



PLDT INC.

BOARD OF DIRECTORS CHARTER

This Charter was approved and adopted on November 9, 2017 by the Board of Directors of PLDT.

This Charter is intended to serve as a guide to the Board of Directors and each Director in carrying out their fiduciary duties, in conformity with applicable laws, the Articles of Incorporation, By-Laws and Manual on Corporate Governance of PLDT, and other corporate governance rules, regulations and best practices.

1. DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

The following terms are used in this Charter with the respective meanings ascribed to such terms below, unless the context otherwise requires.

“Articles of Incorporation”	means the Articles of Incorporation of the Company and all amendments thereto;
“Board”	means the Board of Directors of the Company, the governing body that exercises the corporate powers of the Company, conducts all its business and controls its properties;
“Board Committees”	means the Company’s Audit Committee, Governance and Nomination Committee, Risk Committee, Executive Compensation Committee and Technology Strategy Committee, and such other committees which the Board may constitute from time to time;
“By-Laws”	means the By-Laws of the Company and all amendments thereto;
“CG Manual”	means the Manual on Corporate Governance of the Company and all amendments thereto;
“Chairman”	means the Chairman of the Board;
“Charter”	means this Board of Directors Charter including its Annexes;

“Commission”	means the Philippine Securities and Exchange Commission;
“Company” or “PLDT”	means PLDT Inc.;
“Code of Ethics”	means the Code of Business Conduct and Ethics of the Company and all amendments thereto;
“Corporation Code”	means <i>Batas Pambansa Blg. 68</i> , otherwise known as the “Corporation Code of the Philippines”;
“Corporate Governance”	means the system of: (a) stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders, and (b) 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;
“Director”	means a member of the Board duly elected in accordance with law and the By-Laws;
“Director-nominee”	means an individual nominated by a stockholder for election as a Director;
“Employees”	means employees of the Company below the rank of Manager;
“Executives”	means the executives of the Company with the rank of Manager up to Assistant Vice President;
“Executive Director”	means a Director who has executive responsibility for the day-to-day operations of the Company;
“Governance Code”	means the SEC Memorandum Circular No. 19, Series of 2016, otherwise known as the “Code of Corporate Governance for Publicly-Listed Companies”;
“Independent Director”	shall have the meaning ascribed to such term in Annex C hereof;

“Management”	means the body composed of the CEO and Officers given authority and responsibility by the Board to manage the day-to-day conduct of business of the Company and implement the business strategies, plans and policies approved by the Board;
“Non-Executive Director”	means a Director who has no executive responsibility for the day-to-day operations of the Company;
“Officers”	means the officers of the Company with the rank of Vice President and above or who are appointed as such by the Board;
“Securities Code”	means Republic Act No. 8799 otherwise known as the “Securities Regulation Code”; and
“Stakeholders”	means individuals, organizations or the society at large who can either affect and/or be affected by an entity’s strategies, policies, business decisions and operations, in general, including, among others, customers, investors, creditors, employees, suppliers, as well as the government and the community in which that entity operates.

1.2 Interpretation

- (a) Unless the context otherwise requires:
 - (i) words in the singular include the plural, and *vice versa*; and
 - (ii) words importing any gender include all genders.
- (b) The word “writing”, or any cognate expression, includes a reference to any communication effected by electronic mail, facsimile transmission or any mode of reproducing words in a legible and non-transitory form.
- (c) A reference to a statute or statutory provision shall be construed as a reference to that statute or statutory provision as from time to time amended, modified or re-enacted, any repealed statute or statutory provision which it re-enacts, and any order, rule or regulation made under the relevant statute or statutory provision.
- (d) The headings in this Charter are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

2. STRUCTURE

2.1 Composition

- (a) The Board shall be composed of thirteen (13) Directors, or such number of Directors provided in the Articles of Incorporation, duly elected in accordance with the applicable laws and the By-Laws.
- (b) To help secure objective and independent judgment on all corporate affairs and substantiate proper checks and balances, the Board shall be composed of a majority of Non-Executive Directors, which includes at least three (3) Independent Directors representing twenty percent (20%) of the total membership of the Board. The Board shall, from time to time, assess the advisability of reinforcing its independence by increasing the number of its Independent Directors to one-third or more of the total membership of the Board, to sustain effective Board performance for purposes of better serving the evolving requirements of the Company and protecting the legal rights and interests of all its stockholders.

2.2 Qualifications and Disqualifications

- (a) A Director or Director-nominee must possess the minimum qualifications set forth in Article V, Section 3 of the By-Laws and Section 2.1.3(a) of the CG Manual (**Annex A**), as may be amended from time to time to include additional qualifications provided under the Corporation Code, Securities Code, Governance Code and other relevant laws, rules and regulations, and such other qualifications approved by the Board and incorporated in amendments to the By-Laws.
- (b) No person shall qualify or be eligible for nomination or election as Director if he possesses or is subject to any of the disqualifications set forth in Article V, Sections 4 and 5 of the By-Laws and Section 2.1.3(b) of the CG Manual (**Annex B**), as may be amended from time to time to include additional grounds for disqualification provided under any amendments to the Corporation Code, Securities Code, Governance Code and other relevant laws, rules and regulations, and such other grounds for disqualification approved by the Board and incorporated in amendments to the By-Laws.
- (c) An Independent Director or Independent Director-nominee must possess the minimum qualifications set forth in **Annex A** hereof and meet the other independence criteria set forth in Article V, Section 2 of the By-Laws and Section 2.1.3(c) of the CG Manual (**Annex C**), as may be amended from time to time to include additional criteria provided under any amendments to the Corporation

Code, Securities Code, Governance Code and other relevant laws, rules and regulations.

2.3 Nomination and Screening

- (a) All nominations for election of Directors, including Independent Directors, shall be submitted to the Board, through the Chairman and Corporate Secretary, at least sixty (60) working days before the meeting of the stockholders, or at least thirty (30) working days before the meeting of the Board, as the case may be, duly called for the aforesaid purpose.
- (b) The Governance and Nomination Committee has the delegated authority to evaluate and determine whether a Director-nominee or Independent Director-nominee has all the qualifications and none of the disqualifications for directorship specified in **Annexes A, B and C** hereof, as may be amended from time to time. In the exercise of such authority, the Governance and Nomination Committee shall observe the procedures and safeguards set forth in the Guidelines on the Search, Screening and Election of Directors, as may be amended from time to time, the salient provisions of which are summarized in **Annex D** hereof.
- (c) Only those Director-nominees, including Independent Director-nominees, who have been determined by the Governance and Nomination Committee to be qualified and eligible for election, as confirmed by the Board, shall be recommended for election by the stockholders or the Board, as the case may be, at a meeting duly called for such purpose.

