



14 December 2023

PHILIPPINE STOCK EXCHANGE

Disclosure Department

PSE Tower, 5th Avenue cor. 28th Street,
Bonifacio Global City, Taguig City
1634, Metro Manila, Philippines

Attention: Ms. France Alexandra D. Tom Wong
Department Head

Re: Amended Manual on Corporate Governance
of Cyber Bay Corporation

Gentlemen:

Please be informed that at the Special Meeting of the Board of Directors of **CYBER BAY CORPORATION** ("Corporation") held today, 14 December 2023, the Board approved the amendment of Article 11.4 (e) of the Corporation's Manual on Corporate Governance on the rotation of external auditors to read as follows:

"The external auditor and/or the signing partner of the external auditing firm assigned to the Company shall be rotated or changed in accordance with the provisions of the Securities Regulation Code on the Rotation of External Auditors and its implementing regulations; and"

In light of the foregoing, we respectfully submit the following documents:

1. SEC Form 17-C dated 14 December 2023; and
2. Manual on Corporate Governance (as amended on 14 December 2023) of Cyber Bay Corporation.

We trust that you find the foregoing in order.

Thank you.

Very truly yours,

CYBER BAY CORPORATION

By:

Ryan V. Romero
RYAN V. ROMERO
Corporate Secretary



14 December 2023

**SECURITIES AND EXCHANGE COMMISSION
Corporate Governance and Finance Department**

8/F SEC Headquarters,
7907 Makati Avenue, Bel-Air,
Makati City 1209

Attention: Ms. Rachel Esther J. Gumtang-Remalante
Department Director

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By:

Ryan V. Romero
RYAN V. ROMERO
Corporate Secretary



CYBER BAY CORPORATION

MANUAL ON CORPORATE GOVERNANCE (as amended on 14 December 2023)

The Board of Directors and Management of CYBER BAY CORPORATION (Company) commit themselves to the principles of transparency, accountability, fairness and integrity and to follow the best practices contained in this Manual, and acknowledge that the same may guide the attainment of our corporate goals.

This Manual was approved and adopted on 14 December 2023 by the Board of Directors of the Company.

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ARTICLE 1: DEFINITION OF TERMS

- a) **Code of Corporate Governance** – means SEC Memorandum Circular No. 19 Series of 2016, otherwise known as the Code of Corporate Governance for Publicly-Listed Companies, as the same may be amended from time to time.
- b) **Corporate Governance** – the system of stewardship and control to guide the Company in fulfilling its long-term economic, moral, legal and social obligations towards their stakeholders. It is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society. Its purpose is to maximize the organization’s long-term success, creating sustainable value for its shareholders, stakeholders and the nation.
- c) **Board of Directors (Board)** – the governing body elected by the stockholders that exercises the corporate powers of a Company, conducts all its business and controls its properties.
- d) **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.
- e) **Independent Director (ID)** – a person who is independent of management and the controlling shareholder, and is 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.
- f) **Executive Director (ED)** – a director who has executive responsibility of day-to-day operations of a part or the whole of the organization.
- g) **Non-Executive Director (NED)** – a director who has no executive responsibility and does not perform any work related to the operations of the Company.
- h) **Conglomerate** – a group of companies that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.
- i) **Internal control** – a process designed and effected by the board of directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization’s policies and procedures.
- j) **Enterprise Risk Management** –a process, effected by an entity’s Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.
- k) **Related Party** –shall cover 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.

- l) **Related Party Transactions** – a transfer of resources, services or obligations between the 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.
- m) **Stakeholders** – 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. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.
- n) **Commission** – the Philippine Securities and Exchange Commission (SEC).
- o) **Exchange** – the Philippine Stock Exchange (PSE).

ARTICLE 2: RULES OF INTERPRETATION

- 2.1 All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.
- 2.2 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 stockholders and investors of the Company.

ARTICLE 3: THE BOARD OF DIRECTORS

3.1 Composition of the Board

- a. The Company shall be headed by a competent, working Board to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.
- b. The Board shall be composed of directors with collective working knowledge, experience or expertise that is relevant to the Company's industry. The Board shall always endeavour to have an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.
- c. The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

- d. As much as practicable, the Board composition shall observe diversity in gender, age, ethnicity, culture, skills, competence and knowledge.

