SM PRIME

09 November 2026

SECURITIES AND EXCHANGE COMMISSION
The SEC Headquarters, 7907 Makati Ave.
Salcedo Village, Bel-Air, Makati City 1209

Attention: **ATTY OLIVER O. LEONARDO**
Director, Markets & Securities Regulation Department

ATTY. RACHEL ESTHER J. GUMTANG-REMALANTE
Director, Corporate Governance and Finance Department

PHILIPPINE STOCK EXCHANGE, INC.
6th Floor, PSE Tower,
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City 1634

Attention: **ATTY. MARIGEL B. GARCIA**
Head, Issuer Regulation Division

PHILIPPINE DEALING & EXCHANGE CORP.
29/F, BDO Equitable Tower,
8751 Paseo de Roxas, Makati City

Attention: **ATTY. SUZY CLAIRE R. SELLEZA**
Head, Issuer Compliance and Disclosure Department

RE: REVISED MANUAL ON CORPORATE GOVERNANCE

Ladies and Gentlemen:

Please be informed that the Board of Directors of SM Prime Holdings, Inc. reviewed and approved the Revised Manual on Corporate Governance in their meeting today, November 9, 2026. This supersedes the previous Corporate Governance Manual that was approved and adopted by the Corporation, the latest version dated November 10, 2025.

Sincerely,

[redacted]

Mr. John Nai Peng C. Ong
Chief Finance Officer

COVER SHEET

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SEC Registration Number

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D	I	A	R	I	E	S																										

(Company's Full Name)

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Mr. John Nai Peng C. Ong	8831-1000
(Contact Person)	(Company Telephone Number)

1	1		0	9		Revised Corporate Governance Manual			
Month	*Day*					(Form Type)		*Month*	*Day*
(Calendar Period)								(Annual Meeting)	

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.	Amended Articles Number/Section
Total No. of Stockholders	Total Amount of Borrowings: Domestic / Foreign

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To be accomplished by SEC Personnel concerned

File Number	LCU
Document ID	Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes.

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE (SRC)
AND SRC RULE 17(a)-1(b)(3) THEREUNDER

1. **November 9, 2026**
   Date of Report

2. SEC Identification Number **AS094-000088**

3. BIR Tax Identification No. **003-058-789**

4. **SM PRIME HOLDINGS, INC.**
   Exact name of registrant as specified in its charter

5. **PHILIPPINES** 6. (SEC Use ☐ Only)
   Province, country or other jurisdiction of incorporation — Industry Classification Code:

7. **7/F MOA Square, Seashell Lane cor. Coral Way, Mall of Asia Complex, Brgy. 76 Zone 10, CBP 1-A, Pasay City, Metro Manila, Philippines** **1300**
   Address of principal office — Postal Code

8. **(632) 8831-1000**
   Registrant's telephone number, including area code

9. **N/A**
   Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding
COMMON STOCK, P1 PAR VALUE	**28,429,129,294**
DEBT SECURITIES – RETAIL BOND	**127,896,480,000**

11. Indicate the item numbers reported herein: **ITEM # 9, LETTER B**

Please be informed that the Board of Directors of SM Prime Holdings, Inc. reviewed and approved the Revised Manual on Corporate Governance in their meeting today, November 9, 2026. This supersedes the previous Corporate Governance Manual that was approved and adopted by the Corporation, the latest version dated November 10, 2025.

SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SM PRIME HOLDINGS, INC.
Registrant

Date: November 9, 2026

[redacted]
JOHN NAI PENG C. ONG
Chief Finance Officer

SM PRIME

REVISED MANUAL ON CORPORATE GOVERNANCE

SM PRIME

REVISED MANUAL ON CORPORATE GOVERNANCE

TABLE OF CONTENTS

OBJECTIVE ____ 3

RULES OF INTERPRETATION ____ 3

DEFINITION OF TERMS ____ 3

I. GOVERNANCE RESPONSIBILITIES OF THE BOARD ____ 5

1. Establishing a Competent Board ____ 5

2. Establishing Clear Roles and Responsibilities of the Board ____ 9

4. Fostering Commitment ____ 23

5. Reinforcing Board Independence ____ 24

6. Assessing Board Performance ____ 27

7. Strengthening Board Ethics ____ 28

II. DISCLOSURE AND TRANSPARENCY ____ 28

8. Enhancing Company Disclosures and Procedures ____ 28

9. Strengthening the External Auditor's Independence and Improving Audit Quality ____ 29

10. Increasing Focus on Non-Financial and Sustainability Reporting ____ 30

11. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information ____ 30

III. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT ____ 30

12. Strengthening the Internal Control System and Enterprise Risk Management Framework ____ 30

IV. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS ____ 33

13. Promoting Shareholder Rights ____ 33

V. DUTIES TO STAKEHOLDERS ____ 37

14. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder's Rights ____ 37

15. Encouraging Employees' Participation ____ 37

16. Encouraging Sustainability and Social Responsibility ____ 38

VI. COMMUNICATION AND MONITORING OF THIS MANUAL ____ *38*

17. Communication ____ *38*

18. Monitoring and Penalties For Non-Compliance ____ *38*

19. Effectivity ____ *39*

SM PRIME

REVISED MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management, i.e. officers, and employees, of SM Prime Holdings, Inc. (the "Corporation/Company") hereby commit themselves to the principles and the best practices contained in this Revised Manual on Corporate Governance (the "Manual"), and acknowledge that the same may guide the attainment of their corporate goals.

OBJECTIVE

This Manual shall institutionalize the principles, policies, programs, and procedures of good corporate governance in the entire organization.

The Board of Directors (the "Board") and Management, employees and shareholders, believe that good governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness thereof within the organization in the shortest time possible.