2.4 Board Diversity

- (a) The Company recognizes that diversity at the Board level in a broad range of aspects including, but not limited to, knowledge, skills, professional or business experience, cultural and educational background, ethnicity, gender, age, length of service, and mix of executive, non-executive and independent directors, contributes to the enhancement of the quality of performance and decision-making capability of the Board. It also considers having an optimally performing diverse Board as an essential element for the attainment of the Company's strategic objectives and its sustainable development.
- (b) In furtherance of the aforesaid diversity policy statements, and without infringing the cardinal right of the stockholders to nominate and vote for the election of Directors, the Governance and Nomination Committee and the Board shall consider the appropriate mix, complementation and interplay of the various diversity aspects in the selection of qualified Director-nominees, including Independent Director-nominees, who will be recommended for

election by the stockholders or the Board, as the case may be, for the Company to achieve the benefits of Board diversity as well as to fairly and effectively promote the interest of all the stakeholders, particularly the long term interest of the stockholders of the Company.

2.5 Election and Term of Office

- (a) Directors shall be elected at the annual meeting or special meeting of stockholders duly called and convened for such purpose. Director-nominees who receive the highest number of votes at the stockholders meeting at which there is a quorum shall be declared elected as such.
- (b) Directors elected at the annual meeting of stockholders shall hold office for one (1) year and until their successors shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office.
- (c) In case of a vacancy in the Board other than by removal by the stockholders or by expiration of term of office, the vacancy may be filled by the votes of at least a majority of the remaining Directors, if still constituting a quorum, at a meeting duly called and convened for such purpose.
- (d) A Director elected to fill a vacancy, either in a stockholders meeting or Board meeting duly called and convened for such purpose, shall be elected only for the unexpired term of his predecessor in office.
- (e) As a rule, an Independent Director shall only serve for a maximum of nine (9) consecutive years reckoned from 2012 (the “**Term Limit**”). However, in case the stockholders who have a legal right to nominate and vote for the election of directors desire to re-elect an Independent Director beyond the Term Limit for meritorious justifications, the Company shall uphold the stockholders’ legal right and disclose the meritorious justifications for retaining an Independent Director beyond the Term Limit during the annual meeting of stockholders.

2.6 Temporary Disqualification

- (a) The Governance and Nomination Committee may recommend to the Board the temporary disqualification of a Director based on the grounds set forth in **Annex B**. The Governance and Nomination Committee may consider and recommend to the Board other grounds for temporary disqualification which may be provided in any applicable laws, rules and regulations.
- (b) Any temporary disqualification of a Director recommended by the Governance and Nomination Committee to be valid and effective must be approved by the

Board and comply with the requirements of applicable laws, rules and regulations.

- (c) A Director who has been temporarily disqualified shall, within the period prescribed by the Board, which shall not be less than sixty (60) business days from such disqualification, take the appropriate action to remedy the disqualification. If he fails to do so for unjustified reasons, the disqualification shall become permanent.

2.7 Removal

- (a) A Director may be removed from office, with or without cause, by a vote of the stockholders holding or representing two-thirds (2/3) of the outstanding capital stock, at a meeting duly called and convened for the purpose, after previous notice to the stockholders of the intention to propose such removal at the meeting.
- (b) The requirements for calling such meeting and giving of notice thereof as provided in the Corporation Code must be complied with.

3. POWERS, DUTIES AND RESPONSIBILITIES OF THE BOARD, DELEGATION TO BOARD COMMITTEES, OTHER RESOURCES

3.1 Powers, Duties and Responsibilities

3.1.1 Board

- (a) The Board shall exercise the corporate powers, conduct the business and control the properties of the Company, in accordance with applicable laws, the By-Laws and the CG Manual. It shall be responsible for fostering the long term success of the Company and securing its sustained competitiveness and profitability consistent with the corporate objectives and long-term best interest of the Company, its stockholders and other stakeholders, as a whole.
- (b) Without prejudice to such general powers and such other powers as may be granted by law, the Board shall have the express powers set forth in Article V, Section 9 of the By-Laws (**Annex E**) and the duties and responsibilities set forth in Section 2.1.4 of the CG Manual (**Annex F**).

3.1.2 Directors

- (a) Each Director shall act in the manner set forth in Section 2.1.5 of the CG Manual (**Annex G**) consistent with his three-fold duty of obedience, diligence and loyalty

to the Company.

- (b) Each Director shall abide with the corporate governance policies of the Company, including the Code of Ethics, which are applicable to Directors.
- (c) Without limiting the generality of the foregoing, each Director:
 - (i) shall maintain and safeguard the confidentiality of information entrusted to him by the Company, and shall not disclose any non-public information, including any act, transaction, development or event about and involving the Company or any of its subsidiaries, unless the Company is ready to disclose such information to the Commission, Exchange and the public and the disclosure has been approved by the Board;
 - (ii) shall avoid any actual or apparent conflict of interest between his or his related party's private interest and the interest of the Company or any of its subsidiaries, and in case of any such potential or actual conflict of interest with respect to any transaction involving the Company or any of its subsidiaries, shall disclose the nature and extent of his or his related party's interest in such transaction and inhibit from any discussion, action or decision making with respect to such transaction;
 - (iii) shall not deal in the Company's shares in violation of the provisions on insider trading set forth in the Securities Code and the Company's policy regarding dealings on the Company's shares, and in case of any permitted dealings in the Company's shares, shall disclose the transaction to the Company within three (3) business days from the date thereof;
 - (iv) shall not acquire for himself or his related party a business opportunity which should belong to the Company or any interest adverse to the Company, in conflict with his duty as such director; and
 - (v) shall notify the Board before accepting a directorship in another company, and carefully consider the effect of accepting such directorship on his ability to serve and perform his duties and responsibilities diligently and efficiently as a director of the Company.

3.2 Delegation to Board Committees

- (a) The Board may create such Committees to assist in the effective performance of specific functions and responsibilities which may be delegated by the Board, subject to the requirements and limitations provided in Corporation Code.

- (b) The Board may also create an Advisory Board/Committee which shall have purely advisory function. The members of the Advisory Board/Committee shall have no voting rights in respect of matters presented at Board meetings.
- (c) To aid in ensuring compliance with the principles of good corporate governance, the Board shall constitute an Audit Committee, Risk Committee, Governance and Nomination Committee, Executive Compensation Committee and Technology Strategy Committee, each of which shall have a charter which shall define and govern, its purposes, composition, membership qualifications, disqualifications, duties and responsibilities, conduct of meetings, and procedures for reporting and escalation to the Board of decisions and accomplishments made by such Committee.
- (d) The primary purposes of the Board Committees referred to in (c) above shall be those set forth in **Annexes H, I, J, K and L** hereof, as may be amended from time to time.
- (e) As a rule: (i) all members of the Audit Committee, including the Chairman thereof, must be Independent Directors, each member must be financially literate and the Chairman must have accounting or related financial management expertise, as such qualifications are interpreted by the Board based on its business judgment, (ii) at least a majority of the voting members, including the Chairman, of each of the Governance and Nomination Committee, Executive Compensation Committee and Risk Committee must be Independent Directors, and (iii) at least a majority of the voting members, including the Chairman, of the Technology Strategy Committee, must be Directors. The Board shall periodically review the composition of each Board Committee and determine if any changes thereto, including the number of Non-Executive or Independent Directors comprising each, is necessary for the optimal performance of its functions and responsibilities.