3.2 Orientation and Training of the Board

- a. The Company shall provide an orientation program for first-time directors and maintain a relevant annual continuing training for all directors that shall promote effective board performance and ensure the continuing qualification of the directors in carrying-out their duties and responsibilities.
- b. The orientation program for first-time directors shall be at least eight (8) hours to cover SEC-mandated topics on corporate governance, an introduction on the business of the Company, the Articles of Incorporation, and Code of Conduct.
- c. The annual continuing training program shall be for at least four (4) hours. The program shall cover relevant topics to ensure that directors are continuously informed of the developments in the business and regulatory environments of the Company.

3.3 The Chairman of the Board (Chairman)

The Board shall be headed by a competent and qualified.

The duties and responsibilities of the Chairman in relation to the Board may include, among others, the following:

- a. Ensure that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering 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. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

3.4 The Chief Executive Officer (CEO)

The positions of Chairman and CEO shall be held by separate individuals and each shall have clearly defined responsibilities. This is to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

The duties and responsibilities of the CEO shall include, among others, the following:

- a. Determine the Company's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicate and implement the Company's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c. Oversee the operations of the Company and manages human and financial resources in accordance with the strategic plan;
- d. Have a good working knowledge of the Company's industry and market and keeps up-to-date with its core business purpose;
- e. Direct, evaluate and guide the work of the key officers of the Company;
- f. Manage the Company's resources prudently and ensure a proper balance of the same;
- g. Provide the Board with timely information and interfaces between the Board and the employees;
- h. Build the corporate culture and motivates the employees of the Company; and
- i. Serve as the link between internal operations and external stakeholders.

3.5 The Corporate Secretary

The Corporate Secretary, who shall be a Filipino citizen and a resident of the Philippines, is an officer of the Company. He is not a member of the Board of Directors and is a separate individual from the Compliance Officer.

The Corporate Secretary is primarily responsible to the Company and its shareholders and has, among others, the following duties and responsibilities:

- a. Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
- b. Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;
- c. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Company, and advise the Board and the Chairman on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management, stockholders and other stakeholders, and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- e. Advises on the establishment of board committees and their terms of reference;

- f. Informs the 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;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- h. Has a working knowledge of the operations of the Company;
- i. Performs required administrative functions;
- j. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements;
- k. Ensures that all Board procedures, rules and regulations are strictly followed by the members;
- l. Attends an annual training on corporate governance; and
- m. Performs such other duties and responsibilities as may be provided by the Commission.

3.6 The Compliance Officer

The Board shall appoint a Compliance Officer who is a member of the Company's management team. The Board shall provide the Compliance Officer the adequate stature and authority in the Company as may be necessary for the performance of his functions. The Compliance Officer may not be a member of the Board of Directors and shall be a different individual from the Corporate Secretary.

The Compliance Officer is primarily responsible to the Company and its shareholders and has, among others, the following duties and responsibilities:

- a. Ensures proper onboarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitors, reviews, evaluates and ensures the compliance by the Company, its officers and directors with the relevant laws, the Code of Corporate Governance and the rules and regulations of regulatory agencies and, if any violations are found, reports the matter to the Board and recommends the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- c. Ensures the integrity and accuracy of all documentary submissions to regulators;
- d. Appears before the Commission when summoned in relation to compliance with the Code of Corporate Governance;
- e. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- f. Identifies possible areas of compliance issues and works towards the resolution of the same;

- g. Ensures the attendance of board members and key officers to relevant trainings;
- h. Attends an annual training on corporate governance; and
- i. Performs such other duties and responsibilities as may be provided by the Commission.

3.7 The Chief Audit Executive

The Board may appoint a Chief Audit Executive, in the event that the size, risk profile and complexity of operations of the Company shall require such appointment. Once appointed, the Chief Audit Executive shall directly report to the Audit Committee and the Chief Executive Officer.

The Chief Audit Officer shall have the following responsibilities, among others:

- a) Periodically review the internal audit charter and present it to senior management and the Board Audit Committee for approval;
- b) Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities for the internal audit activity consistent with the organization's goals;
- c) Communicate the internal audit activities, plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
- d) Spearhead the performance of the internal audit activity to ensure that the same adds value to the organization;
- e) Report periodically to the Audit Committee on the performance of the internal audit activity relative to its plan; and
- f) Present findings and recommendations to the Audit Committee and give advice to senior management and the Board on how to improve internal processes.

3.8 The Chief Risk Officer

The Board may appoint a Chief Risk Officer, in the event that the size, risk profile and complexity of operations of the Company shall require such appointment. Once appointed, the Chief Risk Officer shall manage the Risk Management System of the Company and shall act as the ultimate champion of Enterprise Risk Management (ERM). He shall have adequate authority, statute, resources and support to fulfill his responsibilities.

