

Manual on Corporate Governance (2026 Edition)

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MANUAL ON CORPORATE GOVERNANCE
(2026 Edition)

1. POLICY STATEMENT

The Board of Directors and Management, officers and employees, of **DigiPlus Interactive Corp.** (the "Company", "Corporation", or "DigiPlus"), hereby commit themselves to the principles and best practices contained in this 2026 Manual on Corporate Governance (the "MCG" or the "Manual"), and acknowledge that the same may guide the attainment of the Company's corporate goals.

2. DEFINITION OF TERMS

a. Corporate Governance. The system of stewardship and control to guide the organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Corporate Governance is a system of direction, feedback, and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior - reconciling long-term customer satisfaction with 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.

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

c. 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.

d. Independent Director. 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 director.

e. Executive Director. A director who has executive responsibility of the day-to-day operations of a part or the whole of the Company.

f. Non-executive Director ("NED"). A director who has no executive responsibility and does not perform any work related to the operations of the Company.

g. 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.

h. Internal control. A process designed and effected by the Board, 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.

i. ***Enterprise Risk Management ("ERM")***. A process, effected by the Board, management and other personnel, applied in strategy setting and across the Company that is 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 entity objectives.

j. ***Related Party***. This shall cover the Company's subsidiaries, as well as its 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, its 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.

k. ***Related Party Transactions ("RPT")***. This refers to the transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should 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.

l. ***Stakeholders***. This refers to 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.

m. ***Securities and Exchange Commission ("SEC").*** This refers to the government agency of the Philippines tasked to enforce the Revised Corporation Code ("RCC"), Securities Regulation Code ("SRC"), Presidential Decree No. 902-A, as amended, and other existing laws.

3. THE BOARD OF DIRECTORS

3.1. Establishing a Competent Board

The Company shall be headed by a competent, working, and qualified Board. 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 objective and the long-term best interests of its shareholders and other stakeholders.

3.1.1. Composition

The Board shall be composed of nine (9) directors who shall be elected by the stockholders entitled to vote at the Company's annual meeting. The Board shall be composed of directors with collective working knowledge experience or expertise that is relevant to the Company's industry or sector. The Board shall always ensure that it has 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.

The Board should be composed of a majority of NEDs, which include independent 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.

3.1.2. Diversity

A diverse Board better understands its customer base and the environment that the business operates in. This promotes different perspectives and ideas and mitigates groupthink to achieve optimal decision-making. Board diversity refers to distinctions in age, ethnicity, culture, skills, competence, knowledge, gender, among other things. Nominees shall be selected based on their merits.

The Company shall commit to the following principles:

a. Recognizes 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, in the context of the skills, experience, independence and knowledge, and candidates will be considered against objective criteria, which the Board as a whole requires to be effective.

3.1.3. Term

The Board shall hold office for one (1) year and/or until their successors are elected and qualified in accordance with the Company's By-Laws.

3.1.4. Training

The Company shall provide a comprehensive orientation program for first-time directors on its business and corporate structure, vision and mission, corporate strategy, Governance Codes and Policies, Environmental, Social, and Governance (ESG)/sustainability philosophy, program, and initiatives, Articles of Incorporation, By-Laws, this Manual, the Charters, the SEC-mandated topics on governance matters, and other matters essential for the effective performance of their duties and responsibilities.

All directors shall also annually attend a minimum of 4-hours continuing training for existing directors, including an understanding of the contributions that the director is expected to make, an explanation of the Board and its committees, and other updates on the Company's business.

Directors are encouraged to assess their own training and development needs for the continuing training program.

3.1.5. Corporate Secretary

The Board shall be assisted by a Corporate Secretary who shall be an officer of the Company and a separate individual from the Compliance Officer. The Corporate Secretary must be a Filipino citizen and a resident of the Philippines. The Corporate Secretary must possess administrative and interpersonal skills, and if not the general counsel, must have some legal skills. The Corporate Secretary must have some financial and accounting skills, and working knowledge of the operations of the Company.

The Corporate Secretary should not be a member of the Board and should annually attend a training on corporate governance.

The Corporate Secretary is primarily responsible to the Company and its shareholders, and not to the Chairman or President of the Company.

The Corporate Secretary shall have the following duties and responsibilities:

a. Assists the Board and its committees in the conduct of their meetings, including preparing an annual schedule of the Board and committee meetings, the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;

b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;

c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as it may arise;

d. Works fairly and objectively with the Board, management, and stockholders 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 Board, in accordance with the Company's By-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the Board 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 accident, prevent him/her from doing so;

h. Performs required administrative functions;

i. Oversees the drafting of the By-laws and ensure that they conform with regulatory requirements; and

j. Performs such other duties and responsibilities as may be provided by the SEC, and as the Board may impose.

3.1.6. Compliance Officer

The Board shall ensure that it is assisted in its duties by a Compliance Officer, who shall have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company. The Compliance Officer is primarily liable to the Company and its shareholders, and not to the Chairman or President of the Company.

The Compliance Officer shall not be a member of the Board and should annually attend a training on corporate governance.

The Compliance Officer is a member of the Company's management team and in charge of the compliance function.

The Compliance Officer has, among others, the following duties and responsibilities:

a. Ensures the proper onboarding of first-time 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, this Manual, rules and regulations and all governance issuances of regulatory agencies;

c. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;

d. Ensures the integrity and accuracy of all documentary submissions to the regulators;

e. Appears before the SEC when summoned in relation to compliance with this Manual;

f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;

g. Identifies possible areas of compliance issues and works towards the resolution of the same;

h. Ensures the attendance of Board and key officers to relevant trainings; and

i. Performs such other duties and responsibilities as may be provided by the SEC.

3.2. Roles and Responsibilities of the Board

The Board shall perform its fiduciary roles, responsibilities, and accountabilities as provided under the law, the Company's Articles of Incorporation and By-laws, and other

legal pronouncements. The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs.

The Board shall have, among others, the following duties and responsibilities:

a. The Board members shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all of its shareholders.