3.3 Chairman of the Board, CEO and Corporate Secretary

- (a) The Board shall select from its membership and appoint a Chairman who shall provide leadership for the Board and ensure that it works effectively and performs its duties in accordance with law, the By-Laws and CG Manual. The Chairman shall have the functions and responsibilities set forth in Article VII, Section 1 of the By-Laws and Section 2.3.1 of the CG Manual (**Annex M**).
- (b) The roles of the Chairman and the CEO should, as practicable, be separate and there should be a delineation of functions between them for an appropriate balance of power, increased accountability and better independent decision making by the Board. The functions and responsibilities of the CEO are set forth in Section 2.4.1 of the CG Manual (**Annex N**).

- (c) The Board shall ensure that it is assisted in its duties by a Corporate Secretary who shall have the duties and responsibilities set forth in Article VIII, Section 1 of the By-Laws and Section 2.5.2 of the CG Manual (**Annex O**).

3.4 Access to Professional Advice and Management

- (a) The Board and Board Committees may obtain advice from professional consultants and subject matter experts, at the Company's expense, as each may deem necessary or appropriate to carry out their respective functions and responsibilities.
- (b) The Board and Board Committees shall have independent access to Management as each may deem necessary or appropriate to carry out their respective functions and responsibilities.
- (c) The Board and Board Committees may direct Management to timely provide them with adequate information on matters to be taken up in Board or Board Committee meetings and to make presentations in such meetings and respond to inquiries arising therefrom.

3.5 Indemnification

Per Article XI of the By-Laws:

- (a) The Company shall indemnify every Director, his heirs, executors and administrators against all costs and expenses reasonably incurred by such person in connection with any civil, criminal, administrative or investigative action, suit or proceeding (other than an action by the Company) to which he may be, or is made, a party by reason of his being or having been a Director of the Company, except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding, to be liable for gross negligence, misconduct, or breach of fiduciary duty.
- (b) In the event of a settlement or compromise, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Company is advised by counsel that the person to be indemnified did not commit a breach of duty as such Director.
- (c) The amount payable by way of indemnity shall be determined and paid only pursuant to a resolution adopted by a majority of all of the members of the Board.

- (d) The costs and expenses incurred in defending the aforementioned action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding, as authorized in the manner provided for in the preceding paragraph, upon receipt of an undertaking by or on behalf of the Director to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Company as authorized pursuant to the foregoing provisions.

4. BOARD ACTIONS/MEETING

4.1 General Rule

Where the law expressly requires a meeting for a particular transaction, no action can be taken by the Board thereon without a meeting properly called and convened for such purpose.

4.2 Nature, Call, Notice and Place of Meetings

In accordance with the By-Laws and the Corporation Code:

- (a) Promptly after the election of the Directors at the annual meeting of stockholders, the Board shall hold a meeting to elect or appoint the Chairman of the Board and Officers of the Company. Subsequent regular meetings shall be held monthly on the last Tuesday of each month. The schedule of the regular meetings for the ensuing year shall be set and approved by the Board at the last meeting of the Board in the current year.
- (b) Notice of regular meetings to be held on the dates stated in the schedule approved by the Board pursuant to clause (a) above need not be given to the Directors.
- (c) Special meetings may be called by the Chairman whenever he may think proper or whenever requested in writing by at least three (3) Directors, and such meeting shall be called for a date not later than seven (7) days from the date of the request.
- (d) Written notice of special meetings, stating the date and place thereof and the purposes for which the meeting is called, shall be given to each Director by the Corporate Secretary or Assistant Corporate Secretary or in case of his absence, inability, refusal or negligence to act, by any person appointed for that purpose by the Chairman or three (3) Directors. Such notice may be given to each Director personally or by facsimile, email or other means generally accepted or used by the business community as are available or which become available through technological advances or innovations in the future, at least twenty four

(24) hours prior to the time fixed for the meeting, or may be given by mail to each Director at his last known place of residence or business, posted at least three (3) days before the date fixed for the meeting.

- (e) A Director may waive the notice requirement, either expressly or impliedly.
- (f) When a meeting is called to approve extraordinary actions/transactions or any of the corporate actions/transactions referred to in Sections 16, 37, 38, 39, 40, 42, 43, 44, 48, 77, 118, 119 and 120 of the Corporation Code (**Annex P**), the notice must specify the proposed corporate actions/transactions to be approved in the meeting.
- (g) Meetings shall be held at the principal office of the Company or at such other place in or outside the Philippines as the Board, from time to time, may determine.

4.3 Attendance

- (a) Each Director shall attend and actively participate in all meetings of the Board, except when justifiable causes prevent his attendance, to ensure that the quorum requirement will be met. Justifiable causes include, but are not limited to, grave illness, death of an immediate family member, or serious accident.
- (b) Absence in more than fifty percent (50%) of all Board meetings during a Director's incumbency or any twelve (12) month period during the Director's incumbency, unless due to justifiable causes, may disqualify a Director for purposes of the succeeding election.
- (c) At any meeting of the Board, an Independent Director should always be in attendance to promote transparency. However, unless otherwise provided in the By-Laws, the absence of an Independent Director shall not affect the quorum requirement.
- (d) Directors must be physically present in Board meetings or may participate therein through teleconferencing or videoconferencing conducted in accordance with the applicable rules and regulations of the Commission.
- (e) Directors cannot attend Board meetings or vote therein by means of a proxy.

4.4 Quorum and Voting

- (a) Every meeting of the Board shall be presided by the Chairman of the Board or, in his absence, the President or, in his absence, by any Director chosen by majority

of the Directors present at such meeting. The Corporate Secretary or, in his absence, the Assistant Corporate Secretary, shall act as secretary of such meeting but if neither the Secretary or Assistant Corporate Secretary is present, the Chairman of the meeting shall appoint a secretary of the meeting.

- (b) At any meeting of the Board, a majority of the number of the Directors as specified in the Articles of Incorporation shall constitute a quorum for the transaction of business. In the absence of a quorum, a majority of the Directors present may adjourn any meeting from time to time until a quorum be had. Notice of any adjourned meeting need not be given.
- (c) At any meeting of the Board at which there is a quorum, all matters approved by at least a majority of the Directors present at such meeting shall be valid as a corporate act, except for such matters which require the vote of majority of all the members of the Board as prescribed by law or the By-Laws.
- (d) With respect to the corporate actions/transactions set forth in **Annex P**, the requisite stockholders' ratification or approval shall be obtained in addition to the Board's approval.