The Chief Risk Officer shall have the following functions, among others,

- a. Supervise the entire ERM process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Communicate the top risks and status of implementation of risk management strategies and action plans to the appropriate Board Committee;

- c. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggest ERM polices and related guidance, as may be necessary; and
- e. Provide insight on (i) performance of risk management processes; (ii) continuous review of risk measures reported to ensure effectiveness; and (iii) compliance with established risk policies and procedures.

ARTICLE 4: QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS

4.1 Qualifications of Directors

A nominee shall qualify for membership in the Board if he possesses all the qualifications provided for in the Corporation Code, By-Laws of the Corporation, Securities Regulation Code and other relevant laws and none of the disqualification. The Board may provide for additional qualifications.

4.2 Disqualification of Directors

a. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

- i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) 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 (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission, Bangko Sentral ng Pilipinas (BSP) or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such 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 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;

- iii. 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;
- iv. 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, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;
- v. Any person judicially declared as insolvent;
- vi. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated above;
- vii. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment;
- viii. Any person who is engaged in any business which competes with, or is antagonistic to, that of the Company, unless such fact is disclosed upon nomination and made known to the stockholders of the Company prior to election, with the exception of persons or stockholders who are themselves directors and/or officers of the Related Parties of the Corporation; and
- ix. Other grounds as the Commission may provide.

b. Temporary Disqualification

The Board may provide for the temporary disqualification of a director for any of the following reasons:

- i. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;
- ii. Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;
- iii. Dismissal or termination for cause as director of any Company covered by the Code of Corporate Governance. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;

- iv. 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;
- v. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final; and
- vi. For any acts that would give rise or potentially give rise to conflict of interest to that of the Company, or if the Director enters into dealings where he stands to acquire or gain financial advantage at the expense of the Company.

A temporarily disqualified director shall, within sixty (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.

4.3 Nomination and Election of Directors

- a. Nomination of Directors shall be conducted by the Corporate Governance Committee prior to a stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.
- b. The Corporate Governance Committee shall pre-screen the qualifications and prepare a final list of all candidates and put in place screening policies and parameters to enable it to effectively review the qualifications of the nominees for Director/s.
- c. After the nomination, the Corporate Governance Committee shall prepare a Final List of Candidates which shall contain all the information about all the nominees for Directors, which list shall be made available to the SEC and to all stockholders through the information statement. The name of the person or group of persons who recommended the nomination of the director shall be identified in such report including any relationship with the nominee.
- d. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as Directors. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the actual meeting.

ARTICLE 5: ROLES AND RESPONSIBILITIES OF THE BOARD AND DIRECTORS

5.1 General Responsibility

It is the Board's responsibility to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Company's Articles of Incorporation and By-Laws, and other legal pronouncements and guidelines shall be clearly made known to all directors as well as to shareholders and other stakeholders.

5.2 Responsibilities, Duties and Functions of the Board

To ensure a high standard of best practice for the Company, its stockholders and other stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders;
- b. Provide guidance to management in the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength;
- c. Ensure that there is an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholders' value. This shall include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the Company;
- d. Formulate a formal and transparent board nomination and election policy that shall include how it accepts nominations from minority shareholders and reviews nominated candidates. The policy shall also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its processes of identifying the quality of directors shall be aligned with the strategic direction of the Company;
- e. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions (RPTs) between and among the Corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major shareholders, officers and directors, including their spouses, children and dependent siblings, and parents, and of interlocking director relationship by members of the Board;
- f. Oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board shall also approve the Internal Audit Charter.

Establish a sound enterprise risk management framework to identify key risk areas and key performance indicators and monitor and manage these factors with due diligence;

- g. Provide sound strategic policies and guidelines to the Company on major capital expenditures to sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies;
- h. Ensure that the Company's faithful compliance with all applicable laws, regulations and best business practices;
- i. Adopt a system of internal checks and balances and to review regularly the effectiveness thereof; and
- j. Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings

shall be encouraged and given due consideration.

5.3 Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director shall act in the best interest of the Company in a manner characterized by transparency, accountability and fairness. He shall 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 interests of the Company. A director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations for the same.
- b. The basic principle to be observed is that a director shall not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He shall avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he shall fully and immediately disclose it and shall not participate in the decision-making process. A director who has a continuing material conflict of interest shall 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 financial advantage at the expense of the Company.

