



NEW MANUAL ON  
CORPORATE GOVERNANCE

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*Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all Stakeholders.*

#### DISCLOSURE AND TRANSPARENCY

*Principle 8: The Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.*

*Principle 9: The Company shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.*

*Principle 10: The Company shall ensure that material and reportable non-financial and sustainability issues are disclosed.*

*Principle 11: The Company shall maintain a*



14. **Internal Control** refers to a process designed and effected by the Board, 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.
15. **Internal Control System** means the framework under which Internal Controls are developed and implemented to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.
16. **Management** refers to the group of executives given authority by the Board to implement the policies it has laid down in the conduct of the business of the Company.
17. **Manual** refers to this New Manual on Corporate Governance.
18. **Non-Audit Work** means the other services offered by an external auditor to a corporation that are not directly related and relevant to its 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.
19. **Non-Executive Director** refers to a Director who has no executive responsibility relating to the day-to-day operations, of a part or the whole, of the Company.
20. **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.
21. **Related Party Transactions or RPTs** means a transfer of resources, services or obligations between a reporting entity and a Related Party, regardless of whether a price is charged. It





topics on Corporate Governance, conducted by a private or government institution

- x. Perform such other duties and responsibilities as may be provided by the SEC.
  - f. Compliance Officer
- The Board shall

- a. Implement a process for the selection of competent Directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

The Board, through its GNCC, will have a formal and transparent Board nomination and succession policy for the selection, appointment, remuneration, or replacement of a Director;

- b. Review and approve the Company's strategy and business plan, and monitor their implementation, to sustain the long term viability and strength;
- c. Identify and engage with Stakeholders and formulate a clear policy on accurate, timely, and effective communication with them through an effective investor relations program. Ensure an effective and constructive communication between Management and external Stakeholders (including shareholders and media, when appropriate or relevant), particularly on the business direction and work progress and any Stakeholder concern, consistent with good governance practices and avoiding any possible damage to the image and/or financial value of the business. If feasible, oversight responsibility over this policy will be exercised by the CEO or the Chief Financial Officer ( CFO ) of the Company;
- d. Appoint competent, professional, honest and highly-motivated Management officers, and take a direct interest in leadership succession, including the appointment of the CEO in particular, and other key senior Management positions in general, and ensure that appropriate processes are effectively adopted to avoid a leadership gap;
- e. Provide sound strategic policies and guidelines to the Company on major capital expenditures, periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management's overall performance;
- f. Establish programs that can sustain

review of the Company's Internal Control System in order to maintain its adequacy and effectiveness;

- l. Identify key risk areas and 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;
- m. Formulate and implement policies and procedures that would ensure the integrity and transparency of RPTs between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, shareholders, officers and Directors, including their spouses, children, dependent siblings and parents, and of interlocking director relati



- c. The ACC;  
The composition, rol

director, officer, employee of the C  
related companies;

iii. Has not been appointed in the









ACC                      lity of  
and effectiveness on an annual basis.

- c.     The Company shall disclose the nature of Non-Audit Work or services performed by its external auditor in the                      eport (SEC Form 17-A) to deal with the potential conflict of interest. The ACC shall be alert for any potential conflict of interest situations, given the guidelines or policies on Non-Audit Work or services, which could be viewed as impairing the external auditor's objectivity.

10.    INCREASING    FOCUS    ON    NON-FINANCIAL    AND    SUSTAINABILITY  
REPORTING

*The Company shall*

- iii. Perform consulting and advisory services related to governance and control as











*Stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.*

The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society and community where it operates.

#### XI. COMMITMENT TO GOOD CORPORATE GOVERNANCE

The Company shall strictly implement its Corporate Governance rules in accordance with this Manual, which will be used as reference by all the Directors and members of Management. If necessary, funds shall be allocated by the CFO for the purpose of conducting an orientation program or workshop to operationalize this Manual.