4.5 Minutes

- (a) The minutes of every Board meeting shall be prepared by the Corporate Secretary, which minutes shall set forth, among other matters, the date, time and place of the meeting, the nature of the meeting, those present and absent, and every act done or ordered done at the meeting. Upon the demand of any Director, the time when any Director entered or left the meeting, or the yeas and nays on any motion or proposition must be recorded in the minutes. The protest of any Director on any action or proposed action must be recorded in full on his demand.
- (b) The minutes of every Board meeting must be approved by the Board and following such approval, shall be signed by the chairman and secretary of the meeting.
- (c) The minutes of Board meetings shall be kept and preserved at the principal office of the Company, except when the Board authorizes the transfer of such minutes to another place to accomplish specific purposes required by the Board.
- (d) The minutes of Board meetings shall be open to the inspection of any Director at reasonable hours on business days, provided that the Board may deny or refuse such inspection if the requesting Director improperly used information secured from prior examination, or is not acting in good faith, or does not have a

legitimate purpose for inspecting the records, or if the Board determines it necessary to safeguard the rights and legitimate interest of the Company, such as when such minutes contain sensitive or confidential information, the disclosure of which will be prejudicial to the Company or result in a breach by the Company of a confidentiality or non-disclosure obligation.

4.6 Executive Sessions of the Board

- (a) The Board shall hold executive sessions with the Independent Directors and Non-Executive Directors, excluding Executive Directors, at least once a year and at such other times as the Board may deem necessary or appropriate.
- (b) The executive sessions shall be presided by the Chairman of the Governance and Nomination Committee, except if said Chairman is an Executive Director, in which case, by an Independent Director or Non-Executive Director designated by the Board.

5. COMPENSATION, TRAINING AND PERFORMANCE EVALUATION

5.1 Compensation

- (a) Directors shall not decide on their own compensation, other than per diems.
- (b) In the absence of any provision in the By-Laws, Directors shall not receive any compensation, as such, except for reasonable per diems.
- (c) Any compensation proposed to be granted to Directors may be granted by a vote of the stockholders representing at least a majority of the outstanding capital stock at a meeting of stockholders duly called and convened for such purpose.
- (d) The Executive Compensation Committee shall periodically evaluate, and if it deems appropriate, recommend to the Board adjustments in the amount of per diems taking into consideration the compensation practices of other listed companies of comparable size and the performance of the Company. The Executive Compensation Committee may recommend and review with the Board any proposal to grant compensation or other forms of remuneration to Directors, provided that any such proposal shall be subject to stockholders' approval, as stated in the preceding clause (c).

5.2 Training

- (a) An orientation program shall be conducted for first-time Directors in order for new Directors to be apprised of their duties and responsibilities before beginning their directorships. Such program shall include, among other matters,

an introduction to the Company's business, the industry in which it operates, its financial condition and results of operations, relevant corporate governance policies and processes and other topics that would suit the specific needs of the Company and the new Directors and aid the new Directors in performing their duties and responsibilities.

- (b) In order to promote effective Board performance, the Company shall establish a continuing training program for Directors, which shall include an annual training, to ensure that Directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company.
- (c) The Governance and Nomination Committee shall oversee the implementation of the continuing training program for Directors.

5.3 Performance Evaluation

- (a) The Board shall conduct, at least once a year, a self-assessment to evaluate the performance of the Board as a whole, the Board Committees and individual Directors.
- (b) The performance self-assessment shall be conducted following the procedure described in **Annex Q**, as may be amended by the Board from time to time, covering such criteria based on the mandate, functions and responsibilities of the Board, the Board Committees and the individual Directors as provided in the By-Laws, CG Manual, and Board and Board Committee Charters, as well as other leading principles and practices on good governance.
- (c) The Governance and Nomination Committee shall assist the Board in the implementation of the process for the self-assessment of the performance of the Board, Board Committees and individual Directors.
- (d) The annual self-assessment process may, as practicable, be supported by an external facilitator every three years, and allow for a feedback mechanism for the stockholders of the Company.

6. OTHER GOVERNANCE POLICIES AND PROGRAMS

In furtherance of good governance, the Board shall ensure that the Company adopts and updates policies and programs aligned with the Principles of Good Governance set out in the Governance Code, covering the following matters:

- (a) *Code of Business Conduct and Ethics* to guide Directors, Officers, Executives and

Employees on the standards for professional and ethical behavior in internal and external dealings, and formalize ethical values to instill an ethical corporate culture;

- (b) *Board Diversity* to achieve dynamic and optimal decision making;
- (c) *Nomination and Election of Directors* to promote transparency in the nomination and election process and encourage stockholders participation therein;
- (d) *Training of Directors* to promote effective Board performance;
- (e) *Succession Planning for Directors and Officers* to promote dynamism, facilitate the transfer of leadership, ensure growth and continued increase in stockholders' value;
- (f) *Remuneration of Directors and Officers* to attract and retain the services of qualified and competent individuals and encourage the Board and Management to act in the long term interest of the Company, which considers the business and risk strategies objectives and values, promotes sound risk-taking, and aligns remuneration with performance;
- (g) *Selection and Performance Appraisal of Management* to ensure the continuing fitness of Management in carrying out their duties and responsibilities and to assess the performance of Management, including the President and CEO, based on established performance standards that are consistent with the Company's strategic objectives;
- (h) *Related Party Transactions* to ensure the appropriate review and approval of material significant related party transactions, the integrity, fairness and transparency of such transactions, prevent abuse, and protect the interest of all stockholders;
- (i) *Internal Control* to ensure the integrity, transparency and proper governance of the affairs of the Company, and help sustain safe and sound operations for the attainment of corporate goals, taking into account its size, risk profile and complexity of operations;
- (j) *Enterprise Risk Management* to ensure that key business risks are effectively identified, monitored and managed;
- (k) *Corporate Disclosures* to ensure a comprehensive, accurate, reliable and timely report to stockholders and other stakeholders, in accordance with best practices and regulatory requirements, of information regarding: (i) Directors and Officers' qualifications, membership in other boards, other executive positions, remuneration, share ownership in the Company and dealings in the Company's shares, (ii) related party transactions, and (iii) every material fact or event which could affect the interest of its stockholders and other stakeholders, or the trading and price of the Company's shares, such as those enumerated in the disclosure rules of the Commission and the Exchange;

- (l) *Disclosure of Material Non-Financial Information* to apprise stockholders and other stakeholders of the economic, environmental, social and governance issues which impact the sustainability of the Company;
- (m) *Disclosure of Stockholders Rights*, including procedures for the exercise of such rights, and alternative dispute mechanism for the amicable resolution of intra-corporate disputes, to promote and facilitate the exercise of stockholders' rights;
- (n) *Investor Relations and Stakeholders Engagement* to promote effective communication and cooperation with the various stakeholders who have interests in, or are directly affected by, the operations of the Company, and provide a mechanism through which stakeholders may communicate with the Company and obtain redress for violation of their rights;
- (o) *Employee Programs*, including health, safety and welfare, training and development, and reward/compensation programs, to encourage employees to contribute in the realization of the Company's goals and participate in its corporate governance processes;
- (p) *Anti-Corruption* to increase awareness and encourage reporting of corrupt practices thereby aiding in the mitigation of corrupt practices; and
- (q) *Whistleblowing*, including the procedure and safe-harbors for reporting of concerns about illegal or unethical practices, to aid in promoting compliance with laws, rules, regulations and Company policies and in monitoring compliance risk areas.

7. EFFECTIVITY AND AMENDMENTS

- (a) This Charter shall take effect on November 9, 2017.
- (b) Any amendment or supplement to this Charter shall be subject to approval by the Board of Directors.