A director shall disclose/report to the Company any dealings in the Company's shares, whether made directly or indirectly, personally or through related persons/entities, involving legal or beneficial ownership, within three (3) business days from the commencement of such dealings.

- c. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.
- d. Act judiciously.
- e. Exercise independent judgment.
- f. Have a working knowledge of the statutory and regulatory requirements that affect the Company, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. A director shall also keep abreast with industry developments and business trends in order to promote the Company's competitiveness.
- g. Observe confidentiality of all non-public information he may acquire or learn by reason of his position as director.

5.4 Board Charter

The Board shall have a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the directors in the performance of their functions and shall be publicly available and posted on the Company's website.

5.5 Multiple Board Seats

- a. Non-executive directors of the Board may concurrently serve as directors to a maximum of five (5) publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company. The CEO and other executive directors may be covered by a lower indicative limit for membership in other boards. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve shall not be compromised.
- b. A director shall notify the Board where he is an incumbent director before accepting a directorship in another company.

ARTICLE 6: BOARD COMMITTEES

The Board shall establish board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

6.1 Audit and Risk Committee

- a) The Board shall establish an Audit and Risk Committee to enhance its oversight capability over the company's financial reporting, internal control system, enterprise risk management systems, internal and external audit processes, and compliance with applicable laws and regulations.
- b) The committee shall be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, shall be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.
- c) Depending on the size, risk profile and complexity of operations of the Company, the Audit Committee shall perform the following internal audit functions:
 - i. Recommend the approval of an Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
 - ii. 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. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the company's financial data, and (d) ensure compliance with applicable laws and regulations;
 - iii. Oversee the Internal Audit functions, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services;

- iv. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee;
 - v. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;
 - vi. 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 secure proper coverage and minimize duplication of efforts;
 - vii. 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 to him and to the Company's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Company's Annual Report and Annual Corporate Governance Report;
 - viii. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
 - Any change/s in accounting policies and practices
 - Areas where a significant amount of judgment has been exercised
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
 - ix. Review the disposition of the recommendations in the External Auditor's management letter;
 - x. Perform oversight functions over the Company's Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
 - xi. Coordinate, monitor and facilitate compliance with laws, rules and regulations; and
 - xii. Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Company, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.
- d) The Audit Committee shall perform the following risk oversight functions:
- i. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management

- strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- ii. Oversee the implementation of the enterprise risk management plan and conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
 - iii. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. This Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;
 - iv. Advise the Board on its risk appetite levels and risk tolerance limits;
 - v. 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 when major events occur that are considered to have major impacts on the company;
 - vi. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
 - vii. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function shall include regularly receiving information on risk exposures and risk management activities from Management; and
 - viii. Report to the Board on a regular basis, or as deemed necessary, the company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- e) In addition to its risk oversight functions, the audit and risk committee shall monitor and review all related party transactions to manage possible conflicts of interest:
- i. Evaluate on an ongoing basis existing relations 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 regulators/supervisors;
 - ii. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) 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, and to determine any potential reputational risk issues that

may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

1. The related party's relationship to the Company and interest in the transaction,
 2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction,
 3. The benefits to the Company of the proposed RPT,
 4. The availability of other sources of comparable products or services, and
 5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- iii. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;
- iv. Report to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- v. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- vi. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

6.2 Corporate Governance (CG) Committee

- a. The Board shall establish a Corporate Governance Committee that shall be tasked to assist the Board in the performance of its corporate governance responsibilities.
- b. This Committee shall be composed of at least three (3) members, all of whom shall be independent directors, including the Chairman.
- c. The Corporate Governance Committee shall assist the Board in ensuring compliance with, and proper observance of, corporate governance principles and practices. Depending on the size, risk profile and complexity of operations of the Company, it has the following duties and functions, among others:
 - i. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments.

- ii. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance.
 - iii. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement.
 - iv. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance.
 - v. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.
 - vi. Propose and plan relevant trainings for the members of the Board.
- d. The Corporate Governance Committee shall determine the nomination and election process, as well as the remuneration of directors and officers of the Company:
- i. Determine the nomination and election process for the Company's directors and has the special duty of defining the general profile of board members that the Company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;
 - ii. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Company's culture and strategy as well as the business environment in which it operates;
 - iii. Review and evaluate the qualifications of all persons nominated to the Board, including whether the nominees: (a) possess the knowledge, skills, experience, and, for non-executive directors, independence of mind given the responsibilities of the Board in light of the Company's business and risk profile; (b) have a record of integrity and good reputation; (c) have sufficient time to carry out the responsibilities of a director of the Company; and (d) have the ability to promote a smooth interaction between other members of the Board; and
 - iv. Monitor the qualifications of the Board of Directors.