A Director shall, before assuming as such, be required to attend a seminar on Corporate Governance, which shall be conducted, by a duly recognized private or government institute.

This Manual shall be available for inspection by any shareholder of the Company

The commission of a third violation of this M



3. *Access to Information and Employees.* The ExCom is empowered to inquire, should it deem necessary or appropriate, into any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.
4. *Meetings and Quorum.* The ExCom shall meet as often as may be deemed necessary by the Chairman, at such dates, times, and places, as it shall consider appropriate to fulfill its duties and responsibilities. Its meetings shall be convened by the Chairman, or upon the request of a majority of its members. All members are expected to attend meetings in person, but in special circumstances a maximum of two (2) members are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member or advisor participate in the meeting through teleconference or video conference, all persons personally participating in the meeting should be able to hear him and each other.

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

The quorum for any meeting of the ExCom shall be at least a majority of the members present throughout the meeting. When a quorum exists, the vote of majority of the members present shall constitute an action or a decision of the ExCom.

5. *Minutes and Records.* The Corporate Secretary shall prepare the minutes of the ExCom meetings and keep its records. Such records shall be open for inspection by any member of the ExCom upon reasonable prior notice and during office hours. Minutes of any meeting shall be signed by the Chairman and members present during the meeting.
- 6.

## FINANCE COMMITTEE CHARTER

### Rationale

recommendation of the Finance  
activities.

### Committee Composition

The FC shall have three (3) or more members, with at least one (1) independent director and/or a member with the relevant background and experience in accounting, banking, and/or finance. In the same manner, the Chairman of the FC shall preferably be an independent director who is knowledgeable in the foregoing fields.

The Board shall appoint the Chairman of the FC.

### Roles and Responsibilities

Board approval, the FC shall have the final review of all share capital transactions focusing on sensitive areas such as conflict of interest, insider trading, and other irregularities.

4. -Term Investments;

The FC shall monitor man corporate funds and other liquid resources. Its functions shall cover the review of of cash and bank balances, investment portfolios, and intercompany loan transactions. The FC shall also ensure that all long-term investments are decided upon based on established investment guidelines and limits.

5. Debt and Equity Financing;

a financing mix with optimum benefits will always be a serious challenge to the Board and management. Equity financing may be less costly but would redound to diminution of equity interest. Conversely, debt financing results in additional costs (interest), and a high debt-equity ratio could send a wrong signal that the Company is in a highly leveraged situation that could lead to bankruptcy. On a regular basis, the FC must monitor how management determines the right debt-equity mix for the Company that would result in high market valuation of its shares.

6. Foreign Exchange Transactions;

The FC shall ascertain that there are Board approved plans and strategies to manage the foreign currency exchange transactions and other exposure to economic risks of the Company and its business units.

7. Capital Budgeting, Allocation and Forecasting, and;

recommendat  
Executive Officer.

8. Other Functions as may be Delegated or Authorized by the Board.

The FC may be given further oversight responsibilities by the Board relating to financial matters.

-term, mid-term, and long-term strategic financial plans for Board consideration, and providing strategic oversight monitoring and guidance over their implementation.

*(Note: The oversight responsibility of the FC shall not include the areas of financial and tax reporting as well as related party transactions, which are the responsibility of the Audit and Compliance Committee.)*

### B. Asset Management

Asset management refers to a proactive, systematic and holistic approach to safeguard the assets and other resources of a company and deriving maximum economic value from their use. The FC must ensure that each business unit has an established asset management plan that is aligned with the review and possible revisions.

### C. Construction Bidding

bidding could spell the difference between sustainability and eventual bankruptcy, in the long run. In most cases, one of the most important considerations in the bidding process is the lowest bid price. As such, on behalf of the Board, the FC shall perform the following oversight roles:

1. ensure that the bidding sub-committee is composed of highly skilled members with diversified backgrounds and experiences;
2. monitor the reasonableness of the bases and assumptions used in the project financial model; and
3. ensure that the risks and benefits associated with each planned bidding project are carefully analyzed and evaluated using pre-determined or Board-approved criteria.