ANNEX A – QUALIFICATIONS FOR DIRECTORSHIP

1. Must own at least one (1) share of stock of the Company standing in his name on the books of the Company;
2. Must have a college education or equivalent academic degree;
3. Must be at least twenty-one (21) years old;
4. Must possess integrity and probity;
5. Must have a practical understanding of the business of the Company or previous business experience; and
6. Must have attended a seminar on corporate governance conducted by a duly recognized private or government entity or must have issued an undertaking to attend such a seminar as soon as practicable.

The Governance and Nomination Committee may consider and recommend to the Board other qualifications which are now or may hereafter be provided in the relevant existing laws or any amendments thereto or new laws applicable to the Company, including, but not limited to, membership in good standing in relevant industry, business or professional organization.

ANNEX B – GROUNDS FOR DISQUALIFICATION FROM DIRECTORSHIP

Permanent Disqualification

1. Any person convicted or adjudged guilty of any of the offenses or crimes specified below in a final, non-appealable judgment, decree or order issued by a judicial or an administrative body having competent jurisdiction or the Commission:
 - (a) an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
 - (b) any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them; or
 - (c) having willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or BSP;
2. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (a) acting as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above.

The disqualification shall also apply if such person: (a) is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or under any rule or regulation issued by the Commission or BSP; or (b) has otherwise been restrained to engage in any activity involving securities and banking; or (c) is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the said organization;
3. Any person found guilty by final judgment or order of a foreign court or equivalent securities or banking regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in Sections 1 and 2 above;
4. Any person convicted by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5)

- years prior to the date of his election or appointment;
5. Any person judicially declared as insolvent;
 6. Any employee, officer, manager, director or controlling person or the owner (either of record or beneficially) of ten percent (10%) or more of any outstanding class of shares of any corporation (other than one in which the Company owns at least thirty per cent (30%) of the capital stock) or entity engaged in a business that the Board, by at least a majority vote, determines to be competitive or antagonistic to that of the Company or any of its subsidiaries;
 7. Any employee, officer, manager, director or controlling person or the owner (either of record or beneficially) of ten percent (10%) or more of any outstanding class of shares of any corporation or entity engaged in any line of business of the Company or any of its subsidiaries, when in the judgment of the Board, by at least a majority vote, the laws against combinations and restraint of trade shall be violated by such person's membership in the Board; and
 8. Any nominee, as determined by the Board, in the exercise of its judgment in good faith and by at least a majority vote, of any person set forth in Sections 6 and 7 above.

Temporary Disqualification

The Governance and Nomination Committee may consider and recommend to the Board temporary disqualification of a Director based on any of the following grounds:

- (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations, which disqualification shall be in effect as long as said refusal persists;
- (ii) Absence in more than fifty percent (50%) of all Board meetings, both regular and special, during his incumbency or any twelve (12) month period during said incumbency, unless the absence is due to justifiable causes such as illness, death of an immediate family member or serious accident. This disqualification applies for purposes of the succeeding election;
- (iii) Dismissal or termination for cause as director of any corporation covered by the Governance Code. This disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to his dismissal or termination;
- (iv) Being under preventive suspension by the Company (in the case of an Executive Director); and
- (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

Any temporary disqualification of a Director recommended by the Governance and Nomination Committee to be valid and effective must be approved by the Board and comply with the requirements of applicable laws, rules and regulations.

A temporarily disqualified Director shall, within the period prescribed by the Board, which shall

not be less than sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

The Governance and Nomination Committee may consider and recommend to the Board other grounds for disqualification which are now or may hereafter be provided in the relevant existing laws or any amendments thereto or new laws applicable to the Company.

ANNEX C – INDEPENDENT DIRECTOR

“**Independent Director**” means a person who is independent of management and who, apart from his fees and shareholdings, is free from any business or other relationship with the Company which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company. It refers to a person who, ideally:

- (i) is not an officer or director of the Company or any of its related companies or any of its substantial shareholders (other than as an Independent Director of any of the foregoing);
- (ii) was not an officer or a director of the Company or any of its related companies or any of its substantial shareholders (other than an Independent Director of any of the foregoing) within the three (3) years immediately preceding the date of his election;
- (iii) was not the chairman *emeritus* or an *ex-officio* director/officer, or a member of the advisory board of the Company or any of its related companies or any of its substantial shareholders, or otherwise appointed in a capacity to assist the board of directors of any of the foregoing in the performance of its duties and responsibilities within the last three (3) years immediately preceding the date of his election;
- (iv) is not an owner of more than two percent (2%) of the shares of stock of the Company or any of its related companies or any of its substantial shareholders;
- (v) is not a relative of any director, officer or substantial shareholder of the Company or any of its related companies or any of its substantial shareholders. For this purpose, “relatives” includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- (vi) is not acting as a nominee or representative of any director or substantial shareholder of the Company or any of its related companies or any of its substantial shareholders, pursuant to a deed of trust or under any contract or arrangement;
- (vii) is not retained or, within the last three (3) years immediately preceding the date of his election, has not been retained as a professional adviser, auditor, consultant or counsel of the Company or any of its related companies or any of its substantial shareholders, either personally or through his firm;
- (viii) does not engage or has not engaged in any transaction with the Company or any of its related companies or any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm’s length and could not materially interfere with or influence the exercise of independent judgment;
- (ix) is not employed, or within the last three (3) years immediately preceding the date of his election, has not been employed as an executive officer of another entity where any of the Company’s executive officers serves on that entity’s Compensation Committee;

- (x) is not employed or, within the last three (3) years immediately preceding the date of his election, has not been employed by the Company's present or former external auditors;
- (xi) is not a securities broker-dealer of listed companies and registered issuers of securities or a person holding any office of trust and responsibility in a securities 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; or
- (xii) is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or any of its substantial shareholders.

When used in relation to a company, "related company" means another company which is: (a) its holding company, (b) its subsidiary, or (c) a subsidiary of its holding company; and "substantial shareholder" means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

ANNEX D - GUIDELINES ON THE SEARCH, SCREENING AND SELECTION OF DIRECTORS

The Company's *Guidelines on the Search, Screening and Selection of Directors (the "Guidelines")* was adopted to help ensure and guide the effective and efficient search, screening and selection of candidates for election as members of the Board. The *Guidelines* sets forth the following procedures and safeguards in the director selection process:

- The Governance and Nomination Committee (the "Committee"), through its Secretariat, receives all letters nominating candidates for election as directors/independent directors from stockholders (including minority stockholders).
- The Committee evaluates and screens nominees for directors *vis-à-vis* the applicable qualifications and disqualifications as set forth in the Company's Manual on Corporate Governance, By-Laws and other applicable policy, law or regulation.
- For nominees for independent directors, the Committee determines whether or not the nominees meet the independence criteria set forth in the Company's Manual on Corporate Governance, By-Laws, other applicable policy, law or regulation, and other independence criteria set by the Committee.
- The Committee also considers other relevant factors, such as any conflict of interest and directorships and/or positions in other corporations, which may compromise the nominees' capacity to diligently and effectively serve and perform their duties to the Board, the Company and its stakeholders, when elected.
- The Committee shortlists the nominees to be recommended to the Board, and in doing so, ensures that the Board's composition:
 - reflects an effective and balanced mix of knowledge, expertise, experience and skill, and diversity in terms of, among others, age, gender and ethnicity; and
 - is aligned and consistent with the Company's Mission/Vision and strategic directions and the Board's duties and responsibilities.
- Each nominee for independent director is required to submit a written acceptance of the nomination and a Certification of Independent Director stating that he/she possesses all the qualifications and none of the disqualifications for independent directorship, and a list of affiliations and positions that may directly or indirectly give rise to conflict of interest.
- The Committee submits to the Board of Directors its recommended list of final nominees.
- The nominees approved by the Board are recommended for election as directors at the meeting of the stockholders or the Board, as the case may be.