RULES OF INTERPRETATION

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

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

DEFINITION OF TERMS

a. *Corporate Governance*. The system of stewardship and control to guide 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*. The governing body elected by the stockholders that exercises the corporate powers of the Corporation, conducts all its business and controls its properties.

c. *Exchange*. An organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities.

d. *Management*. A group of executives given the authority by the Board of Directors to

implement the policies it has laid down in the conduct of the business of the corporation.

e. *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 a director.

f. *Executive Director*. A director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

g. *Non-Executive Director*. A director who has no executive responsibility and does not perform any work related to the operations of the corporation.

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

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

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

k. *Internal Audit Department*. A department of the Corporation that provides independent and objective assurance services in order to add value to and improve the Corporation's operations.

l. *Enterprise Risk Management*. A process, effected by an entity's Board of Directors, Management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

m. *Related Party.* Shall cover the Company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the Company exerts direct or indirect control over or that exerts direct or indirect control over the Company; the Company's directors; officers; shareholders and related interests (DOSRI); and their spouses and relatives within the fourth civil degree of consanguinity or affinity, 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.

n. *Related Party Transactions.* A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It shall be

interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

o. *Stakeholders*. Any individual, organization or society at large who can either affect and/or be affected by the Company's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

I. GOVERNANCE RESPONSIBILITIES OF THE BOARD

1. Establishing a Competent Board

Compliance with the principles and policies of good corporate governance shall start with the Board. It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its fiduciary responsibility, corporate objective and the best interests of its stockholders and other stakeholders. To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions, and responsibilities. Its Board charter shall be publicly available and posted on the Company website.

1.1. Composition

1.1.1. The Board shall be composed of eight (8) directors who shall be elected by the Corporation's stockholders annually, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By-Laws. 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.

1.1.2. The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

1.2. Training

1.2.1. The Corporation shall provide a comprehensive 8-hour orientation program for new directors, including an understanding of the contributions that the director is expected to make, an explanation of the Board and its committees, as well as the Corporation's business, including corporate governance and other matters that will assist them in discharging their duties. Existing directors shall also be provided an annual 4-hour continuing training on corporate governance topics such as audit, sustainability and climate, risk management, strategy, compliance and ethics, competition law, and other relevant topics, to stay abreast with the latest business

and regulatory developments.

1.2.2. The Corporation shall also provide general access to training courses to its directors as a matter of continuous professional education as well as to maintain and enhance their skills as directors, and keep them updated in their knowledge and understanding of the Corporation's business.

1.2.3. The Board shall adopt a training policy for its members and key officers that shall contain the minimum factors and considerations in alignment with applicable laws, rules, and other issuances.

1.3. Board Diversity

1.3.1. 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 may refer to distinctions in age, ethnicity, culture, skills, competence, knowledge, disability, and gender, among others. The Board shall also utilize a Board Matrix, ensuring the appropriate mix of skills and competencies, and to monitor the Board's diversity goals and progress relevant to the Company's strategic objectives.

1.3.2. The Company is committed 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.

1.4. Corporate Secretary

1.4.1. The Board is assisted by the Corporate Secretary, who is an officer of the Corporation and separate from the Compliance Officer. The Corporate Secretary shall not be a member of the Board of Directors and shall annually attend a training on corporate governance. He is primarily responsible to the Corporation and its shareholders, and not to the Chairman or President of the Company. His loyalty to the mission, vision and specific business objectives of the corporate entity come with his duties.

1.4.2. Considering the varied functions and duties, the Corporate Secretary must possess administrative and interpersonal skills, and if not the general counsel, must have some legal skills. He must also have some financial and accounting skills, working knowledge of the operations of the Corporation, and shall be a Filipino citizen and resident of the Philippines.

1.4.3. The Corporate Secretary shall have the following duties and responsibilities:

a. Assists the Board and the Board Committees in the conduct of their meetings, including preparing an annual schedule of Board and Committee meetings and the annual board

calendar and assisting the Chairs of the Board and its Committees to set agendas for those meetings;

b. Safe 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 Corporation;

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

d. Works fairly and objectively with the Board, Management, shareholders, and other stakeholders and contributes to the flow of information between the Board and Management, the Board and its Committees, and the Board and its stakeholders, including shareholders;

e. Advises on the establishment of Board Committees and their terms of reference;

f. Informs members of the Board, in accordance with the By-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;

h. Performs required administrative functions;

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

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

1.5. Compliance Officer

1.5.1. To ensure adherence to corporate principles and best practices, the Board shall designate a Compliance Officer who shall hold the position of at least a Senior Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board. The Compliance Officer shall not be a member of the Board of Directors and shall annually attend a training on corporate governance. He is primarily liable to the Corporation and its shareholders, and not to the Chairman or President of the Company.

1.5.2. The appointment of the Compliance Officer shall be immediately disclosed to the Commission on SEC Form 17-C. All correspondence relative to his functions as such, shall be addressed to the said Officer.

1.5.3. The Compliance Officer shall have the following duties and responsibilities:

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

b. Monitors, reviews, evaluates and ensures the compliance by the Corporation, 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 regulators;

e. Appears before the SEC when summoned in relation to compliance with this Manual and other relevant matters that need to be clarified;

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

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

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

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

1.6. Board Adviser

The Board may engage Board or Board Committee advisers to ensure objective guidance or resource on certain issues in order to arrive at well-informed decisions or direction. This enhances diversity of contributions within the Board or Board Committees, fostering constructive and engaging discussions conducive to decision-making. Advisers shall undergo an onboarding orientation program to have an understanding of the Company's business, expected contributions to the Board, and be apprised with the latest Company and Board discussions and/or directions relevant to his/her appointment. Advisers shall have no voting rights and shall inhibit from participating in discussions that may pose a potential conflict of interest.