   In performing this duty, the Board shall observe the following two (2) key elements of their fiduciary duties:

   i. *Duty of care* - The duty of care requires the Board to act on a fully informed basis, in good faith, with due diligence and care; and
   ii. *Duty of loyalty* - The Board should act in the interest of the Company and all of its shareholders, and not those of the controlling company of the group or any other stakeholder.

b. The Board shall oversee the development of and approve the Company's business objectives and strategy, and monitor its implementation, in order to sustain the Company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans, set performance objectives, monitor implementation and corporate performance, and oversee major capital expenditures, acquisitions and divestitures.

c. The Board shall be responsible for ensuring and adopting an effective succession planning program for directors, key officers, and management to ensure growth and a continued increase in the shareholders' value. This should 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. The Board shall align the remuneration of key officers and Board members with the long-term interests of the Company. It should formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no Board members can participate in the discussions or deliberations involving his own remuneration.

e. The Board shall establish a formal and transparent Board nomination and election policy that should include how it accepts nominations from minority shareholders and reviews nominated candidates. The policy should 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 process of identifying the quality of directors should be aligned with the strategic direction of the Company. The policy should encourage shareholders' participation by including procedures on how the Board accepts nominations from minority shareholders. The policy should also promote transparency of the Board's nomination and election process.

   The nomination and election process shall include the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly, in the case of NEDs, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3)

have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between Board members;

f. The Board shall have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs), and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.

   The policy should include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy should encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations. The policy shall contain the following minimum provisions:

   - Definition of related parties;
   - Coverage of RPT policy;
   - Guidelines in ensuring arm's-length terms;
   - Identification and prevention or management of potential or actual conflicts of interest which arise;
   - Adoption of materiality thresholds;
   - Internal limits for individual and aggregate exposure;
   - Whistle-blowing mechanisms, and
   - Restitution of losses and other remedies for abusive RPTs.

g. The Board shall establish Board Committees deemed necessary in running the affairs of the Company, which will have their respective Charters providing for their purposes, structures, operations, reporting processes and performance standards;

h. The Board shall formulate a clear communication and disclosure policy and strategy to accurately, promptly, regularly and effectively communicate with the SEC, the Philippine Stock Exchange (PSE) and the Company's stockholders and other stakeholders and oversee the proper and effective implementation thereof;

i. The Board shall be primarily responsible for approving the selection and assessing the Company's officers including but not limited to the Chief Executive Officer (CEO), President, Chief Operating Officer (COO), and other senior officers including the Chief Finance Officer (CFO), Chief Risk Officer (CRO), Corporate Secretary, Compliance Officer, Chief Audit Executive (CAE) and such other officers as may be needed in keeping up with the business of the Company.

   It is the responsibility of the Board to appoint a competent management team at all times, monitor, and assess the performance of the management team based on established performance standards that are consistent with the Company's strategic objectives, and conduct a regular review of the Company's policies with the management team. In the selection process, fit and proper standards are to be applied on key personnel and due consideration is given to integrity, technical expertise and experience in the institution's business, either current or planned.

j. The Board shall establish an effective performance management framework to align Management's performance with the standards and criteria set by the Board and Senior Management.

The performance evaluation should be linked to other human resource activities such as training and development, remuneration, and succession planning. These should likewise form part of the assessment of the continuing fitness and propriety of management, including the CEO, and personnel in carrying out their respective duties and responsibilities;

k. The Board shall have the overall oversight and responsibility 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 Company's Internal Audit Charter;

l. The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

   The Board is responsible for defining the Company's level of risk tolerance and providing oversight over its risk management policies and procedures;

m. 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 should serve as a guide to the directors in the performance of their functions and should be publicly available and posted on the corporate website;

n. The Board shall disclose to the Company within three (3) business days any transactions related to their own DigiPlus shares for proper filing of reportorial requirements with the SEC and PSE;

o. The Board shall have an oversight function in the implementation and monitoring of the Company's policies and strategies relating to sustainability and ensure company support and alignment with industry economic, environmental, social and governance (EESG) best practices.

3.3. Chairman of the Board

The Board shall be headed by a competent and qualified Chairman. The roles and responsibilities of the Chairman include, among others, the following:

a. Makes certain 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. Ensures that the meetings of the Board are held in accordance with the Company's By-Laws;

c. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;

d. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Board members;

e. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

f. Assures the conduct of proper orientation for first-time directors and continuing training opportunities for all directors;

g. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on; and

h. Maintains qualitative and timely lines of communication and information between the Board and Management.

3.4. Qualification and Disqualification of the Board

3.4.1. Qualification of a Board member

The Board member must possess the following qualifications:

1. Ownership of at least one (1) share of the capital stock of the Company at the time of his election and during his incumbency as director;

2. A college degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or sufficient experience and competence in managing a business;

3. Relevant qualification, such as previous business experience, membership in good standing in relevant industry, and membership in business or professional organizations;

4. Integrity, probity and diligence, and assiduousness in the performance of his functions.

3.4.2. Permanent disqualifications of Board member

The following shall be 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: (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;

b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, *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 subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

   The disqualification should also apply if (a) such person is the subject of an order of the SEC, BSP, or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the Commission or BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) 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;

c. 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;

d. Any person who has been adjudged by final judgment or order of the SEC, 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 Revised Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the SEC or BSP;

e. Any person judicially declared as insolvent;

f. 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 previously;

g. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised Corporation Code committed within five (5) years prior to the date of his election or appointment; and

h. Other grounds as the SEC may provide.

3.4.3. Temporary disqualifications of Board member

The following shall be grounds for temporary disqualification of a director:

1. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family, or serious accident. In such case, the concerned director shall not be eligible for re-election in the succeeding election;

2. Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification should be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;

3. 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 from being elected as an independent director is lifted if the limit is later complied with; and

4. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

3.5. Reinforcing Board Independence

The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs.

3.5.1. Directors with Material Interest

A director with a material interest in any transaction affecting the Company should abstain from taking part in the deliberations for the same.

3.5.2. Independent Directors

The Board shall have at least three (3) independent directors, or such number as to constitute at least one-third (1/3) of the members of the Board, whichever is higher.

3.5.3. Qualifications of Independent Director

An independent director of the Company must possess all the qualifications and none of the disqualifications of an independent director. He must be independent of management, substantial shareholdings and material relations, whether it be business or otherwise, which could reasonably be perceived to impede the performance of independent judgment.

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 covered 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", "ExOfficio" 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 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 covered 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.

An Independent Director shall submit to the Corporate Secretary a letter of confirmation stating that he holds no interests affiliated with the Company, management or controlling shareholder at the time of his election or appointment and/or re-election as a director.

3.5.4. Term of Independent Directors

The Board's independent directors shall serve for a maximum cumulative term of nine (9) years pursuant to SEC Memorandum Circular No. 7, Series of 2026. After which, the independent director should 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 case the independent director is elected as non-independent director/officer of the Company within the 9-year term limit, he/she can be elected again as an independent director only after observing a cooling period of two (2) years from the date he ceases being a non-independent director/officer, provided that the cumulative term has not yet reached the 9-year term maximum limit.