6.3 Formation of Committees

The Board may form additional committees, as needed, to assist it in performing its functions.

6.4 Committee Charters

All established committees shall have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes,

resources and other relevant information.

ARTICLE 7: BOARD INDEPENDENCE

7.1 Number of Independent Directors

The Board shall have at least three (3) independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher. However, if the Company is not engaged in any commercial operations, it shall have at least two (2) independent directors.

7.2 Qualifications of Independent Directors

The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications for an independent director to hold the position.

An Independent Director refers to 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;
- b. Is not, and has not been in the three (3) 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, 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 Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- d. Is not an owner of more than two percent (2%) of the outstanding shares of the Company, 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 of 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. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, 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 three (3) 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;
- 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; and
- k. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

Related companies, as used in this section, refer to (a) the Company's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

7.3 Term Limit of an Independent Director

The Board's independent directors shall serve for a maximum cumulative term of nine (9) 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 shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

7.4 Lead Independent Director

The Board shall designate a lead director among the independent directors, in the event the Chairman of the Board is not independent.

The Lead Independent Director shall have the following functions:

- a. Serve as an intermediary between the Chairman and the other directors when necessary;
- b. Convene and chair meetings of the non-executive directors; and
- c. Contribute to the performance evaluation of the Chairman, as may be required.

ARTICLE 8: ASSESSING BOARD PERFORMANCE

- 8.1 The Board shall regularly conduct evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.
- 8.2 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees.

- 8.3 The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and committees, and such system shall allow for a feedback mechanism from the shareholders. The criteria, process, and results of the assessment shall be disclosed to the shareholders and stakeholders through the appropriate disclosures with the SEC and the PSE.

ARTICLE 9: STRENGTHENING BOARD ETHICS

- 9.1 Members of the Board shall be bound to apply high ethical standards, taking into account the interests of all stakeholders.
- 9.2 The Board shall adopt a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, senior management and employees. It shall also be disclosed and made available to the public through the Company website.
- 9.3 The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.

ARTICLE 10: COMPANY DISCLOSURE POLICIES AND PROCEDURES

- 10.1 The Board shall 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 a company's financial condition, results and business operations.
- 10.2 The Company shall implement a policy requiring all directors and officers to disclose/report to the Company any dealings in the Company's shares within three (3) business days from the commencement of such dealings.
- 10.3 The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- 10.4 The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Also, the Company shall disclose the remuneration on an individual basis, including termination and retirement provisions.
- 10.5 The Company shall disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance. The material or significant RPTs reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report.
- 10.6 The Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or

disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board of the Company shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

- 10.7 The Company's corporate governance policies, programs and procedures shall be contained in its Manual on Corporate Governance.

ARTICLE 11: EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

- 11.1 The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. In the event of change or removal of the external auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Company website and required disclosures, and its annual and current reports. The report shall include a discussion of any disagreement between him and the Company on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the Company failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Company to the external auditor before its submission.
- 11.2 The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.
- 11.3 The Company shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee shall be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.
- 11.4 Management shall 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, shall 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 the stockholders and other stakeholders;
 - c. On the basis of the approved audit plans, internal audit examinations shall 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 shall consistently comply with the financial reporting requirements of the Commission;
- e. The external auditor and/or the signing partner of the external auditing firm assigned to the Company shall be rotated or changed in accordance with the provisions of the Securities Regulation Code on the Rotation of External Auditors and its implementing regulations; and
- f. The Internal Auditor shall submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report shall include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor 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 he reasons why he has not fully complied with the said standards.

ARTICLE 12: NON-FINANCIAL AND SUSTAINABILITY REPORTING

- 12.1 The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Company shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.
- 12.2 The Company shall disclose to all shareholders and other stakeholders its strategic and operational objectives and their impact to a range of sustainability issues.

ARTICLE 13: COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

- 13.1 The Company shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.
- 13.2 The Company shall have a strategic and well-organized channel for reporting. These communication channels can provide timely and up-to-date information relevant to investors' decision-making, as well as to other interested stakeholders.