1.6.1 Responsibilities

a. To provide objective and expert advice and opinion on issues and matters presented to the Board and/or its Committees;

b. To abide by the Company rules and policies such as but not limited to, Conflict of Interest, Insider Trading, and Anti-Bribery and Anti-Corruption, among others;

c. Attend at least 50% of all regular Board meetings; and

d. Annually attend a training on corporate governance.

1.6.2 Qualifications

Board advisers must possess the required competence, leadership, business acumen, knowledge, and experience to complement the Board's diversity matrix and add value to the works of the Board or Board Committee to which such adviser is appointed. They must also be a reputable individual and possess a good level of background and knowledge on corporate governance to ensure their contributions are aligned with regulatory requirements and best practices. Other expert level qualifications may be required by the Board as needed.

1.6.3 Selection and appointment

The Corporate Governance and Sustainability Committee shall be responsible in the screening and selection of prospective Board advisers and shall recommend the same for appointment, reappointment, and removal by the Board.

2. Establishing Clear Roles and Responsibilities of the Board

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

2.1. 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 shareholders. To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall have, among others, the following duties and responsibilities:

a. The Board shall formulate Company's long-term vision and mission, and oversee the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength.

b. The Board shall be headed by a competent and qualified Chairman.

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 shall include adopting a policy on the retirement age of directors and key officers.

d. The Board shall align the remuneration and per diems, as applicable, of key officers and Board members, including Management, with the long-term interests of the Company such as sustainability and climate-related considerations. In doing so, it shall formulate and adopt a remuneration policy specifying the relationship between remuneration and performance. Further, no director shall participate in discussions or deliberations involving their own remuneration or per diems.

e. The Board shall disclose in this Manual a formal and transparent board nomination and election policy that shall include how it accepts nominations from minority shareholders and reviews nominated candidates. This policy shall also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors shall be aligned with the strategic direction of the

Company.

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 shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the SM Property Group, taking into account their size, structure, risk profile and complexity of operations.

g. The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the President, and control functions led by their respective heads (Chief Finance Officer, Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).

h. The Board shall establish an effective performance management framework that will ensure that the Management, including the President, and personnel's performance is at par with the standards set by the Board and Senior Management.

i. The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board shall also approve the Internal Audit Charter.

j. 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.

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

l. The Board shall annually review the Company's vision and mission statement, or as the need arises.

m. Members of the Board shall disclose to the Corporation within three (3) business days any transactions related to their own SM Prime shares for proper filing of reportorial requirements with the appropriate regulatory agencies and disclosure of an annual report on trading transactions in the Company's website.

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

o. The Board shall have the overall oversight responsibility in ensuring that strategies and programs are implemented in compliance with the Anti-Money Laundering Act and Terrorism Financing Prevention and Suppression Act, their respective IRR, and

other applicable AMLC issuances.

p. Other duties and responsibilities as may be assigned by relevant regulations such as issuances of the SEC.

2.2. Chairman of the Board

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

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

b. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

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

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

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

f. Assures the availability 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.

2.2.2. The roles of the Chairman and the President shall be separate to ensure an appropriate balance of power, increased accountability, and greater capacity of the Board for independent decision making.

2.3 Board Vacancies

2.3.1. Any vacancy in the Board of Directors other than by removal or by expiration of term may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders or members in a regular or special meeting called for that purpose.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if

so stated in the notice of the meeting.

When the vacancy arises from the removal of director by the stockholders, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than forty-five (45) days from the time the vacancy arose. A director elected to fill a vacancy shall be referred to as replacement director and shall serve only for the unexpired term of the predecessor in office.

2.3.2. Termination/Cessation of Independent Directorship

In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with the Securities and Exchange Commission within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum, upon the nomination of the Corporate Governance and Sustainability Committee, otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

2.4. Nomination and Election of Board of Directors

2.4.1. The Corporate Secretary shall set a reasonable period for the submission of nominations of candidates for election to the Board of Directors. All nominations for directors submitted in writing to the Corporate Secretary within such nomination period shall be valid. A stockholder of record, including a minority stockholder, entitled to notice of and to vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated as a director.

2.4.2. The Company may engage the services of professional search firms or use other external sources of candidates when searching for candidates to the Board of Directors.

2.4.3. The Corporate Governance and Sustainability Committee meets, pre-screens and checks the qualifications of, and deliberates on all persons nominated to be elected to the Board of Directors from the pool of candidates submitted by the nominating stockholders. The Corporate Governance and Sustainability Committee shall prepare a Final List of Candidates after considering the qualifications and disqualifications set forth in the succeeding sections. Said list shall contain all the information about these nominees. Only nominees qualified by the Corporate Governance and Sustainability Committee and whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared.

2.4.4. Based on the Final List of Candidates, directors are elected by shareholders individually. The vote required for the election of directors is majority of the outstanding capital stock. The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him, for as many persons as there are to be elected as Directors, or he may

cumulate or give to one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.

2.4.5. To preserve the integrity of the election process, the Corporation shall employ the services of an external party to validate the voting results.

2.5. Qualifications

2.5.1. A director of the Corporation must possess the following qualifications:

a. Ownership of at least one (1) share of stock of the Corporation;

b. At least twenty-one (21) years of age;

c. At least a college graduate or have sufficient experience in managing the business to substitute for such formal education;

d. Proven to possess integrity, probity and assiduousness;

e. Proven to possess the appropriate level of skill and experience in line with the strategic plans and goals of the Corporation; and

f. In addition to the qualifications required by relevant laws, additional qualifications which may be provided by the Board, such as practical understanding of the Corporation's business, previous business experience, or membership in good standing in relevant industry, business or professional organizations.

