Incorporation and By-Laws, among others);

- b) Monitor, review evaluate and ensure compliance by the Company, its officers and directors with relevant laws, the Code, rules and regulations and all governance issuances of regulatory agencies;
- c) Report to the Board if violations are found and recommend the imposition of appropriate disciplinary action;
- d) Ensure the integrity and accuracy of all documentary and electronic submissions as may be allowed under the rules and regulations of the Commission;
- e) Appear before the Commission when summoned in relation to compliance with the Code and other relevant rules and regulations;
- f) Coordinate with other departments within the Company to properly address compliance issues, which may be subject to investigation;
- g) Identify possible areas of compliance issues and works towards the resolution of the same;
- h) Ensure the attendance of the members of the Board and key officers to relevant trainings; and
- i) Performs such other duties and responsibilities as may be delegated by the Board and the Commission.

6. INTERNAL CONTROL SYSTEMS; ENTERPRISE RISK MANAGEMENT

The Company shall have an adequate and effective internal control system and an Enterprise Risk Management framework in the conduct of its business taking into account its size, risk profile, nature and complexity of operations.

The internal control system of the Company consists of:

- a) the Board which ensures that the Company is properly and effectively managed and supervised;
- b) a Management that actively manages and operates the Company in a sound and prudent manner;
- c) the organizational and procedural controls supported by effective management information and risk management reporting system; and
- d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations and information system, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The minimum internal control mechanism for the performance of the Board's oversight responsibility shall include:

- (i) defining the duties and responsibilities of the CEO who is ultimately accountable for the Company's organizational and operational controls;
- (ii) selection of the person who possesses the ability, integrity and expertise essential for the position of CEO, in accordance with the relevant provisions of any shareholders' agreement to which the Company is a party;
- (iii) evaluation of proposed senior management appointments;

- (iv) selection and appointment of qualified and competent Management and officers; and
- (v) review of the Company's human resources policies, conflict of interest situation, compensation program for employees and management succession plan.

The scope and particulars of the systems of effective organizational and operational controls depends on, among others, the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risk involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

The Company shall establish an internal audit system that can reasonably assure the Board, Management and shareholders that it's key organizational and operational controls are faithfully complied with. The Board shall appoint a Chief Audit Executive to perform the audit function and shall require the Chief Audit Executive to report to a level of organization that allows the internal audit activity to fulfill its mandate. The Internal Audit shall be guided by the International Standard on Professional Practice of Internal Auditing.

7. ACCOUNTABILITY AND AUDIT

The Board is primarily accountable to the shareholders. The Company should provide them with a balanced and comprehensible assessment of the Company's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

It is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the shareholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- a) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- b) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all shareholders and other Stakeholders;
- c) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the Company's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations,

- protection of assets, and compliance with contracts, laws, rules and regulations;
- d) The Company should consistently comply with the financial reporting requirements of the Commission
 - e) The nature of Non-Audit Work performed by the Company's external auditor, if allowed by the Audit Committee, should be disclosed in the Company's annual report and Annual Corporate Governance Report in the interest of managing potential conflict of interest cases; and
 - f) Management should formulate, under the supervision of the Board a clear and focused strategy on the disclosure of non-financial information. The Company should disclose to all shareholders and other Stakeholders the Company's strategic objectives (long-term goals) and operational objectives (short-term goals) and the impact of sustainability issues with emphasis on the management of environmental, economic, social and governance issues of its business which underpin sustainability.

7.1 External Auditor

- a) An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Company, by providing an objective assurance on the manner by which the financial statements shall be prepared and presented to the shareholders.
- b) The appointment, reappointment, removal and fees of the external auditor shall require the recommendation of the Audit Committee and the approval of the Board and the shareholders of the Company. For this purpose, the Board, after consultations with the Audit Committee, shall recommend to the shareholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Company.
- c) The reason/s for the resignation, removal or change and the date thereof of an external auditor shall be disclosed by the Company to the Commission, the shareholders of the Company and the public through the Company's website and other required disclosures. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure. A preliminary copy of the said report shall be given by the Company to the external auditor before its submission.
- d) The external auditor of the Company shall not at the same time provide the services of an internal auditor to the Company and its Subsidiaries. The Company shall ensure that other Non-Audit Work shall not be in conflict with the functions of the external auditor.
- e) The external auditor shall be rotated or replaced every seven (7) years or earlier, or the signing partner of the external auditing firm assigned to the Company, be changed with the same frequency.
- f) If an external auditor believes that the statements made in the Company's annual report, information statement or proxy statement, or any report filed with the Commission or any regulatory body during his engagement is

incorrect or incomplete, he shall present his comments or views on the matter in the said reports.