Committee Policies and Procedures

1. *Appointment and Removal.* The members of the FC shall be appointed by the Board, who shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the FC may be removed, with or without cause, by the action of the Board.
2. *Engagement of Outside Advisors.* In carrying out its duties or responsibilities, the FC may directly engage outside advisors, such as, but not limited to, legal and accounting. The Company shall provide the necessary funding therefor, as recommended by the FC.

### Approval and Effectivity

This Charter was approved by the Board on 14 May 2018 and shall take effect immediately upon such approval.



AUDIT AND COMPLIANCE COMMITTEE CHARTER



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

To ensure total coverage and effective oversight, the ACC shall be guided by the following provisions of the New Manual: (1) Section VI (2) (m) and (bb), and; (2) Section VII (8) (e).

#### Committee Policies and Procedures

1. *Appointment and Removal.* The members of the ACC shall be appointed by the Board, who shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the ACC may be removed, with or without cause, by the action of the Board.
2. *Engagement of Outside Advisors.* In carrying out its duties or responsibilities, the ACC may directly engage outside advisors, such as, but not limited to, legal and accounting. The Company shall provide the necessary funding therefor, as recommended by the ACC. The advisors may be required by the ACC to submit written opinions or to attend any part of its meetings. Any member of the ACC may, however, ask for the exclusion of any advisor from its meetings.
3. *Access to Information and Employees.* The ACC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.
4. *Meetings and Quorum.*



GOVERNANCE, NOMINATIONS AND  
COMPENSATION COMMITTEE CHARTER

Rationale

recommendation of the Governance, Nominations and Compensation Commit  
govern its oversight functions and activities.

Committee Composition











5. The CRO guides management, through the RMEC, on the development, implementation, maintenance, and continuous improvement of a comprehensive ERM program.

The BROC shall be further guided by Section VIII (12) of the New Manual in its duties and responsibilities.

### B. Security Management System

The BROC is fully cognizant of the need to manage the security risks faced by the Company and its the Company shall appoint an Assistant Vice President for Security who shall focus solely on addressing security issues and concerns.

1. Security Risk Management oversee the development, maintenance, and continuous improvement of the policies, procedures, and systems intended to manage security risks.
2. Security Organization budgetary priorities.
3. Security Technologies oversee the establishment and development technologies, applications, and systems.
4. Incident Response incident response capabilities against security risks.
5. Crisis, Disaster Recovery and Business Continuity recovery and business continuity capabilities against security risks.
6. Security Audits compliance on security policies, procedures, and systems.

### Committee Policies and Procedures

1. *Appointment and Removal.* The members of the BROC shall be appointed by the Board, who shall serve at the pleasure of the Board, and under such terms as the Board may determine. They may be removed, with or without cause, by the action of the Board.
2. *Engagement of Outside Advisors.* In carrying out its duties or responsibilities, the BROC may directly engage outside advisors, such as, but not limited to, legal and accounting. The Company shall provide the necessary funding therefor, as recommended by the BROC. The advisors may be required by the BROC to submit written opinions or to attend any part of its meetings. Any member of the BROC may, however, ask for the exclusion of any advisor from its meetings.
3. *Access to Information and Employees.* The BROC is empowered to inquire, should it deem necessary or appropriate, into any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.
4. *Meetings and Quorum.* The BROC shall meet every other month and at such dates, times, and places, as it shall consider appropriate to fulfill its duties and responsibilities. Its meetings shall be convened by the Chairman, or upon the request of a majority of its members. All members are expected to attend meetings in person, but in special circumstances a maximum of two (2) members may be allowed to be present by means of video conference, teleconference, or other electronic means. Should any member or advisor participate in the meeting through teleconference or video conference, all persons personally participating in the meeting should be able to hear and participate in that