2.6. Permanent Disqualifications

2.6.1. The following may be considered as 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 sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall 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 found administratively liable, by final judgement for any offense involving fraudulent acts punishable under the Revised Corporation Code, Securities Regulation Code, and other laws, rules or regulations enforced or implemented by the Commission committed within five (5) years prior to the date of his election or appointment or within the tenure of the person;

e. 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;

f. Any person judicially declared as insolvent;

g. Any person found guilty by final judgment or found administratively liable, by 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;

h. 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;

i. Any person found administratively liable, by final judgement, within five (5) years prior to the election or appointment, or within the tenure, for refusal to allow the inspection and/or reproduction of corporate records.

j. No person shall qualify or be eligible for nomination or election to the Board if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:

i. If he is the owner (either of record or as beneficial owner) of 5% or more of any outstanding class of share of, any corporation (other than one in which the Corporation owns at least 20% of the capital stock) which is engaged in a business directly competitive to that of the Corporation or any of its subsidiaries or affiliates;

ii. If he is an officer, manager, or controlling person of, or the owner or any member of his immediate family is the owner (either of record or as beneficial owner) of 5% or more of any outstanding class of shares of any corporation (other than one in which the Corporation owns at least 20% of the capital stock) which is an adverse party in any suit, action or proceeding (of whatever nature, whether civil, criminal, administrative, or judicial) by or against the Corporation, which has been actually filed or threatened, imminent or probably, to be filed;

iii. If he is determined by the Board, in the exercise of its judgment in good faith, to be the nominee, officer, trustee, adviser, or legal counsel, of any individual set forth in (i) or (ii) hereof; and

k. Other grounds as the SEC may provide.

2.7. Temporary Disqualification

2.7.1. In addition, the following may be grounds for temporary disqualification of incumbent directors:

a. Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election;

b. 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 shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;

c. If the beneficial equity ownership of an independent director in the corporation 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

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

2.7.2. Temporary disqualification shall be at the discretion of the Board and shall require a resolution of the majority of the Board.

2.7.3. A director shall have sixty (60) days upon the occurrence of any ground for temporary disqualification to remedy or correct the same otherwise, the disqualification shall

become permanent.

2.8. Meetings of the Board

2.8.1. Members of the Board shall attend regular and special meetings of the Board in person or via teleconference or videoconference or by any other technological means allowed by the Commission.

2.8.2. The Board may, to promote transparency, require the presence of at least one (1) independent director in all of its meetings. However, the absence of an independent director shall not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice fails to attend.

2.8.3. The Board of Directors shall meet at least quarterly. Board meetings shall be scheduled in advance before the start of the year.

2.8.4. Items to be discussed during the board meeting shall be made available to each director at least five (5) business days in advance. In emergency circumstances, however, the meeting may be called at a shorter notice.

2.9. Compensation of Directors

2.9.1. Directors shall not receive any compensation unless approved by the stockholders representing at least majority of the outstanding capital stock or provided in the Corporation's By-Laws. No director shall participate in the approval of his compensation. However, the Board may, from time to time, approve a reasonable per diem that a director may receive for attendance in Board and Board Committee meetings.

3. Establishing Board Committees

To address specific tasks and responsibilities and ensure optimal performance of the Board, the Board shall adopt five (5) committees, namely the Executive Committee, the Corporate Governance and Sustainability Committee, the Audit Committee, the Board Risk Oversight Committee and the Related Party Transactions Committee. The members of the Committees shall be appointed by the Board annually.

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. Committee Charters shall be publicly available and posted on the Company website.

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

3.1. The Executive Committee

3.1.1. The Executive Committee shall consist of at least three (3) members of the Board. Members of the Committee shall be appointed by the Board, who shall also appoint a

Committee Chairperson and Committee Secretary. In accordance with this, members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board.

3.1.2. The Executive Committee's primary purpose is to function when the Board is not in session. The Committee shall have all the power and authority of the Board in the governance, management and direction of the business and affairs of the Company except for those matters expressly provided for in Section 34 of the Revised Corporation Code, the Company's By-Laws and other pertinent laws, rules or regulations.

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

a. Assists the Board in overseeing the implementation of strategies and sustaining the Corporation's long-term success and competitiveness in a manner consistent with its mission/ vision;

b. Reviews major issues facing the organization;

c. Monitors the operating activities of each business group;

d. Defines and monitors the Company's performance improvement goals;

e. Defines group-wide policies and actions and oversees their implementation;

f. Fosters the sharing of information in all areas of the business group; and

g. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

3.1.4. An act of the Executive Committee which is within the scope of its power shall not require ratification or approval for its validity and effectivity.

3.1.5. All actions of the Executive Committee shall be reported to the Board at the meeting thereof following such action and shall be subject to revision or alteration by the Board.

3.1.6. Other duties and responsibilities are provided in the Executive Committee Charter.

3.2. The Audit Committee

3.2.1. The Audit Committee's primary function is to enhance the Board's oversight capability over the Company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations. It shall be composed of at least three (3) non-executive members of the Board, the majority of whom, including the Chairman, shall be independent. The Chairman shall not be the Chairman of the Board and of other Board Committees. Each member shall have adequate understanding at least or competence at most of the Corporation's financial management systems and environment particularly, in the areas of accounting, audit and finance. In accordance with this, the members of the Committee may be removed

or replaced, and any vacancies in the Committee shall be filled by the Board.