The Committee may use external sources, such as professional search firms, director databases and/or other reputable external sources to further enhance the search for and widen the base of potential nominees. The Committee shall assist the Board in making an assessment of the effectiveness of the processes and procedures in the nomination, election and replacement of a director.

ANNEX E – POWERS OF THE BOARD

Unless otherwise provided by law, the powers, business and property of the corporation shall be exercised, conducted and controlled by the Board of Directors. The Board of Directors shall exercise its powers in consonance with the corporate governance principles instituted in the corporation's Manual on Corporate Governance.

Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

- (a) From time to time, to make and change policies, rules and regulations not inconsistent with these By-Laws for the governance of the corporation and the conduct of its business and affairs;
- (b) To purchase, receive, take, or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all property, rights, interests or privileges, including securities and bonds of other corporations, as the transaction of the business of the corporation may reasonably or necessarily require, for such consideration and upon such terms and conditions as the Board of Directors may deem proper and convenient;
- (c) To invest the funds of the corporation in another corporation or business or for any other purposes other than those for which the corporation was organized, whenever in the judgment of the Board of Directors, the interests of the corporation would thereby be promoted, subject to such stockholders' approval as may be required by law;
- (d) To incur such indebtedness as the Board of Directors may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including, without limitation, notes, deeds of trust, instruments, bonds, debentures or securities, and/or pledge, mortgage, or otherwise encumber all or part of the property and rights of the corporation, subject to such stockholders' approval as may be required by law;
- (e) To guarantee, for and in behalf of the corporation, obligations of other corporations or entities in which it has lawful interest;
- (f) To make provision for the discharge of the obligations of the corporation as they mature, including payment for any property or rights acquired by the corporation, either wholly or partly in money, property, or in stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;
- (g) To impose conditions as the Board of Directors may deem convenient, subject to the limitations prescribed by law, regarding the transfer of shares issued in total or partial payment of debts contracted or property acquired by, or services rendered in behalf of the corporation;
- (h) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the corporation whenever in the judgment of the Board of Directors, the corporation's interest would thereby be promoted;
- (i) Subject to such stockholders' approval as may be required by law, to establish pension, retirement, bonus, profit sharing plans, employees share purchase and stock option

- plans, or other types of incentives or compensation plans for the employees, including officers and directors of the corporation and to determine the persons to participate in any such plans and the amount of their respective participations;
- (j) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation, and likewise, to approve the payment or settlement of whatsoever debts are payable to the corporation upon such terms as the Board of Directors may deem proper and convenient;
 - (k) To delegate, from time to time, any of the powers of the Board of Directors which can be lawfully delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any person who shall act as agents of the corporation with such powers (including the power to sub-delegate), and upon such terms, as the Board of Directors may deem appropriate;
 - (l) To resolve doubts as to the meaning, interpretation and/or application of these By-Laws and supply the omissions thereof;
 - (m) To authorize the issuance of shares out of the authorized but unissued capital stock of the corporation or the buyback or repurchase of the corporation's shares, upon such terms and conditions as the Board of Directors may deem proper and in the best interest of the corporation, subject to the requirements prescribed by law;
 - (n) To determine whether any part of the unrestricted retained earnings of the corporation available for declaration as dividends shall be declared as dividends, subject to the provisions of law; and to provide that the dividends thus declared shall be applied in payment of new shares to be issued to the stockholders entitled to said dividends, which new shares shall be taken out of the authorized and unissued capital stock of the corporation;
 - (o) To determine and prescribe the qualifications, duties, term of office, compensation, remuneration, incentives and other benefits of officers. Pursuant thereto, to appoint or elect or enter into contract with such officers, under such terms and conditions as the Board of Directors may determine to be in the best interest of the corporation; and
 - (p) To enter into any transaction, obligation or contract and perform such acts and execute such deeds as it may deem essential for the proper administration of the corporation's property, business and affairs or the accomplishment of any of the purposes for which the corporation was organized.

(Article V, Section 9 of the By-Laws)

ANNEX F – DUTIES AND RESPONSIBILITIES OF THE BOARD

To ensure a high standard of governance and to promote and protect the interest of the Company, its stockholders and other stakeholders, as a whole, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

GOVERNANCE FRAMEWORK

- (a) establish the Company's corporate governance framework and policies and oversee their implementation;
- (b) implement a process of selection of Directors to ensure a mix of knowledge, expertise and experience and balance among Independent, Non-Executive and Executive Directors in the context of the needs of the Board, and that each Director can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;
- (c) constitute Board Committees which it deems necessary to assist the Board in the performance of its duties and responsibilities, such as the Audit Committee, Governance and Nomination Committee, Risk Committee, Executive Compensation Committee and Technology Strategy Committee;
- (d) properly discharge Board functions by meeting regularly, give due consideration to independent views, and ensure the integrity of decision making during Board meetings;

STRATEGIC DIRECTION AND CORPORATE PERFORMANCE

- (e) determine and review, together with Management, the Company's vision, mission and strategic objectives;
- (f) set performance objectives and monitor implementation and corporate performance;

MANAGEMENT OVERSIGHT

- (g) select and appoint the CEO and other Officers, and assess the performance of Management led by the CEO based on performance standards set by the Board and Management that are consistent with the Company's strategic objectives;
- (h) oversee Management's implementation of business strategies, plans, policies and budgets;
- (i) oversee Management's adoption of human resources policies, including compensation plans and professional development programs for Officers and succession plan for Management;

FINANCIAL REPORTING, INTERNAL CONTROLS AND INDEPENDENT AUDIT

- (j) oversee Management's establishment and maintenance of effective and adequate financial reporting and internal control systems;

- (k) ensure that the Company has an internal audit system that can reasonably assure the Board and Management that the Company's key organizational and operational controls are complied with, and approve the Internal Audit Charter;
- (l) ensure that the Company has an independent audit mechanism for the proper audit and review of the Company's financial statements by independent auditors;
- (m) ensure that the Company complies with all relevant laws, rules and regulations and endeavors to adopt best business practices;
- (n) ensure that the Company establishes appropriate policies and procedures pursuant to this Manual and the Governance Code, including, but not limited to, policies on conflict of interest, related party transactions, and disclosures of material reportable financial and non-financial information, and oversee the effective implementation thereof;

ENTERPRISE RISK MANAGEMENT

- (o) oversee Management's adoption and implementation of a risk management framework for identifying, monitoring and managing key risk areas, and review Management's reports to the Board on major risk exposures of the Company and the actions taken to monitor, minimize, control or manage such risks;

STAKEHOLDER ENGAGEMENT AND CORPORATE SOCIAL RESPONSIBILITY

- (p) ensure that the Company has an effective investor relations program that will keep stockholders and investors informed of important developments in the Company;
- (q) ensure that the Company respects and promotes the exercise of the rights of stockholders; and
- (r) ensure that the Company identifies its stakeholders in the community in which it operates or those who are directly affected by its operations, and that the Company has a stakeholder engagement policy or program to promote communication and cooperation with them.