Any fraction of a year exceeding six (6) months shall be considered one (1) full year, regardless of the manner or reason by which the position of independent director was relinquished or vacated.

3.5.5. Lead Independent Director

The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs.

The Board shall designate a Lead Independent Director among the independent directors if the Chairman of the Board is not an independent director, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

The functions of the Lead Independent Director include, among others, the following:

a. Serves as an intermediary between the Chairman and the other directors, if and when necessary;
b. Convenes and chairs the meetings of the non-executive directors; and
c. Contributes to the performance evaluation of the Chairman of the Board, as required.

3.5.6. Non-Executive Directors (NEDs)

The non-executive directors (NEDs) shall have separate periodic meetings 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. The meetings shall be chaired by the Lead Independent Director.

3.6. Fostering Board Commitment

The directors shall devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the Company's business.

3.6.1. Attendance in meetings

The directors shall attend and actively participate in all meetings of the Board, Committees, and shareholders in person, videoconferencing, or other modes of communication conducted in accordance with the SEC rules, the Company's Articles of Incorporation and By-Laws, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The absence of a director in more than fifty percent (50%) of all regular and special meetings of the Board during his/her incumbency is a ground for temporary disqualification in the succeeding election, unless the absence is due to illness, death in the immediate family, serious accident, or other unforeseen or fortuitous events.

3.6.2. Multiple directorships with other companies

A director shall exercise due discretion in accepting and holding directorships outside of the Company. The director shall notify the Board before accepting a directorship in another company.

The non-executive and independent directors of the Board may hold a maximum of five (5) board seats in publicly-listed companies simultaneously. This ensures that directors will have sufficient time to fully prepare for meetings, challenge management's proposals/views, and oversee the long-term strategy of the Company.

3.7. Assessing Board Performance

The Board shall regularly carry out evaluations to appraise its performance and effectiveness as a body, and assess whether it possesses the right mix of backgrounds and competencies.

3.7.1. Board Evaluation

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and its committees. Responses to the questionnaires are confidential and provided to the Compliance Officer, who shall report the aggregated results to the Board during the meeting immediately following the end of the assessment process.

Every three (3) years, the assessment should be supported by an external facilitator.

3.7.2. Board Criteria

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, committees and such system should allow for a feedback mechanism from the shareholders.

The Corporate Governance Committee oversees the evaluation process.

3.8. Strengthening Board Ethics

The directors of the Company are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

3.8.1. Code of Business Conduct and Ethics

The Board shall adopt a Code of Business Conduct and Ethics which shall set the standards for professional and ethical behavior as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. This Code shall be properly disseminated to the Board, senior management, and employees of the Company. It shall also be disclosed and made available to the public through the corporate website.

3.8.2. Implementation of the Code of Business Conduct and Ethics

The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.

The Company's Code of Business Conduct and Ethics can be made effective and inculcated through a communication and awareness campaign, continuous training to reinforce the code, strict monitoring and implementation and setting in place proper avenues where issues may be raised and addressed without fear of retribution. This includes efficient communication channels which will aid and encourage employees, customers, suppliers, and creditors to raise concerns on potential unethical and unlawful behavior without fear of retribution.

4. THE BOARD COMMITTEES

The Board shall set up its committees that support and ensure its effective performance. The Board shall adopt committees, namely (1) Executive Committee, (2) Audit Committee, (3) Board Risk Oversight Committee, (4) Related Party Transactions Committee, (5) Corporate Governance Committee, (6) Compensation Committee, and (7) Nomination Committee. The Committee members shall be appointed by the Board annually at its organizational meeting.

All established committees shall be required to have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters shall provide the standards for evaluating the performance of the Committees. The Committee Charters shall be publicly available and posted on the corporate website.

The Board may create other and/or special committees of temporary or permanent nature and determine the members' term, composition, compensation, powers, and responsibilities.

All established committees shall have its own Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters shall be disclosed in the corporate website.

4.1. Audit Committee

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

4.1.1. Composition

The Committee shall be composed of at least three (3) appropriately qualified non-executive members of the Board. Audit Committee members, preferably, shall have accounting and finance backgrounds. A majority of the members should be independent directors, including the Chairman. However, the Chairman of the Audit Committee should never, at the same time, act as the Chairman of the Board or of any other committees.

All the Audit Committee members shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and/or finance. Further, each member must have at least an adequate understanding of the Company's financial management systems and environment.

4.1.2. Duties and Responsibilities

The Audit Committee shall oversee Senior Management in the establishment and continuous maintenance of an adequate, effective and efficient internal control system, in accordance with internationally recognized frameworks. It ensures that systems and processes are designed to provide reasonable assurance on the reliability and integrity of financial and operational reporting, compliance with legal and regulatory requirements, and internal policies, the efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee has the following duties and responsibilities, among others:

a. Assist the Board in the performance of its oversight responsibility for the financial and non-financial/sustainability/ESG reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations.

b. Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management.

c. Perform oversight functions over the Company's internal and external auditors. It should ensure the independence of both internal and external auditors from each other. Furthermore, the Audit Committee shall make certain that both

auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions.

d. Recommend the approval of the Internal Audit Charter (IA Charter) and review the annual internal audit plan to ensure its conformity with the objectives of the Company. The Internal Audit Plan will include the scope of the audit, resources and budget necessary to implement it. It should be based on a comprehensive, documented risk assessment, integrating insights from various risk management functions.

e. Prior to commencing an audit, there will be a meeting with the external auditor about the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.

f. Pre-approve all audit plans, scope and frequency one month before the conduct of external audit.

g. Elevate the accounting and auditing, process, practices and methodologies with the adoption of international standards. The Audit Committee shall ensure that all internal audit activities are fully compliant with the Global Internal Audit Standards (GIAS) as prescribed by the International Internal Audit Standards Board thru the Institute of Internal Auditors (IIA) and ensure the accounting system of the Corporation will be 100 percent compliant to Philippine Financial Reporting Standards (PFRS).

h. Develop a transparent financial management system to ensure the integrity of internal control activities throughout the Corporation through a step-by-step procedures and policies handbook that will be used by the entire organization.

i. Organize an Internal Audit Department, and consider the appointment of an independent internal auditor or Chief Audit Executive (CAE)/Head of Internal Audit (HIA) and the terms and conditions of engagement and removal, or approve the terms and conditions for outsourcing internal audit services. The Internal Audit (IA) Department, headed by the CAE/HIA, monitors and evaluates the adequacy and effectiveness of the Company's internal control system, integrity of financial and non-financial/sustainability/ESG reporting, and security of physical and information assets. A well-designed internal control procedures and processes that will provide a system of checks and balances should be in place 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 and non-financial/sustainability/ESG data, and (d) ensure compliance with applicable laws and regulations.