ARTICLE 14: INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

14.1 Internal Control System

- a. Depending on the complexity of the operations of the Company, it may maintain 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 and complexity of operations.
- b. Depending on the complexity of the operations of the Company, it may maintain an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.
- c. The Board may appoint a qualified Chief Audit Executive (CAE) in the event that the Company's size, risk profile and complexity of operations shall require such appointment. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel shall be assigned the responsibility for managing the fully outsourced internal audit activity.
- d. The internal control environment 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 systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information systems, 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 mechanisms for the performance of the Board's oversight responsibility may include:
 - i. Definition of 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;
 - iii. Evaluation of proposed senior management appointments;
 - iv. Selection and appointment of qualified and competent management officers; and
 - v. Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.
- e. The Company shall establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards

on Professional Practice of Internal Auditing.

14.2 Risk Management Function

Depending on the complexity of the operations of the Company, the risk management function of the Company shall involve the following activities, among others:

- a. Define a risk management strategy;
- b. Identify and analyze key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
- c. Evaluate and categorize each identified risk using the predefined risk categories and parameters of the Company;
- d. Establish a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy;
- e. Communicate and report significant risk exposures including business risks, control issues and risk mitigation plan to the relevant Board Committee; and
- f. Monitor and evaluate the effectiveness of the risk management processes of the Company.

ARTICLE 15: STOCKHOLDERS' RIGHTS

The Board shall ensure that basic shareholder rights are disclosed.

15.1 The Board shall respect the rights of the stockholders as provided for in the Corporation Code, except as provided in the Articles of Incorporation of the Company, namely:

- a. Right to vote on all matters that require their consent or approval pursuant to the relevant provisions of the Corporation Code, as well as the Articles of Incorporation, By-Laws and all resolutions adopted by the Board;
- b. Right to inspect corporate books and records, provided that, such right may be denied by the Board if the requesting stockholder improperly used information secured from prior examination, or is not acting in good faith, or does not have a legitimate purpose for inspecting the records, or if the Board determines it necessary to safeguard the rights and legitimate interest of the Company such as when the records to be inspected contain sensitive or confidential information or are covered by a confidentiality or non-disclosure obligation which will be breached by the Company if such records were made available for inspection;
- c. Right to information which is required to be disclosed by the Company pursuant to the Corporation Code or Securities Regulation Code;
- d. The Board shall give the stockholders, including the minority and foreign stockholders, the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.

- e. Right to dividends subject to the provisions of the Corporation Code, as well as the Articles of Incorporation, By-Laws and all resolutions adopted by the Board; and
 - f. Appraisal right in the instances provided for under Section 42 (investment of corporate funds in another Company or business unless the investment is reasonably necessary to accomplish the primary purpose of the Company) and Section 81 (amendment of articles of incorporation which has the effect of changing or restricting rights of stockholders or class of shares, or authorizing preferences superior to those of outstanding shares of any class, or shortening or extending the term of corporate existence; sale, lease, exchange, mortgage, pledge or disposition of all or substantially all of the corporate property and assets; and merger or consolidation) and in the manner provided under Section 82 of the Corporation Code.
- 15.2 The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the Company. The stockholders are to 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 stockholder's favor.
- 15.3 It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.
- 15.4 The Board shall take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information shall be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.
- 15.5 The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 15 business days before the meeting.
- 15.6 The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.
- 15.7 The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

ARTICLE 16: RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDERS' RIGHTS

The Board shall identify the Company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability. Clear policies and programs shall be established to provide a mechanism on the fair treatment

and protection of stakeholders. In pursuit of this, the Board shall adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

ARTICLE 17: EMPLOYEES' PARTICIPATION

- 17.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.
- 17.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, The Board shall disseminate the policy and program to employees across the organization through trainings to embed them in the company's culture.
- 17.3 The Board shall establish 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 be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

ARTICLE 18: SUSTAINABILITY

- 18.1 The Company recognizes and place an importance on the interdependence between business and society, and shall promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates.
- 18.2 The Company shall employ value chain processes that take into consideration economic, environmental, social and governance issues and concerns. In considering sustainability concerns, the company plays an indispensable role alongside the government and civil society in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.
- 18.3 The Board shall establish 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 be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

ARTICLE 19: TRANSPARENCY

The essence of corporate governance is transparency. All material information about the Company which could adversely affect its viability or the interests of the stockholders and other stakeholders shall be publicly and timely disclosed. Such information shall include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management.

The Board commits at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.