3.2.2. The Audit Committee shall have the following duties and responsibilities:

a. Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

b. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances shall be in place in order to (a) safeguard the Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations;

c. Oversees the Internal Audit Department, and recommends the appointment or removal of the internal audit head or Chief Audit Executive (CAE). The Audit Committee shall also approve the terms and conditions for outsourcing internal audit services;

d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he shall directly report to the Audit Committee;

e. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;

f. Ensures there is an established process on the appointment, reappointment, removal, and fees of the External Auditor;

g. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

h. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence[1]. The non-audit work, if allowed, shall be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;

i. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters;

[1] As defined under the Code of Ethics for Professional Accountants

i. Any change/s in accounting policies and practices
ii. Areas where a significant amount of judgment has been exercised
iii. Significant adjustments resulting from the audit
iv. Going concern assumptions
v. Compliance with accounting standards
vi. Compliance with tax, legal and regulatory requirements

j. Reviews the disposition of the recommendations in the External Auditor's management letter;

k. Performs oversight functions over the Corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

l. Coordinates, monitors and facilitates compliance with laws, rules and regulations;

m. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders;

n. Meets with the Board at least every quarter without the presence of the CEO or other Management team members, and periodically meets with the CAE; and

o. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

3.2.3. Other duties and responsibilities are provided in the Audit Committee Charter.

3.3. The Corporate Governance and Sustainability Committee

3.3.1. The Corporate Governance and Sustainability Committee shall be composed of at least three (3) members, all of whom shall be independent directors. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. Each member shall have adequate and competent understanding of corporate governance principles and practices, in addition to thorough knowledge of the Company's business and industry in which it operates. The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including functions that were formerly assigned to the Nomination and Remuneration Committees.

3.3.2. The Corporate Governance and Sustainability Committee shall have the following duties and responsibilities:

a. Oversees the implementation of the corporate governance and sustainability frameworks and periodically reviews the said frameworks to ensure that they remain appropriate in light of material changes to the Corporation's size, complexity and business strategy, as well as its business and regulatory environments;

b. Oversees the periodic performance evaluation of the Board and its Committees as well as Executive Management, and conducts an annual self-evaluation of their performance;

c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

d. Recommends continuing education/training programs for directors, assignment of tasks/projects to Board Committees, succession planning for the Board members and Senior Officers, and remuneration packages for corporate and individual performance;

e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;

f. Proposes and plans relevant trainings for the members of the Board;

g. Determines the nomination and election process for the Company's directors and has the special duty of defining the general profile of Board members that the Company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board;

h. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates; and

i. Reviews and evaluates the Company's policies and performance related to economic, environmental, social, and governance responsibility;

j. Reviews the Company's sustainability roadmap, progress, and corresponding corporate disclosures;

k. Evaluates EESG risks that may affect the long-term value-creation of Company for presentation to the Board;

l. Apprises the Board of significant sustainability and climate-related concerns of the Company's stakeholders and makes appropriate recommendations to the Board regarding targets and strategies that will improve the Company's sustainability performance;

m. Ensures the integration of sustainability in the decision-making process of the Board; and

n. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

3.3.3. Other duties and responsibilities are provided in the Corporate Governance and Sustainability Committee Charter.

3.4. The Board Risk Oversight Committee

3.4.1. The Board Risk Oversight Committee (BROC) shall be responsible for the oversight of the Company's Enterprise Risk Management system to ensure its functionality and effectiveness. It shall be composed of at least three (3) members, majority of whom shall be independent directors including the Chairman who is not at the same time the Chairman of the Board or of any other Board Committee. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. At least one member of the Committee shall have adequate and competent understanding and experience on risk management principles and practices, in addition to thorough knowledge of the Company's business and industry in which it operates.

3.4.2. The Board Risk Oversight Committee shall have the following duties and responsibilities:

a. Develops a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;

b. Oversees the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

c. Evaluates the risk management plan 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;

d. Advises the Board on its risk appetite levels and risk tolerance limits and desired risk culture;

e. Reviews at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company;

f. Assesses the probability of each identified risk 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;

g. Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management;

h. Reports to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary;

i. Implements a sound AML and terrorist financing risk management system that identifies, assesses, monitors and controls risk associated with money laundering and terrorist financing; and

j. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

3.4.3. Other duties and responsibilities are provided in the Board Risk Oversight Committee Charter.

3.5. The Related Party Transactions Committee

3.5.1. The Related Party Transactions Committee shall have the primary function of reviewing all material related party transactions (RPT). It shall be composed of at least three (3) non-executive directors, the majority of whom, including the Chairman, shall be independent. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. Each member shall have adequate and competent knowledge of the Company's business and industry in which it operates.

3.5.2. The Related Party Transactions Committee shall have the following duties and responsibilities:

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

b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

i. The related party's relationship to the Company and interest in the transaction;
ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
iii. The benefits to the corporation of the proposed RPT;
iv. The availability of other sources of comparable products or services; and
v. An assessment of whether the proposed RPT is on terms and conditions that

are comparable to the terms generally available to an unrelated party under similar circumstances. The Company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Company's affiliation or transactions with other related parties;

d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party;

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

f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and

g. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

3.5.3. Other duties and responsibilities are provided in the Related Party Transactions Committee Charter.

3.5.4. Related party transactions are generally allowed, provided, that these are done in a sound and prudent manner. The Company is expected to exercise appropriate oversight and to implement effective system in managing these transactions.

In compliance with regulations of the Securities and Exchange Commission, the Company has adopted a Revised Related Party Transactions Policy which incorporated rules on material related party transactions of the Company. The policy provides that the Company's Board of Directors shall ensure that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interests of the Company's shareholders and other stakeholders. All material individual related party transactions are referred to the Chief Risk Officer for review and endorsement to Related Party Committee prior to approval by at least two-thirds (2/3) vote of the Board of Directors with at least a majority of the independent directors approving the transaction.