j. Supervise Management in the formulation of rules and procedure on financial and non-financial/sustainability/ESG reporting and internal control in accordance with the guidelines provided in this Manual.

k. Review the reports submitted by the internal and external auditors as well as review the quarterly, half-year and annual financial statements before their

submission to the Board, with particular focus on the following matters:

- Any changes in accounting policies and practices;
- Major judgement areas;
- Significant adjustments resulting from the audit;
- Going concerns assumptions;
- Compliance with accounting standards;
- Compliance with tax, legal and regulatory requirements

l. Coordinate, monitor and facilitate compliance with laws, rules and regulations.

m. Evaluate and determine the non-audit work, if any, of the external auditor and review periodically the non-audit fees paid to the total annual income of the external auditor and to the Company's overall consultancy expenses.

n. Disallow any non-audit work that will conflict with these duties as external auditor or may pose threat to this independence. Disclose in the Company's annual report and annual corporate governance report any permitted non-audit work.

o. Establish a robust process for the selection, appointment, reappointment, renewal, or replacement of the external auditor, subject to Board approval.

p. Assess, monitor, and ensure the independence, objectivity, and integrity of the external auditors.

q. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfil his duties and responsibilities. The Internal Auditor shall report directly to the Audit Committee.

r. Ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference of outside parties.

s. Ensure that the internal audit function upholds a comprehensive quality assurance and improvement program covering all aspects of IA activities, inclusive of its evaluation for compliance with IIA Standards. Additionally, an external assessment of IA activities shall be required at least once every five (5) years.

t. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations and reviews the disposition of the recommendations of the External Auditor's management letter.

u. The Audit Committee shall have a robust process of approving, recommending approval, appointment, reappointment and renewal of external auditor's services as ratified by the shareholders. The Audit Committee shall also be responsible for assessing the independence and integrity of external auditors.

4.1.3. Meetings

The Audit Committee shall meet with the Board without the presence of the Chief Executive Officer or other management team members, and periodically meets with the Chief Audit Executive/Head of Internal Audit.

The Audit Committee shall meet at least once every quarter or more frequently as circumstances require. The Committee shall meet privately with the external auditors without the presence of Senior Management at least once a year. The Chairman may call a meeting at any time as needed.

4.2. Corporate Governance (CG) Committee

The Board shall establish a CG Committee which will (a) advise the Board with respect to the Board composition, procedures, and committees; (b) develop and recommend to the Chief Executive Officer and the Board a set of corporate governance guidelines applicable to the Company and to monitor such governance guidelines.

4.2.1. Composition

The Committee shall consist of at least three (3) members, all of whom must be independent directors, including the Chairman. The Board shall appoint the members of the Committee at its annual organizational meeting and each member shall serve upon his election until the next organizational meeting of the Board, unless removed or replaced by the Board.

4.2.2. Duties and Responsibilities

The CG Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

a. Oversee the implementation of the Company's corporate governance framework and policies as well as periodically review and update the same to ensure it remains appropriate and relevant in light of the Company's size, complexity and business strategy, as well as business and regulatory environment;

b. Oversee the periodic performance evaluation of the Board, the Board committees and executive management including the conduct of an annual self-evaluation of its own performance, share the evaluation results with the Board and implement concrete action plans to address identified areas for improvement;

c. Recommend and plan continuing education or training programs for the members of the Board, compliant with the required minimum hours for new and incumbent directors, and propose for the approval of the Board, the assignment of tasks and projects to the Board committees;

d. Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented;

e. Review and oversee the structure, size and composition of the Board and make

recommendations to ensure compliance with applicable laws, rules and regulations as well as the Company's By-laws and this MCG;

f. Review succession plans for members of the Board and senior executives (from group heads to the Chief Executive Officer);

g. Oversee the development and implementation of the Company's ESG or Sustainability Framework, including its annual integrated reporting process, encompassing climate-related and other material sustainability-related risks and opportunities;

h. Identify and review external developments/sustainability matters which are likely to have significant impact upon the Company's reputation and/or its ability to conduct its business appropriately as a good corporate citizen;

i. Monitor exposure, progress, and emerging risks of the Company's operations, sustainability, and climate-related initiatives, programs, and projects, and recommends changes to strategy, risk management, metrics, and targets as necessary; and

j. Perform such other duties and responsibilities that may be delegated to the Committee by the Board from time to time. The Committee shall be guided by the Corporation's mission and vision in the fulfillment of its functions.

The establishment of a Corporate Governance Committee does not preclude companies from establishing separate Remuneration or Nomination Committees, if they deem necessary.

4.2.3. Meetings

The Corporate Governance Committee shall meet at least twice a year or at such times and places as it considers appropriate. The Chairman may call a meeting at any time as needed.

4.3. Board Risk Oversight Committee (BROC)

The Board shall establish a Board Risk Oversight Committee (BROC) to assist the Board in fulfilling its oversight responsibilities over the Company's risk governance and Enterprise Risk Management framework, including Management's processes for identifying, assessing, treating, monitoring, reporting, and escalating material risks, and for managing such risks within the Company's approved risk appetite levels and risk tolerance limits.

4.3.1. Composition

The Committee shall be composed of at least three (3) directors, a majority of whom shall be independent directors. The risk oversight committee shall possess a range of expertise and adequate knowledge on risk management issues and practices.

The Chairman of the Committee shall be an independent director and shall not be the Chairman of the Board or of any other Board-level committee.

The Board shall appoint the members of the Committee at its annual organizational meeting. Each member shall serve from appointment until the next organizational meeting of the Board, unless earlier removed or replaced by the Board.