- g) The extent of its responsibility in the preparation of the financial statements of the Company, with the corresponding delineation of the responsibilities that pertain to the external auditor, be clearly explained.

7.2 Internal Auditor

- a) The Company shall have in place an independent internal audit function which is performed by an internal auditor or a group of internal auditors headed by a Chief Audit Executive, through which the Board, senior management, and shareholders are provided with;
 - (i) independent and objective assurance that its key organizational and procedural controls are effective, appropriate, and complied with; and
 - (ii) consulting services to add value and improve the Company's operations.
- b) The internal auditors shall be headed by the Chief Audit Executive.
- c) The Chief Audit Executive shall report to the Audit Committee and to the President and COO. The Chief Audit Executive submits to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plan and strategies as approved by the Audit Committee. The annual report includes, control issues and such other matters as may be needed or requested by the Board and Management. The Chief Audit Executive shall certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.
- d) Provide an independent audit-based assurance service to the Board, Audit Committee and Management. Focusing on reviewing the effectiveness of the governance and control processes in:
 - (i) promoting the right values and ethics;
 - (ii) ensuring effective performance management and accounting in the organization; and
 - (iii) communicating risk and control information;
- e) Coordinate the activities and information among the Board, external and internal auditors, and Management which include among others':
 - (i) perform regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;
 - (ii) perform consulting and advisory services related to governance and control as appropriate for the Company;
 - (iii) perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the Company;
 - (iv) review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Company;

- (v) evaluate operations or programs to ascertain whether results are consistent with established objectives and goals or whether the operations or programs are being carried out as planned; and
- (vi) evaluate specific operations at the request of the Board or Management as appropriate and monitor and evaluate governance processes.
- f) The internal audit activities may be a fully resourced activity houses within the Company or may be outsourced to a qualified independent third party service provider; and
- g) The CAE ensures that the internal audit remains free from all conditions that threaten the ability of the auditors to carry out their responsibilities in an unbiased manner. If the CAE determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

8. SUSTAINABILITY AND SOCIAL REPORTING

The Company recognizes and acknowledges the importance of interdependence between business and society. The Management shall encourage and promote a mutually beneficial relationship between business and society, that allows the Company to grow its business while contributing to the advancement of the society where it operates. There shall be an established policy on the disclosure of material and reportable nonfinancial and sustainability issues, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the business using existing SEC guidelines or a globally recognized standard/framework.

9. COMMUNICATION PROCESS AND SYSTEM

- a) To enable the members of the Board to properly fulfil their duties and responsibilities, Management shall provide complete, adequate and timely information about the matters to be taken in advance of meetings.
- b) Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Board members shall be given independent access to Management and the Corporate Secretary. As such, information needed may be inquired directly by a member before the Board, Management, executives and the Corporate.
- c) The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.
- d) The members of the Board, either individually or as a Board, and in furtherance of their duties and responsibilities, have access to independent professional advice at the Company's expense.

The Investor Relations Officer (or Customer Relations Officer or its equivalent, or in the absence of such office, the executive officers of the Company) shall:

- a) Ensure constant engagement and communication with the Company's shareholders; and
- b) Provide an avenue to receive feedback, complaints and queries from shareholders to ensure their active participation with regard to the procedures and policies of the Company.

The Company shall maintain a website to ensure a comprehensive, cost-efficient transparent and timely manner of disseminating relevant information to the public.

A copy of this Manual shall be submitted to the Commission and posted on the Company's website.

All directors, officers, executives are tasked to ensure the thorough dissemination of this Manual to all employees of the Company and to likewise enjoin compliance in the process.

An adequate number of printed copies of this Manual must be reproduced under the supervision of the Office for Corporate Governance, with a minimum of at least one printed copy of this Manual per department.

10. REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

10.1 Company Disclosures and Reports

The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible Board Committee or officer through the Company's Chief Compliance Officer.

All material information about the Company which could adversely affect its viability or the interests of the shareholders and other Stakeholders shall be publicly and timely disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, Related Party transactions, shareholdings of directors, changes to ownership and material and reportable non-financial and sustainability issues.

Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management and off balance sheet transactions.

All disclosed information shall be released via the approved procedure for Company announcements as well as through the annual report.

10.2 Annual Corporate Governance Report

The Company shall disclose all relevant information on its corporate governance policies and practices in the Annual Corporate Governance Report which shall be submitted to the Commission and continuously updated and posted on the Company's website.