4. Fostering Commitment

To show full commitment to the Company, 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 Corporation's business.

4.1. The directors shall have the responsibility to attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when

justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

4.2. Multiple Board Seats

4.2.1. A director shall exercise due discretion in accepting and holding directorships outside of the Corporation. The director shall immediately notify the SM Prime Board in writing, through the Corporate Secretary, upon receipt of offer or nomination for a position in another organization. Acceptance of such offer or nomination shall be subject to the Board's evaluation and clearance. The Company's Conflict of Interest Policy provisions may also apply if said position is qualified as conflict of interest.

4.2.2. Non-executive and independent directors may hold a maximum of five (5) board seats in publicly-listed companies simultaneously. Executive directors shall submit themselves to a maximum limit of two (2) board seats in corporate Boards of other publicly-listed companies. In any case, the capacity of directors to serve with diligence shall not be compromised.

5. Reinforcing Board Independence

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

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

5.2. Independent Directors

5.2.1. An independent director of the Corporation must possess all the qualifications and none of the disqualifications of a regular 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.

5.2.2. An Independent Director refers to a person who ideally:

a. Is not or has not been a senior officer or employee of the covered Company unless there has been a change in the controlling ownership of the Company;

b. Is not, and has not been in the three years immediately preceding the election, a director of the covered Company; a director, officer, employee of the covered 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 covered entity, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the

Board in the performance of its duties and responsibilities within three years immediately preceding his election;

d. Is not an owner of more than two percent (2%) of the outstanding shares of the covered Company, its subsidiaries, associates, affiliates or related companies;

e. Is not a relative of a director, officer, or substantial shareholder of the covered Company, its subsidiaries, associates, affiliates or 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 covered 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, 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 covered 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 covered 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 covered Company's executives serves as directors.

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

5.2.3. If an independent director becomes an officer, consultant, adviser, or employee of the same Corporation, he shall be automatically disqualified from being an independent director.

5.2.4. The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and President are held by one person.

5.3. The Board's independent directors shall be elected for a term of one (1) year, and shall serve for a maximum cumulative term of nine years. After which, the independent director shall be perpetually barred from re-election as such in the Company, without prejudice to serving as a non-independent director or officer of the Company without any cooling-off period.

5.3.1. Computation of nine-year term limit

a. In case of continuous or consecutive service of an ID as such, the nine-year maximum term limit shall fall on (i) the date of the Annual Stockholders' Meeting (ASM) per the by-laws of the Company, or (ii) on any other ASM date priorly approved by the Commission.

b. In case of intermittent service of an ID as such, the cumulative tenure shall not exceed nine (9) years. For this purpose, on the ID's ninth year term as such, the maximum term limit shall fall on (i) the date of the ASM, per the by-laws of the Company, or (ii) any other ASM date priorly approved by the Commission.

c. In case an ID is elected as non-independent director or officer of the Company within the nine-year term limit, he can be elected again as an ID of the same Company only after observing a cooling off period of two (2) years from the date he ceases being a non-independent director or officer, provided that the cumulative service as ID has not yet reached the nine (9) year maximum limit.

d. 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 ID was relinquished or vacated.

5.4. President

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

5.4.1. Minimum internal control mechanisms for Management's operation responsibility shall center on the President, being ultimately accountable for the Corporation's organizational and procedural controls. In addition to the duties imposed on the President by the Board, and those duties and responsibilities provided by the Corporation's By-Laws, the President shall:

a. Determine the Corporation's strategic direction and formulate and implement its strategic plan on the direction of the business;

b. Communicate and implement the Corporation's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same;

c. Oversee the operations of the Corporation and manage human and financial resources in accordance with the strategic plan;

d. Have a good working knowledge of the Corporation's industry and market and keep up-to-date with its core business purpose;

e. Direct, evaluate and guide the work of the key officers of the Corporation;

f. Manage the Corporation's resources prudently and ensure a proper balance of the same;

g. Provide the Board with timely information and interface between the Board and the employees;

h. Build the corporate culture and motivate the employees of the Corporation;

i. Serve as the link between internal operations and external stakeholders;

j. See that all orders and resolutions of the Board are carried into effect;

k. Submit to the Board as soon as possible after the close of each fiscal year, and to the stockholders at the annual meeting, a complete report of the operations of the Corporation for the preceding year, and the state of its affairs;

l. Report to the Board from time to time all matters within his knowledge which in the interest of the Corporation may require to be brought to the Board's notice; and

m. Perform such other responsibilities as the Board may require.

5.5. Lead Independent Director

The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and President are held by one person. The primary responsibility of the Lead Independent Director is to provide leadership to the independent directors and advise the Board on matters where there may be an actual or perceived conflict of interest.

5.5.1. The functions of the lead director include, among others, the following:

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

5.6. A director with a material interest in any transaction affecting the Corporation shall abstain from taking part in the deliberations of the same.

5.7. 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 corporation. The meetings shall be chaired by the lead independent director.

6. Assessing Board Performance

The best measure of the Board's effectiveness is through an assessment process. The Board

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

6.1. Board Evaluation

6.1.1. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator.

6.1.2. The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and committees. This system shall allow for a feedback mechanism from the shareholders. The establishment of such evaluation system, including the features thereof, shall be disclosed in the Corporation's Annual Report or in such form of report that is applicable to the Corporation. The adoption of this performance evaluation system must be covered by a Board approval.

6.1.3. During the evaluation, directors shall be afforded the opportunity to identify areas for improvement in the performance of their duties and responsibilities.