ANNEX G – DUTIES AND RESPONSIBILITIES OF A DIRECTOR

Consistent with a director's three-fold duty of obedience, diligence and loyalty to the corporation he serves, each Director shall:

- (a) act within the scope of power and authority of the Company and the Board as prescribed in the Articles of Incorporation, By-Laws, and legislative franchise of the Company and in existing laws, rules and regulations;
- (b) act on a fully informed basis, in good faith and with due diligence; and
- (c) act in the best interest of the Company and for the common benefit of the Company's stockholders and other stakeholders.

Pursuant to the foregoing, each Director shall:

- (a) act in a manner characterized by integrity, transparency, accountability and fairness;
- (b) have a working knowledge of the statutory and regulatory requirements affecting the Company and its operations, including the provisions of the Company's Articles of Incorporation, By-Laws and legislative franchise, the requirements of the Commission and other regulatory agencies having jurisdiction over the Company, and keep abreast with industry developments and business trends;
- (c) devote the time and attention necessary to properly and effectively discharge fiduciary duties and responsibilities and to be familiar with the business of the Company;
- (d) act judiciously on matters brought before the Board, thoroughly evaluating the issues involved before making any decision;
- (e) exercise independent judgment;
- (f) ensure that his personal interest does not conflict with the interest of the Company or affect his independent judgment and the Board's decisions; and
- (g) observe and safeguard confidentiality of non-public information acquired by reason of his position as a director.

ANNEX H –AUDIT COMMITTEE

The primary purpose of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for:

1. the integrity of the Company’s accounting and financial reporting, principles and policies, and system of internal controls, including the integrity of the Company’s financial statements and the independent audit thereof;
2. the Company’s compliance with legal and regulatory requirements; and
3. the Company’s audit process and the performance of the Company’s internal audit organization and external auditors, including the external auditors’ qualifications and independence.

The purposes, functions and responsibilities of the Audit Committee shall be set forth in detail in the Audit Committee Charter.

ANNEX I - GOVERNANCE AND NOMINATION COMMITTEE

The primary purposes of the Committee are to:

1. Oversee the development, implementation and review of corporate governance framework, principles and policies;
2. Review and evaluate the qualifications of the persons nominated to the Board as well as those nominated for election to other positions requiring appointment by the Board;
3. Identify persons believed to be qualified to become members of the Board and/or the Board Committees;
4. Assist the Board in making an assessment of the effectiveness of the processes and procedures for the nomination, election and replacement of members of the Board and/or Board Committees; and
5. Assist the Board in developing and implementing the Board's performance evaluation process.

The purposes, functions and responsibilities of the Governance and Nomination Committee shall be set forth in detail in the Governance and Nomination Committee Charter.

ANNEX J – EXECUTIVE COMPENSATION COMMITTEE

The primary purposes of the Committee are to:

1. Provide guidance to and assist the Board in developing a compensation philosophy or policy consistent with the culture, strategy and control environment of the Company;
2. Oversee the development and administration of the Company's executive compensation programs, including long term incentive plans and equity based plans for Officers and Executives; and
3. Assist the Board in the performance evaluation of and succession planning for Officers, including the CEO, and in overseeing the development and implementation of professional development programs for Officers.

The purposes, functions and responsibilities of the Executive Compensation Committee shall be set forth in detail in the Executive Compensation Committee Charter.

ANNEX K – RISK COMMITTEE

The primary purpose of the Committee is to assist the Board in fulfilling its governance functions relating to risk management, including the functions to:

1. Oversee Management's adoption and implementation of a system for identifying, assessing, monitoring and managing key risk areas, and
2. Review Management's reports on the Company's major risk exposures and Management's plans and actions to minimize, control or manage the impact of such risks.

The purposes, functions and responsibilities of the Risk Committee shall be set forth in detail in the Risk Committee Charter.

ANNEX L – TECHNOLOGY STRATEGY COMMITTEE

The primary purposes of the Committee are to assist and enable the Board to:

1. review and approve the strategic vision for the role of technology in the Company's overall business strategy, including the technology strategy and roadmap of the Company;
2. fulfill its oversight responsibilities for the Company's effective execution of its technology-related strategies; and
3. ensure the optimized use and contribution of technology to the Company's business and strategic objectives and growth targets.

The purposes, functions and responsibilities of the Technology Strategy Committee shall be set forth in detail in the Technology Strategy Committee Charter.

ANNEX M – CHAIRMAN OF THE BOARD

The Chairman of the Board (if there be one) shall preside at all meetings of the stockholders and Board of Directors. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him. (Article VII, Section 1 of the By-Laws)

Functions and Responsibilities

The functions and responsibilities of the Chairman include, among others, the following:

- (a) provide leadership for the Board and ensure that the Board works effectively and performs its duties responsibly;
- (b) ensure that Board meetings are held in accordance with the By-Laws and annual schedule approved by the Board;
- (c) supervise the preparation of the agenda of each meeting in coordination with the Corporate Secretary, taking into consideration the proposals of the CEO, Management and Directors of the Company, and make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- (d) ensure that the lines of communication and flow of information between Management and the Board are maintained;
- (e) ensure that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- (f) facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the respective skills and expertise of the Directors;
- (g) ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- (h) assure the availability or proper orientation for first-time Directors and continuing training opportunities for all Directors; and
- (i) make sure that the performance of the Board is evaluated at least once a year and discussed/followed up on. (Section 2.3.1 of the CG Manual)

ANNEX N – CHIEF EXECUTIVE OFFICER (CEO)

The President, who must be a director, shall be the chief executive officer (CEO) of the Company.

Functions and Responsibilities

- (a) The CEO shall have general care, management and administration of the business operations of the Company. He shall ensure that: (i) the business and affairs of the Company are managed in a sound and prudent manner; and (ii) operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts.
- (b) The CEO shall provide leadership for Management in developing and implementing business strategies, plans and budgets to the extent approved by the Board. He shall direct, guide and evaluate the work of Management.
- (c) In order to enable the members of the Board to properly fulfill their duties and responsibilities, the CEO shall provide the Board with a balanced and understandable account of the Company's performance, financial condition, results of operations and prospects on a regular basis. He shall direct Management to provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any Director or the Board, to make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. He shall ensure that the Directors shall have independent access to Management.
- (d) The CEO shall: (i) communicate and implement the Company's vision, mission, values and overall strategy and promote the appropriate enhancement in the organization or its stakeholder engagement in relation to the same; and (ii) serve as the link between internal operations and external stakeholders.