10.3 Transparency and Disclosure

Transparency is a core principle in good corporate governance. To this end:

- a) All directors and officers are required to disclose or report to the Company and dealings in the Company's shares by the said directors and officers within five business days: and
- b) The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information through the appropriate exchange mechanisms and submissions to the Commission for the interest of its shareholders and other Stakeholders.

11. SHAREHOLDERS' BENEFIT

The Company recognizes that the most cogent proof of good Corporate Governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its investors:

11.1 Investors' Rights and Protection

11.1.1 Rights of Investors/Minority Interests

The Board shall be committed to respect the following rights of the shareholders:

11.1.1.1 Voting Right

- a) Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code and any shareholders' agreement to which the Company is a party;
- b) Cumulative voting shall be used in the election of directors; and
- c) A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

11.1.1.2 Pre-emptive Right

All shareholders shall have pre-emptive rights unless the same is denied in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to new issuances of the capital stock of the Company. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

11.1.1.3 Power of Inspection

All shareholders shall be allowed to inspect Company books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

11.1.1.4 Right to Information

- a) The shareholders shall be provided, upon request, with periodic reports, which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Company's shares, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers.
- b) The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.
- c) The minority shareholders shall have access to any and all information relating to matters for which the Management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of shareholders' meeting, being within the definition of "legitimate purposes".

11.1.1.5 Right to Dividends

Shareholders shall have the right to receive dividends subject to the discretion of the Board and the relevant provisions of any shareholders' agreement to which the Company is a party.

Without prejudice to the relevant provisions of any shareholders' agreement to which the Company is a party, the Company shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except:

- a) when justified by definite corporate expansion projects or programs approved by the Board; or
- b) when the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or
- c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for special reserve for probable contingencies.

11.1.1.6 Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code, under any of the following circumstances:

- a) In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any shareholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

- b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code;
- c) In case of merger or consolidation; and
- d) In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The Board shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.

The Board shall be transparent and fair in the conduct of the annual and special shareholder's meetings of the Company. The shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the shareholder's favor.

12. MONITORING AND ASSESSMENT

Each Board Committee shall report regularly to the Board of Directors.

The Chief Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual, based on a comply or explain approach. Any violation thereof shall subject the responsible officer or employee to the penalty provided under Part 13 of this Manual.

The establishment of such evaluation system, including the features thereof, shall be disclosed in the Company's annual report or in such form of report that is applicable to the Company. The adoption of such evaluation system must be covered by a Board approval.

The compliance of the Company with this Manual shall be reported in the Annual Corporate Governance Report.

This Manual shall be reviewed every two years, unless, otherwise directed by the Board.

All business processes and practices being performed within any department or business unit of the Company that are not consistent with any portion of this Manual shall be revoked or suspended unless or until upgraded.

13. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors or President and COO in case of violation of any of the provision of this Manual:

- a) In case of first violation, the subject person shall be reprimanded.
- b) In case of second violation, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation.
- c) For third violation, the maximum penalty of removal from office shall be imposed.

The Board shall, nevertheless, have the discretion either to impose additional penalties or lessen the above penalties based on the presence of aggravating or mitigating circumstances accompanying the violation of this Manual.

The procedure and penalties for violations of this Manual committed by the Corporation's employees shall be as provided in the Company's Code of Conduct.

The commission of a third violation of this Manual by any member of the Board of the Company shall be a sufficient cause for removal from directorship.

The Chief Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairperson of the Board the imposable penalty for such violation, for further review and approval of the Board.

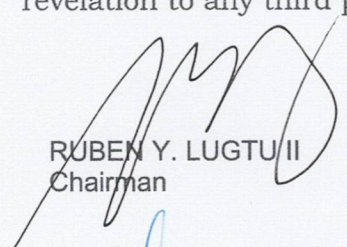
14. EFFECTIVITY: The Manual on Corporate Governance is hereby effective immediately upon approval of the Board of Director

15. SUBSEQUENT ADDENDUMS

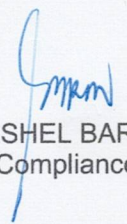
- a) Any subsequent addendums, duly approved by the Board, shall be binding and respected and form part of this Manual; and
- b) Any conflict/ambiguities shall be interpreted based on the latest date and towards the beneficial interest of the Company.

16. CONFIDENTIALITY

Any information relating to this instrument is highly confidential. The Parties is prohibited to divulge any details concerning this instrument to any third party without the express consent of the COMPANY or be held liable and accountable for any revelation to any third party of any confidential details of this instrument.



RUBEN Y. LUGTU II
Chairman



ROSESHEL BARRUN
Chief Compliance Officer