7. Strengthening Board Ethics

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

7.1. The Board shall adopt a Code of Ethics that shall provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Senior Management and employees. It shall also be disclosed and made available to the public through the Company website.

7.2. The Board shall ensure proper and efficient implementation and monitoring of compliance with the Code of Ethics and internal policies. The Company's Code of Ethics shall be made effective and inculcated in the Company's culture 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.

II. DISCLOSURE AND TRANSPARENCY

8. Enhancing Company Disclosures and Procedures

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

8.1. Corporate disclosure policies and procedures shall be in place to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders to give a fair and complete picture of the Company's financial condition, results and business operations.

8.2. The Company shall have a policy requiring all directors and officers to disclose/report to the

Company any dealings in the Company's shares within three business days.

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

8.4. A clear disclosure of its policies and procedure shall be in place for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.

8.5. Full disclosure of the Company's policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions shall be required in the Manual on Corporate Governance. The material or significant RPTs reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report.

8.6. A full, fair, accurate and timely disclosure shall be made to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, the Board of the offeree Company shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

8.7. The corporate governance policies, programs and procedures shall be submitted to the regulators and posted on the Company website.

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

9. Strengthening the External Auditor's Independence and Improving Audit Quality

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

9.1. External Auditor

9.1.1. The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditor. The appointment, reappointment, removal and fees of the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Company website and required disclosures.

9.1.2. The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain

the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

9.1.3. The nature of and amounts paid for non-audit services performed by the external auditor shall be disclosed in the Company's Annual Report to deal with any potential conflict of interest. The Audit Committee shall be on alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

9.1.4. The External Auditor or key engagement partners shall be rotated in accordance with the requirements as prescribed in the Code of Ethics for Professional Accountants in the Philippines as adopted by the Board of Accountancy and Professional Regulation Commission or other standards as adopted by the Securities and Exchange Commission relevant to the rotation period.

9.1.5 The External Auditor shall be duly accredited by the SEC under Group A category and agrees to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA). Relevant accreditation and inspection details shall be disclosed in the Company's Annual Report and website.

10. Increasing Focus on Non-Financial and Sustainability Reporting

The Board through the Corporate Governance and Sustainability Committee shall ensure that the material and reportable non-financial and sustainability issues are reviewed and disclosed accordingly.

10.1. There shall be an established policy on the disclosure of a sustainability report containing material and reportable non- financial and sustainability issues, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the business using a globally recognized standard/ framework. The sustainability report shall be subject to an independent third party assurance, in accordance with applicable laws, issuances, and best practice by the SEC and other relevant agencies.

11. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information

The Company shall maintain comprehensive and cost-efficient communication channels for disseminating relevant information to its shareholders, investors, and other stakeholders beyond the Annual Stockholders' Meeting. These channels are crucial for timely and informed decision-making by investors, stakeholders and other interested users. These shall include, but not limited to, Company website, media and analyst briefings.

III. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

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

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

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

12.2. The Company shall 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 functions of the Internal Audit include, among others, the following:

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 organization;

d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;

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.

12.3. The Chief Audit Executive (CAE), appointed by the Board, shall oversee and be responsible for the internal audit activity of the organization, including the portion that is outsourced to a third-party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel shall be assigned the responsibility for managing the fully outsourced internal audit activity. 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 organization'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.

12.4. Enterprise Risk Management

The Company shall establish a separate, effective enterprise risk management function to identify, assess and monitor key risk exposures.

12.4.1. The risk management function involves the following activities, among others:

a. Defining a risk management strategy;

b. Identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;

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

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

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

f. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and

g. Monitoring and evaluating the effectiveness of the organization's risk management processes.

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

a. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;

b. Communicates the top risks and the status of the implementation of risk management strategies and action plans to the Board Risk Oversight Committee;

c. Collaborates with the President in updating and making recommendations to the Board Risk Oversight Committee;

d. Suggests ERM policies and related guidance, as may be needed; and

e. Provides 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.

IV. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

13. Promoting Shareholder Rights

The Company shall treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

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

13.2. In addition to the sending of notices, open communications shall be maintained with stockholders to encourage them to personally attend the stockholders' meeting. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. The Board shall encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty eight (28) business days before the meeting.

13.3. The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Stockholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Stockholders' Meeting shall be subject to the following guidelines:

I. Contents —The contents of the minutes of the meeting shall include, among others,

the following:

a. Date, time, and place of the meeting, including the adoption of remote or electronic means of communication, if applicable;

b. A list of the directors, officers, and stockholders who attended the meeting;

c. Determination of quorum;

d. The agenda/matters discussed and resolutions reached;

e. A description of the voting and vote tabulation procedures used in the meeting;

f. A record of the voting results for each agenda item, including approving, dissenting, and abstaining votes for each agenda item;

g. A description of the opportunity given to stockholders to ask questions; and

h. A record of the questions asked and answers given or a statement that no questions were raised by the stockholders during the meeting, if there were none.

II. Signatory —The minutes of the meeting shall be signed by the Chairman and the Corporate Secretary or the Assistant Corporate Secretary as identified in the company's General Information Sheet.

III. Posting —The minutes of the meeting shall be posted on the company's website within five (5) business days from the date of the regular or special stockholders meeting.

a. The draft minutes of the meeting shall be signed and posted in the website within five (5) business days from the date of the Company's stockholders meeting. The draft may include either a watermark or a footnote, which indicates that the minutes of the meeting are still subject to the approval of the stockholders in the next stockholders' meeting.

b. The approved minutes of the previous meeting shall be signed and posted in the website within five (5) business days from the approval of the stockholders.

c. Both the draft and approved minutes shall be retained in the company's website for a period of five (5) years.