4.3.2. Duties and Responsibilities

The Committee shall assist the Board in ensuring that an effective and integrated Enterprise Risk Management ("ERM") process is in place and shall oversee the Corporation's ERM system to ensure its functionality and effectiveness.

a. Develops and periodically review a formal Enterprise Risk Management framework and Manual which shall include, among others: (a) a common risk language or register of risks; (b) well-defined risk management goals, objectives and oversight; (c) uniform processes for 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;

b. Oversee the implementation of the Enterprise Risk Management framework through the Management Risk Oversight Committee ("MROC"). The Committee shall conduct regular discussions on the Corporation's prioritized, residual and emerging risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;

c. Evaluates the ERM framework to ensure its continued relevance, comprehensiveness and effectiveness; The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss; periodically review the effectiveness of the Corporation's risk management systems and recovery plans; and ensure that appropriate corrective actions are promptly implemented to address material risk management concerns;

d. Advise the Board on its risk appetite levels and risk tolerance limits;

e. The committee shall ensure that the current and emerging risk exposures are consistent with the Corporation's strategic direction and overall risk appetite. It shall assess the overall status of adherence to the risk appetite based on the quality of compliance with the limit structure, policies, and procedures relating to risk management and control, and performance of management, among others.

f. Review at least annually the Corporation'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 Corporation;

g. Assess the probability of each identified risk, as identified by the MROC, from becoming a reality and estimates 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;

h. Provides oversight over Management's activities in identifying, assessing, managing, monitoring, and reporting the Corporation's material risk exposures, including those arising from strategic, financial, operational, regulatory, legal, technology, information security, sustainability-related, and climate-related matters, as well as other material risks that may be identified. This shall include regularly receiving information on risk exposures and risk management activities from Management;

i. Reports to the Board on a quarterly basis, or as deemed necessary, on the Corporation's material and emerging risk exposures, key risk management matters, actions taken to reduce or manage such risks, and recommend further actions or plans, as necessary. The report shall also include significant matters relating to adherence to the approved risk appetite and risk tolerance limits;

j. Oversee the Corporation's crisis management, business continuity and recovery arrangements, including Management's preparedness for significant incidents and recovery actions;

k. Review Management's implementation and communication of the Corporation's risk management policies, guidelines and procedures throughout the organization and assess whether these remain effective and consistently applied;

l. Coordinate, where appropriate, with other Board-level committees on risk matters involving overlapping mandates or responsibilities;

m. Oversee the risk management function. The committee shall be responsible for the appointment/selection, remuneration, and dismissal of the chief risk officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversees the risk-taking activities of the Corporation;

n. Perform annually a self-assessment of the Committee's performance;

o. Perform such other duties and functions or assume such responsibilities as may be delegated by the Board.

4.3.3. Meetings

The Committee shall meet at least quarterly, or more frequently as may be necessary. The Chairman of the Committee may call a meeting at any time as needed.

4.4. Related Party Transaction (RPT) Committee

The Board shall establish an RPT Committee tasked with reviewing all material related party transactions of the Company.

4.4.1. Composition

The Committee shall be composed of at least three (3) appropriately qualified non-executive directors, two (2) of whom should be independent directors, including the Chairman.

4.4.2. Duties and Responsibilities

The following are the functions of the RPT Committee, among others:

a. Evaluate and monitor existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured;

b. Review and evaluate all material related party transactions in accordance with the following:

   i. The related party's relationship to the Company and interest in the transaction;
   ii. The material facts of the proposed related party transaction, including the proposed aggregate value of such transaction;
   iii. The benefits of the Company of the proposed related party transaction;
   iv. The availability of other sources of comparable products and services; and
   v. An assessment of whether the proposed related party transaction in on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.

   The Company shall establish and implement an effective price discovery system and exercise due diligence in determining a fair price for related party transactions.

c. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process.

d. Ensure that appropriate disclosures are made and/or information is provided to regulating and supervising authorities relating to the Company's related party transaction exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should 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;

e. Report regularly to the Board, the Committee's activities, findings, decisions, deliberations and recommendations, including aggregate exposures to each related party, as well as the total amount of exposures to all related parties; and

f. Oversee the implementation of the system of identifying, monitoring, measuring, controlling and reporting related party transactions, including a periodic review of related party transaction related policies and procedures.

4.4.3. Meetings

The Committee shall meet at least once a year or at such times and places as it considers appropriate. The Chairman may call a meeting at any time as needed.

4.5. Executive Committee

The Executive Committee shall have and exercise any powers of the Board in the management of the business and affairs of the Company, subject to the limitations provided under law and those specifically reserved for the Board and/or stockholders.

4.5.1. Composition

The Executive Committee shall be composed of at least three (3) members but not more than five (5) members of the Board which shall include the President. Each member should have an adequate understanding of the Company's operations, enterprise risks, and environment.

4.5.2. Duties and Responsibilities

The following are the functions of the Executive Committee, among others:

a. The Executive Committee, when the Board is not in session, may exercise any of the powers of the Board in the management of the business and affairs of the Company, except with respect to: (i) approval of any action for which stockholders' approval is also required; (ii) the filling up of vacancies in the Board; (iii) the amendment or repeal of the Company's By-laws; (iv) the amendment or repeal of any resolution of the Board which by its express terms is not amenable or repealable; and (v) distribution cash dividends to stockholders; and (vi) such other matters as may be specifically excluded or limited by the Board.

b. The Executive Committee is also authorized to perform functions specifically delegated to it by the Board provided, however, that the Board cannot delegate to the Executive Committee any power or function which it has previously delegated to any other committee.

c. The Executive Committee shall have the following duties and responsibilities:

    i. Assist the Board in the performance of its functions of setting guidelines and policies for the daily operations of the Company;

    ii. Assist the Board in developing a clear and focused strategy on non-financial information with emphasis on ESG or sustainability, adopting best global practices and standards, as may be needed;

    iii. Review and evaluate the corporate objectives and policies developed, and the long-range projects, plans, and programs formulated, by the Chief Executive Officer prior to submission to the Board for approval; and

    iv. Supervise and have oversight functions over the Investment Team.

d. The Executive Committee shall report to the Board on all matters acted upon. However, all such acts performed within its authority shall not be required to be ratified or subsequently approved by the Board.

4.5.3. Meetings

The Executive Committee shall meet at least once a year or at such times and places as it considers appropriate. The Chairperson or a majority of the members may call a meeting at any time as needed. A majority of the members of the Executive Committee shall constitute a quorum for the conduct of its business. The majority vote of all members shall be necessary to carry an act or resolution of the Executive Committee.

4.6. Compensation Committee

The Committee shall provide the guidelines regarding determining the compensation and remuneration of the Board, key officers, and senior management of the Company.

4.6.1. Composition

The Committee shall consist of at least three (3) members of the Board, one of whom shall be an independent director. The Chairman of the Committee shall be an independent director.

4.6.2. Duties and Responsibilities

The following are the functions of the Compensation Committee, among others:

a. Assist the Board in ensuring that the compensation and remuneration of the Board, key officers, and senior management are in sufficient level to attract and retain directors, key officers and senior management and are aligned with the long-term interest of the Company;

b. Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel, ensuring that compensation is consistent with the Company's culture, strategy and control environment;

c. Designate the amount of remuneration, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;

d. To strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives, achievement of ESG or sustainability performance targets, and compliance with all statutory requirements that must be periodically met in their respective posts;

e. Prepare and submit reports recommending action for the Board's approval on matters assigned to the committee.