ANNEX O – CORPORATE SECRETARY

The Secretary shall make full and faithful record of the proceedings of all meetings of the stockholders, Board of Directors and Executive Committee in books to be kept for that purpose. He shall give or cause to be given all necessary notice of and materials for all meetings, have custody of the corporate seal and affix it when authorized, preserve and keep all material contracts, papers and documents, and keep or cause to be kept a list of all stockholders. The Secretary shall act as inspector at the election of Directors and, as such, determine the number of shares of stock outstanding and entitled to vote, the shares of stock represented at the meeting, the existence of a quorum, the validity and effect of proxies, and receive votes, ballots and consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate votes, ballots, consents, determine the results and do such acts as are proper to conduct the election or vote. The Secretary may assign the exercise or performance of any or all of the foregoing duties, powers and functions to any other person or persons, subject always to his supervision and control. The Secretary shall generally perform such services and duties as are incident to his office and as the Board of Directors or the President may, from time to time, prescribe or assign to him. (Article VIII, Section 1 of the By-Laws)

Duties and Responsibilities

- (a) As Officers, the Corporate Secretary and Assistant Corporate Secretary must be loyal to the mission, vision and objectives of the Company.
- (b) The duties and responsibilities of the Corporate Secretary and Assistant Corporate Secretary shall be those provided in Article VIII of the By-Laws. In addition to said duties and responsibilities, the Corporate Secretary and/or Assistant Corporate Secretary shall:
 - (i) be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and Board Committees, as well as other official records of the Company;
 - (ii) work fairly and objectively with the Board, Management, stockholders and other stakeholders and contribute to the flow of information between the Board and Management, the Board and its Committees, and the Board and the Company's stakeholders, including stockholders;
 - (iii) assist the Board in the conduct of its meetings, including preparing the annual schedule of Board meetings and the agenda for each meeting;
 - (iv) inform the Directors, in accordance with the By-Laws, of the schedule and agenda of Board meetings and ensure that Management provides them complete and accurate information that will enable them to make informed decisions on matters that require their approval;
 - (v) attend all Board meetings, except when justifiable causes, such as illness, death of an immediate family member or serious accident, prevent them from doing so;

- (vi) ensure that all Board procedures, rules and regulations are strictly followed by the Directors;
- (vii) keep abreast with relevant laws, regulations, governance issuances, relevant industry developments and operations of the Company, and advise the Board and the Chairman on all relevant Issues as they arise;
- (viii) advise on the establishment of Board committees and their terms of reference;
- (ix) oversee the drafting of the By-Laws and ensure that they conform with regulatory requirements; and
- (x) perform administrative functions and such other duties and responsibilities as may be required by the Board or under applicable laws, rules and regulations. (Section 2.5.2 of the CG Manual)

ANNEX P – APPROVAL OF CORPORATE ACTIONS

Corporate Act	Required vote of the Board of Directors	Required vote of/ratification by the Stockholders
Amendment of Articles of Incorporation [Corporation Code Section 16]	By a majority vote	The vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock
Amendments to By-laws [Corporation Code Section 48]	By a majority vote	At least a majority of the outstanding capital stock
Power to extend or shorten corporate term [Corporation Code Section 37]	By a majority vote	At least two-thirds (2/3) of the outstanding capital stock
Power to increase or decrease capital stock; incur, create or increase bonded indebtedness. [Corporation Code Section 38]	By a majority vote	Two-thirds (2/3) of the outstanding capital stock
Issuance of shares in good faith, in exchange for property needed for corporate purposes or in payment of a previously contracted debt [Corporation Code Section 39]	By a majority vote	Two-thirds (2/3) of the outstanding capital stock
Sale or other disposition of assets [Corporation Code Section 40]	By a majority vote	At least two-thirds (2/3) of the outstanding capital stock
Power to invest corporate funds in another corporation or business or for any other purpose [Corporation Code Section 42]	By majority vote	At least two-thirds (2/3) of the outstanding capital stock
Power to declare stock dividends [Corporation Code Section 43]	By majority vote	Not less than two-thirds (2/3) of the outstanding capital stock

<p>Power to enter into management contract [Corporation Code Section 44]</p>	<p>By majority vote</p>	<p>By stockholders (of both the managing and the managed corporation), owning at least majority of the outstanding capital stock</p>
		<p>By the stockholders of the managed corporation owning at least two-thirds (2/3) of the total outstanding capital stock:</p> <p>(1) Where a stockholder or stockholders representing the same interest of both the managing and the managed corporations own or control more than one-third (1/3) of the total outstanding capital stock entitled to vote of the managing corporation; or</p> <p>(2) Where a majority of the members of the board of directors of the managing corporation also constitute a majority of the members of the board of directors of the managed corporation</p>
<p>Merger or consolidation [Corporation Code Section 77]</p>	<p>By majority vote of each of the board of directors of the constituent corporations</p>	<p>At least two-thirds (2/3) of the outstanding capital stock of each of the constituent corporation</p>
<p>Amendment to the plan of merger or consolidation</p>	<p>By majority vote of each of the board of directors of the constituent corporations</p>	<p>At least two-thirds (2/3) of the outstanding capital stock of each of the constituent corporations</p>
<p>Voluntary dissolution where no creditors are affected [Corporation Code Section 118]</p>	<p>By majority vote</p>	<p>At least two-thirds (2/3) of the outstanding capital stock</p>

Voluntary dissolution where creditors may be affected [Corporation Code Section 119]	By majority vote	At least two-thirds (2/3) of the outstanding capital stock
Dissolution by shortening corporate term [Corporation Code Section 120, in relation to Section 16]	By a majority vote	At least two-thirds (2/3) of the outstanding capital stock

ANNEX Q – BOARD PERFORMANCE EVALUATION

The Board conducts a self-assessment each calendar year to evaluate the performance of the:

1. Board as a whole;
2. Board Committees; and
3. individual Directors.

The process, which also includes an evaluation of the performance of the CEO and Management, enables the Board to identify strengths and areas for improvement and to elicit individual director's feedback and views on the Company's strategy, performance and future direction.

Similarly, each Board Committee also conducts an annual self-assessment of its performance. The members of the Board and the Board Committees accomplish their respective self-assessment questionnaires for this purpose.

The Board's self-assessment questionnaire contains the following criteria based on leading practices and principles on good governance:

- **for the Board:** Leadership, Roles and Responsibilities, Independence, Stewardship, Reporting and Disclosure, Shareholders' Benefits, and Training;
- **for individual Directors:** Specific Duties and Responsibilities of a Director; and
- **for the Board Committees:** Performance and Compliance.

The Board Committee's self-assessment questionnaire contains the following criteria: Performance, Compliance and Committee Governance.

The results of the assessment process are duly reported to the Board.