13.4. The Board shall commit to respect the following rights of the stockholders:

13.4.1. Voting Rights

a. 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.

b. Cumulative voting shall be used in the election of directors.

c. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

d. Stockholders may vote in person or by proxy in all meetings of stockholders. When so authorized by the Board, stockholders may also vote through remote communication or *in absentia*. The Corporation shall ensure that there are clear guidelines for participation, appropriate requirements and procedures for *in absentia* voting by stockholders.

e. Minority shareholders under certain circumstances and the guidelines set forth in relevant rules and regulations of the SEC are likewise granted the right to propose the holding of a special meeting and the right to propose items in the agenda of such meeting, provided that the required qualifications and manner of calling such meeting under the SEC regulations are met.

13.4.2. Pre-emptive Right

a. Under the Amended Articles of Incorporation of the Corporation, no stockholder of the Corporation, because of his/its ownership of stock, has a pre-emptive or other right to purchase, subscribe for or take any part of any stock or of any securities convertible into or carrying options or warrants to purchase stock of the Corporation. Any part of such stock of or other securities may, at any time, be issued, optioned for sale, and sold or disposed of by the Corporation pursuant to a resolution of its Board, to such person and upon such terms as such Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders. This restriction is printed on the stock certificates of the Corporation.

13.4.3. Right of Inspection

a. 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 Sec. 73 of the Revised Corporation Code and shall be furnished with annual reports, including financial statements, without cost or restrictions.

13.4.4. Right to Information

a. The shareholders shall be provided, upon request, with periodic reports which disclose relevant personal and professional information about the directors and officers and certain other matters, such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.

b. The minority shareholders shall have access to any and all information relating to matters for which the Management is accountable, and to those relating to matters for which the Management shall include such information.

13.4.5. Right to Dividend

a. Shareholders shall have the right to receive dividends subject to the discretion of the Board.
b. The Corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital, except:

    i. When justified by definite corporate expansion projects or programs approved by the Board; or
    ii. When the Corporation 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
    iii. When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

c. The policy of the Corporation is to provide a sustainable dividend stream to its shareholders. The Board determines the dividend payout taking into consideration the Corporation's operating results, cash flows, capital investment needs and debt servicing requirements. Dividends shall be paid within thirty (30) days from the date of declaration.

13.4.6. Appraisal Right

a. The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

    i. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholder or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
    ii. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
    iii. In case of merger or consolidation; and
    iv. In case of investment of corporate funds for any purpose other than the primary purpose of the Company.

13.5. It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner.

As such, the Board of Directors normally engages the services of a neutral third party to assist in the resolution of issues between the Company and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as the Company and the circumstances sees fit.

Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in

accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties.

13.6. The Company shall establish an Investor Relations Office (IRO), headed by a designated Investor Relations Officer, to facilitate regular and effective engagement with shareholders, investors, analysts, and other stakeholders. The IRO shall maintain open communication channels and support the timely dissemination of relevant Company information through various engagement platforms, including stockholders' meetings, investor and analyst briefings, media briefings, and other appropriate communication channels in consonance with applicable disclosure rules. The Investor Relations Officer, shall be present at all stockholders' meetings to receive and address shareholder inquiries, feedback, complaints, and concerns, and to promote shareholder participation in matters relating to the Company's activities, performance, and governance.

V. DUTIES TO STAKEHOLDERS

14. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder's 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.

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

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

14.3. The Board shall adopt a transparent framework and process that allows stakeholders to communicate with the Company and to obtain redress for the violation of their rights.

15. Encouraging Employees' Participation

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

15.1. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance. These policies and programs, among others, may be in the areas of health, safety and welfare, training and development, rewards/compensation for employees.

15.2. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-bribery and anti- corruption policy and program in its Code of Ethics. Further, the Company shall disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture.

15.3. The Board shall establish a suitable framework for whistleblowing that allows employees to

freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

16. Encouraging Sustainability and Social Responsibility

The Company shall be socially responsible and promote sustainability in all its dealings with the communities where it operates. It shall ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

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

VI. COMMUNICATION AND MONITORING OF THIS MANUAL

17. Communication

17.1. This Manual shall be posted publicly on the Company's website, available for inspection by any stockholder of the Corporation.

17.2. All directors, officers, division and department heads are tasked to ensure thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

17.3. This Manual shall be disseminated manually or electronically to all employees, as part of their New Employee Orientation and annually, through the annual corporate governance course and shall be readily accessible on the Company's website and internal Corporate Governance Portal.

17.4. This Manual shall be subject to annual review unless the same frequency is amended by the Board.

17.5. If necessary, funds shall be allocated by the Corporation for the purpose of conducting an orientation program or workshop to operationalize this Manual.

18. Monitoring and Penalties For Non-Compliance

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

18.2. To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of this Manual:

a. In case of first violation, the subject person shall be reprimanded.

b. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. This shall not be applicable to directors.

c. For third violation, the maximum penalty of removal from office shall be imposed. With regard to directors, the provision of Section 27 of the Revised Corporation Code shall be observed.

18.3. The Compliance Officer shall be responsible for determining violations through notice and hearing and shall recommend to the Chairman, the imposable penalty for such violation, for further review and approval of the Board.

19. Effectivity

This Revised Manual on Corporate Governance was approved by the Board on November 9, 2026 and shall be effective immediately. It supersedes the previous Manual that was approved and adopted by the Corporation, the latest version dated November 10, 2025.

Signed by:

(sgd.)	(sgd.)
JOHN NAI PENG C. ONG	**HENRY T. SY, JR.**
Chief Compliance Officer	Board Chairperson