4.6.3. Meetings

The Committee shall meet at least once a year or at such times and places as it considers appropriate. The Chairman may call a meeting at any time as needed.

4.7. Nomination Committee

The Nomination Committee shall identify and recommend to the Board appropriate candidates who could serve as director nominees for the next annual meeting of shareholders. No nominations will take place during the annual stockholders meeting, but instead a list of qualified candidates shall be submitted to the Nomination Committee who shall vet, shortlist, and submit to the Board for consideration.

4.7.1. Composition

The Nomination Committee shall be composed of at least three (3) members of the Board, one of which shall be an independent director. The Chairman of the Nomination Committee shall be an Independent Director.

4.7.2. Duties and Responsibilities

The following are the functions of the Nomination Committee, among others:

a. Nominate and select a mix of competent directors, each of whom can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;

b. Ensure that all nominees are qualified in accordance with the By-Laws, this Manual, Board Charter and relevant laws, rules and regulation;

c. Review and evaluate the qualifications of persons nominated to positions which require appointment by the Board, and provide guidance and advice as necessary for appointments by the Chairman or President;

d. Assess the effectiveness of the Board's processes and procedures in the election or replacement of Board members and in appointing key officers or advisors, and develop update and recommend to the Board policies for considering nominees for directors, key officers or advisors;

e. Ensure the smooth nomination and election of the members of the Board in accordance with existing laws and rules applicable;

f. Encourage the active participation of shareholders in the process of nomination and selecting nominees as members of the Board; and

g. Ensure full disclosure and transparency in the process of nomination and election, and encourage the active participation of shareholders in the process of nomination and selecting nominees as members of the Board.

4.7.3. Meetings

The Committee shall meet at least twice a year or at such times and places as it considers appropriate. The Chairman may call a meeting at any time as needed.

5. DISCLOSURES AND TRANSPARENCY

The Company shall establish corporate disclosure policies and procedures that are practical and aligned with best practices and regulatory expectations.

5.1. Disclosure Policy and Procedures

The Board shall establish corporate disclosure policies and procedures to ensure that a comprehensive, accurate, reliable, timely, fair, and complete report of the Company's financial condition, results, and business operations are available to shareholders and other stakeholders.

The policy shall comply with the disclosure requirement provided in Rule 68 of the Securities Regulation Code (SRC), Philippine Stock Exchange Listing and Disclosure Rules, and such other regulations prescribed by the SEC, the PSE, and other government agencies.

5.2. Policy on dealings of Company shares

The Company shall establish 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.

5.3. Material Information on Directors/Key Officers

The Board shall fully disclose all relevant and material information on each individual director and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

There shall be proper disclosure about the directors and key officers' qualifications, share ownership in the Company, membership in other company' boards, other executive positions, continuous trainings attended, and such other relevant information.

5.4. Board and Executive Remuneration

The Company shall provide for a clear disclosure of its policies and procedure setting the Board and executive remuneration, as well as the level and mix of the same. As may be applicable, the Company shall disclose the remuneration on an individual basis, including termination and retirement.

5.5. Related Party Transaction Policy

The Company shall disclose its policy on Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in its Manual on Corporate Governance or on a separate policy. The material or significant RPTs reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report.

This policy shall ensure that RPTs occur at market prices and under conditions that protect the rights of all shareholders. The disclosure shall include transactions of directors and key executives reporting to the Board when they have RPTs that could influence their judgment.

Depending on the materiality threshold, approval of management, the RPT Committee, the Board or the shareholders may be required. In cases where the shareholders' approval is required, it is good practice for interested shareholders to abstain and let the disinterested parties or majority of the minority shareholders decide.

5.6. Material Information

The Company shall make a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs, such as the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.

In case of significant acquisition or disposal of assets, the board of the offeree company shall appoint an independent party to evaluate the fairness of the transaction price. The independent valuation of the fairness of the transparent price ensures the protection of the rights of shareholders. The disclosure on the acquisition or disposal of significant assets shall include, among others, the rationale, the effect on operations, and the approval at board meetings with independent directors present to establish transparency and independence on the transaction.

5.7. Regulatory Compliance and Accessibility of Policies

This Manual shall be submitted to the regulators. The Company's corporate governance policies, programs, and procedures shall be posted in the corporate website.

6. MANAGEMENT

Management is primarily accountable to the Board for the operations and conduct of the Company. As part of its accountability, it is also obligated to provide the Board with complete, adequate information on the operations and affairs of the Company in a timely manner. It shall inform the Board regularly, promptly and comprehensively about any issues concerning the Company's strategy, compliance and risk management, including environmental, sustainability, and governance risks and opportunities.

6.1. Chief Executive Officer (CEO)

The positions of Chairman of the Board and CEO shall be held by separate individuals and each should have clearly defined responsibilities.

The CEO has the following roles and responsibilities, among others:

a. To recommend to the Board specific projects for the attainment of corporate objectives and policies;

b. To initiate and develop corporate objectives and policies, and formulate long range projects, plans and programs for the approval of the Board;

c. To perform such other duties as are incident to his office or entrusted to him by the Board.

7. STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

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

The Company shall implement the following safeguards:

a. The Audit Committee (AC) shall implement 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 should be recommended by the AC, approved by the Board, and ratified by the shareholders. In case of removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the corporate website and required disclosures.

b. The AC shall ensure that lead audit partner of its external auditor is rotated every five (5) years.

c. The AC Charter shall include the AC's responsibility to assess the integrity and independence of external auditors. The AC shall exercise effective oversight to review and monitor the external auditor's independence, objectivity, and effectiveness of its audit process, taking into consideration the relevant Philippine professional and regulatory requirements. The AC Charter should also contain the AC's responsibility on reviewing and monitoring the external auditor's integrity, suitability, and effectiveness on an annual basis. The AC shall oversee the overall relationship with the external auditor.

d. The Company shall disclose the nature of all non-audit services performed by its external auditor in the Annual Report to address potential conflict of interest. The AC shall, at all times, be alert for any situation that could give rise to conflict of interest which could be viewed as impairing the external auditor's objectivity and independence.

e. The AC shall evaluate and determines the nature of non-audit services, if any, of the external auditor. Further, the AC shall periodically review the proportion of non-audit fees paid to the external auditor in relation to the Company's overall consultancy expenses.

8. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

The Company shall ensure the timely, accurate, and decision-useful disclosure of material non-financial and sustainability-related information in accordance with applicable regulations and globally recognized standards, including the Philippine Financial Reporting Standards (PFRS) on Sustainability Disclosures. The Board, through the Corporate Governance Committee, shall oversee the adoption and implementation of an integrated sustainability reporting process aligned with the SEC's Sustainability Reporting Guidelines, enabling stakeholders to assess the financial impacts of sustainability-related risks and opportunities on the Company's strategy, performance, and long-term prospects, while ensuring the interconnectivity of financial and sustainability disclosures.

The Company shall prepare and disclose an Annual Integrated Report, developed through collaboration with relevant business units and control functions responsible for the timely provision and validation of sustainability-related data. The report shall be reviewed and approved by the Board and supported by appropriate governance structures, internal controls, and data management systems to ensure reliable, high-integrity disclosures and readiness for external assurance.

The Company may supplement its disclosures with other internationally recognized frameworks, provided these are consistent with locally adopted sustainability reporting standards and do not obscure material information.

9. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

The Company shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information about the Company. This channel is crucial for informed decision-making by investors, stakeholders, and other interested users.

9.1. Media and analysts' briefings

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.

10. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

10.1. Strengthening the Internal Control System and Enterprise Risk Management Framework

To ensure the integrity, transparency and proper governance in the conduct of its affairs, the Company shall establish a strong and effective internal control system and enterprise risk management framework.

The Company should 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, and complexity of operations.

10.1.1. Internal Audit Function

The Company should have in place 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. The following are the functions of the internal audit, among others:

a. Provides an independent risk-based assurance service to the Board, Audit Committee, and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;

b. Performs regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;

c. Performs consulting and advisory services related to governance and control as appropriate for the Company;

d. Performs compliance audit of relevant laws, rules and regulations, including sustainability-related regulatory developments, as well as contractual obligations and other commitments, which could have a significant impact on the Company;

e. Reviews, audits, and assesses the efficiency and effectiveness of the internal control system of all areas of the Company;

f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

g. Evaluates specific operations at the request of the Board or Management, as appropriate; and

h. Monitors and evaluates governance processes.

The Company's internal audit activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third-party service providers, as the case may be.

10.1.2. Chief Audit Executive

Subject to its size, risk profile, and complexity of operations, the Company shall have a qualified Chief Audit Executive (CAE) appointed by the Board.

The CAE shall oversee and be responsible for the internal audit activity of the Company, 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 should be assigned the responsibility for managing the fully outsourced internal audit activity.

In order to achieve the necessary independence to fulfill his/her responsibilities, the CAE shall directly report to the Audit Committee and administratively to the CEO. The following are the responsibilities of the CAE, among others:

a. Periodically reviews the internal audit charter and presents it to senior management and the Audit Committee for approval;

b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the Company's goals;

c. Communicates the internal audit activity's 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. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;

e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and

f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes.

10.1.3. Enterprise Risk Management

Subject to its size, risk profile, regulatory environment, and complexity of operations, the Company shall maintain a separate Enterprise Risk Management function to identify, assess, monitor, report, and support the treatment and escalation of material risk exposures.

The Enterprise Risk Management function shall perform the following activities, among others:

a. Defining a risk management strategy

b. Overseeing the risk-taking activities across the Company, as well as in evaluating whether these remain consistent with the Company's risk-appetite and strategic direction;

c. Identifying, measuring, monitoring, reporting, and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors, on an enterprise-wide basis as part of the second line of defense, and the achievement of the organization's strategic objectives;

d. Evaluating and categorizing each identified risk using the Company's predefined risk categories and parameters;

e. Establishing a risk register with clearly defined, prioritized and residual risks;

f. Developing a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy;

g. Communicating and reporting risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to Senior Management, the MROC, the BROC, and the Board, as applicable; and

h. Monitoring and evaluating the effectiveness of the Company's Enterprise Risk Management framework and processes, as necessary, and ensuring that

the Enterprise Risk Management Framework remain appropriate relative to the complexity of risk-taking activities of the Company;

10.1.4. Chief Risk Officer

In managing its Enterprise Risk Management framework, the Company shall appoint or designate a Chief Risk Officer (CRO), who shall serve as the ultimate champion of Enterprise Risk Management (ERM). The CRO shall have sufficient stature, authority, seniority, resources and support to fulfill the responsibilities of the role, taking into account the Company's size, risk profile, regulatory environment, and complexity of operations. He/She shall have access to such information as he/she deems necessary to form his/her judgment. The CRO shall have direct access to the board of directors and the Risk Oversight Committee without any impediment. He/She shall serve on a full-time basis and shall functionally meet/report to the Board of Directors and the Board Risk Oversight Committee as applicable.

The CRO shall have the following functions, among others:

a. Oversees the risk management function and supports the board of directors in the development of the risk appetite;

b. Supervises the entire Enterprise Risk Management process and spearheads the development, implementation, maintenance, and continuous improvement of the Company's ERM framework, processes, and documentation;

c. Communicate the Company's top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee (BROC);

d. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;

e. Suggests and proposes enhancements to risk management policies, processes, and systems to ensure that the Company's risk management capabilities are sufficiently robust and effective to fully support strategic objectives and risk-taking activities; and

f. Provide insights on the following:

   (i) Risk management processes are performing as intended;
   (ii) Risk measures reported are continuously reviewed by risk owners for effectiveness; and
   (iii) Established risk policies and procedures are being complied with.

There should be clear communication between the Board Risk Oversight Committee and the CRO.

11. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

11.1. Promoting Shareholder Rights

The Company shall treat all its shareholders fairly and equitably, and also recognize, protect, and facilitate the exercise of their rights. The basic shareholder rights shall be disclosed in this Manual and shall be posted on the corporate website.

Shareholders' rights include to the following, among others:

a. Pre-emptive rights;
b. Right to dividends;
c. Right to propose the holding of meeting and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting;
d. Right to nominate candidates to the Board of Directors;
e. Nomination process; and
f. Voting procedures that would govern the Annual and Special Shareholders' Meeting.

11.1.1. Right to propose the holding of meeting

The minority shareholders shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, subject to reasonable guidelines issued by the Board which are consistent with applicable laws, rules and regulations of the SEC, as may be amended from time to time.

11.1.2. Pre-emptive Right

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

11.1.3. Voting Rights

Stockholders shall have the right to nominate, elect, remove and replace directors and vote on certain corporate acts in accordance with the Revised Corporation Code ("RCC").

A shareholder may submit written nominations to the Nomination Committee at least thirty (30) business days before the next annual meeting of the stockholders. Nominees will be evaluated by the Nomination Committee which shall determine whether the nominees have all the qualifications and none of the disqualifications to serve as member of the Board before submitting the nominees for election by the stockholders. The profiles of the nominees to the Board shall be provided in the Information Statement and in the Company's website for examination by the stockholders in accordance with the requirement of the SEC.

The Company shall allow voting in person, through remote communication, in *absentia*, or for the stockholder to be represented by proxy at any regular or special stockholders' meetings, subject to compliance with rules and regulations as may be issued by the SEC. Stockholders casting votes through remote communication or in *absentia*, electronically or otherwise, shall be deemed present for purposes of determining the existence of a quorum.

Cumulative voting shall be used in the election of Directors. Directors may be removed with or without cause, but Directors shall not be removed without cause if it will deny minority shareholders representation in the Board. Removal of Directors requires an affirmative vote of two-thirds (2/3) of the outstanding capital of the Company.

11.1.4. Right to Information

Upon request and for a legitimate purpose, stockholders shall be provided 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. The Information Statement where these are stated must be distributed to the shareholders before annual general meetings.

The Board shall ensure the active participation of shareholders by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the scheduled meeting.

The Company shall also make the result of the votes taken during the most recent Annual or Special Stockholders' Meeting publicly available the next working day. Additionally, the Minutes of such meeting shall be available on the Corporation's website within five (5) days from the end of the meeting.

The Minutes of Meeting shall include the following matters: (1) A description of the voting and the vote tabulation procedures used; (2) the opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received; (3) the matters discussed and the resolutions reached; (4) a record of the voting results for each agenda item; (5) a list of the directors, officers, and shareholders who attended the meeting; and (6) dissenting opinion on any agenda item that is considered significant in the discussion process.

11.1.5. Right to Dividends

Shareholders shall have the right to receive dividends subject to the discretion of the Board.

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 a special reserve for contingencies.

11.1.6. Right of Inspection

All shareholders shall be allowed to inspect corporate books and records, including but not limited to the minutes of Board meetings and stock registries, in accordance with Section 73 of the Revised Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

11.1.7. Alternative Dispute Resolution Mechanism

The Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

It is important for the shareholders to be well-informed of the company's processes and procedures when seeking to redress the violation of their rights. Putting in place proper safeguards ensures suitable remedies for the infringement of shareholders' rights and prevents excessive litigation. The company may also consider adopting in its Manual of Corporate Governance established Alternative Dispute Resolution (ADR) procedures.

11.2. Investor Relations Department (IRD)

The Board should establish an Investor Relations Department (IRD) to ensure constant engagement with its shareholders.

Setting up an avenue to receive feedback, complaints and queries from shareholders assure their active participation with regard to activities and policies of the company. The IRO has a designated investor relations officer, email address and telephone number. Further, creating an Investor Relations Program ensures that all information regarding the activities of the Company is properly and timely communicated to shareholders.

12. DUTIES TO STAKEHOLDERS

12.1. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholders' Rights

The rights of stakeholders established by law, by contractual relations, and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.

Stakeholders include, but are not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community that the Company operates in, society, the government, regulators, competitors, external auditors, etc. In formulating the Company's strategic and operational decisions affecting its wealth, growth and sustainability, due consideration shall be given to those who have an interest in the Company and are directly affected by its operations.

a. The Board shall identify the Company's various stakeholders and promote cooperation between them and the Company in creating wealth, growth and sustainability.

b. The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

c. The Board should adopt a transparent framework and process that allow stakeholders to communicate with the Company and to obtain redress for the violation of their rights.

12.1.1. Communication with Stakeholders

The Company's stakeholders play a role in its growth and long-term viability. As such, it is crucial for the Company to maintain an open and easy communication with its stakeholders. This can be done through stakeholder engagement touchpoints in the Company, such as the Investor Relations Department, Office of the Corporate Secretary, Customer Relations Office, and Corporate Communications Group.

There shall be an Investor Relations Department within the Company which shall be tasked with the:

1. Implementation of an investor relations program that reaches out to all shareholders and fully informs them of corporate activities;
2. Formulation of a clear policy on communicating or relating relevant information to Company's stockholders and other stakeholders and to the broader investor community accurately, effectively and sufficiently;
3. Setting up of an avenue to receive, feedback, complaints and queries from shareholders other than through the annual stockholders' meeting;

The Head of the Investor Relations Department shall be present at every stockholders' meeting.

13. ENCOURAGING EMPLOYEES' PARTICIPATION

The Company shall develop a mechanism for employee participation to create a symbiotic environment, realize the Company's goals, and participate in its corporate governance processes.

13.1. Employee-related Policies and Procedures

The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.

The establishment of policies and programs shall cover, among others, (1) health, safety and welfare; (2) training and development; and (3) reward/compensation for employees. These policies shall seek to encourage employees to perform better and take a more dynamic role in the Company.

13.2. Anti-Corruption Policy

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 cause the dissemination of the policies and programs to employees across the organization through trainings to embed them in the Company's culture.

13.3. Whistleblowing Policy

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.

14. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

The Company shall conduct its business in a manner that promotes sustainability, social responsibility, and long-term value creation, recognizing the interdependence between business performance and societal and environmental well-being. It shall integrate sustainability considerations into its governance, strategy, and risk management processes, including the identification and management of sustainability-related risks and opportunities that may affect its enterprise value.

Guided by its Sustainability Framework, the Company shall embed responsible and ethical practices across its operations and value chain, foster continuous and active partnerships with stakeholders, and contribute, where appropriate, to broader economic, environmental, and social development objectives. In support of nation-building, the Company shall undertake corporate social responsibility (CSR) initiatives that address gaps in social services and respond to national development priorities, including inclusive growth, community development, and resilience-building, in a manner aligned with its core competencies and stakeholder needs.

The Company recognizes that sustainability extends beyond compliance and is committed to continuously advancing its sustainability performance and disclosures to enable resilient operations and sustained long-term value.

15. EFFECTIVITY

This Manual on Corporate Governance shall be effective upon submission to the SEC. It supersedes the previous Manual on Corporate Governance that was adopted by the Company on 29 May 2017.

This Manual on Corporate Governance shall be reviewed periodically by the Corporate Governance Committee (together with the other Board Committees, as necessary). The Board shall make appropriate changes based on recommendations from the Committee(s).

…. (Signature page follows)

Signed by:

(original signed)
KRISTINE MARGARET R. DELOS REYES
Compliance Officer

(original signed)
EUSEBIO H. TANCO
Chairman of the Board