

MEGAWIDE CONSTRUCTION CORPORATION

CHARTER OF THE BOARD OF DIRECTORS

In compliance with the Revised Corporation Code of the Philippines, the Securities Regulation Code, other applicable laws, and the rules and regulations of the Securities and Exchange Commission (“SEC”), and in order to achieve, promote and maintain a culture of outstanding corporate governance and accountability in the pursuit of Megawide Construction Corporation’s (the “Company”) corporate purposes, its By-Laws, vision, mission, and values as further articulated in its New Manual on Corporate Governance (“New Manual”), the Board of Directors (the “Board”) of Company hereby adopts this **CHARTER OF THE BOARD OF DIRECTORS** (“Charter”).

ARTICLE I THE BOARD OF DIRECTORS

SECTION 1. *Establishing a Competent Board of Directors.* The Company aims to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills and background which shall reflect the diverse nature of the business environment in which the Company operates. This diversity widens the Company’s opportunity to benefit from all available talent and wisdom.

Accordingly, the Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company’s industry/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 Company based on the evolving business environment and its strategic direction.

SECTION 2. *Composition.* The Board shall be composed of at least five (5), but not more than fifteen (15), members who are elected by the shareholders during the annual stockholders’ meeting.

SECTION 3. *Executive and Non-Executive Directors.* The membership of the Board shall be a combination of Executive Directors and Non-Executive Directors, a majority of whom shall be Non-Executive Directors, including Independent Directors, in order that no Director or small group of Directors can control or dominate the decision-making process.

SECTION 4. *Independent Directors.* The Board shall have at least three (3) Independent Directors, or such number as are necessary to constitute at least one-third (1/3) of the members of the Board, whichever is higher.

SECTION 5. *Chairman.* Without prejudice to the provision of Section 2 of Article V of this Charter, the Board shall be headed by a Chairman who shall be elected by a majority of its members at its organizational meeting.

ARTICLE II QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS

SECTION 1. *Qualifications of Directors.*

- (a) Every Director must own at least one (1) share of the capital stock of the Company, which share shall stand in his/her name in the books of the Company. Any Director who ceases to be the owner of at least one (1) share of the capital stock of the Company shall *ipso facto* cease to be a Director.
- (b) Every Director must be a person of proven honesty, integrity, and competence.

- (c) A majority of the Directors must be residents of the Philippines.

SECTION 2. *Special Qualifications of Non-Executive Directors.* The Non-Executive Directors shall possess the necessary qualifications and stature that would enable them to effectively participate and help secure objective and independent judgment on corporate affairs, and substantiate proper checks and balances. They may concurrently serve as Directors in a maximum of five (5) publicly-listed corporations to ensure that they have sufficient time to fully prepare for meetings, challenge management's proposals/views, and oversee the long-term strategy of the Company.

SECTION 3. *Additional Special Qualifications for Independent Directors.* The Independent Directors shall possess the necessary qualifications and none of the disqualifications for an Independent Director. The Board's Independent Director may serve for a maximum cumulative term of nine (9) years. Thereafter, he shall no longer be eligible for election as Independent Director; however, he may be nominated for and elected as a non-independent Director, as may be recommended by the Board on the basis of strong and meritorious justifications or reasons made known to the shareholders during the annual stockholders' meeting.

SECTION 4. *Ideal Independent Director.* To reinforce the independence of the Board, an Independent Director must ideally be a person who:

- (a) Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
- (b) Is not, and has not been, in the three (3) years immediately preceding his/her election, a Director of the Company; a Director, officer, employee of the Company's subsidiaries, associates, affiliates, or related companies; or a Director, officer, employee of the Company's substantial shareholders and its related companies;
- (c) Has not been appointed in the Company, including its subsidiaries, associates, affiliates, or related companies as, Chairman "Emeritus", "Ex-Officio" Director/officer or member of any advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his/her election;
- (d) Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates, or related companies;
- (e) Is not a relative of a Director, officer, or substantial shareholder of the Company, or any of its related companies or of any of its substantial shareholders. "Relatives" include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- (f) Is not acting as a nominee or representative of any Director of the Company or any of its related companies;
- (g) Is not a securities broker-dealer of listed companies and registered issuer 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 SEC, an associated person or salesman, and an authorized clerk of the broker or dealer;
- (h) Is not retained, either in his/her personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholders, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his/her election;
- (i) Does not engage or has not engaged, whether by himself/herself or with other persons or through a firm of which he/she is a partner, Director or substantial shareholder, in any transaction with the Company, 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/her independent judgment;

- (j) Is not affiliated with any non-profit organization that receives significant funding from the Company, any of its related companies, or substantial shareholders; and
- (k) Is not employed as an executive officer of another company where any of the Company's executives serve as Directors.

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

SECTION 5. Disqualifications.

- (a) A stockholder may not be nominated or elected to the Board if he/she represents or holds an interest adverse to or in conflict with those of the Company, or if he/she is an officer or stockholder of a corporation or entity engaged in the same or similar business or enterprise as that of the Company.
- (b) A person shall likewise be disqualified from being elected Director or officer of the Company if within five (5) years immediately preceding the election or appointment as such, said person had been:
 - (b.1) Convicted by final judgment:
 - (b.1.1) Of an offense punishable by imprisonment for a period exceeding six (6) years, or of an offense which involves moral turpitude;
 - (b.1.2) For violating the Revised Corporation Code of the Philippines; and
 - (b.1.3) For violating Republic Act No. 8799, otherwise known as "The Securities Regulation Code";
 - (b.2) Found administratively liable for any offense involving immoral or fraudulent acts and practices; and
 - (b.3) Found by a foreign court or equivalent foreign regulatory authority for acts, violations, or misconduct similar to those enumerated in paragraphs 1 and 2 above.

**ARTICLE III
ELECTION, TERM OF OFFICE AND VACANCIES**

SECTION 1. Election and Term of Directors. The members of the Board shall be elected during each annual regular meeting of the stockholders as provided for in the By-Laws, at an accessible venue as may be determined by the Board.

The Directors elected shall hold office for one (1) year and until their successors are duly elected and qualified.

SECTION 2. Election of Directors in Case of Increase in Number of Directors. 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.

SECTION 3. Vacancies in the Board. Any vacancy occurring in the Board other than by removal by the stockholders 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, the vacancy must be filled by the stockholders at a regular or at a special meeting of stockholders called for the purpose. A Director so elected to fill a vacancy shall serve only for the unexpired portion of the term of his/her predecessor.

When the vacancy is due to the expiration of a term, the election shall be held within five (5) days from the day of such expiration, at a meeting called for that purpose. When the vacancy arises as a result of removal 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 portion of the term of his/her predecessor.

However, when the vacancy prevents the remaining Directors from constituting a quorum and emergency action is required to prevent grave, substantial and irreparable loss or damage to the Company, the vacancy may be temporarily filled from among the officers of the Company by unanimous vote of the remaining Directors. The action by the designated Director shall be limited to the emergency action necessary, and the tenure shall cease within a reasonable time from the termination of the emergency or upon election of the Replacement Director, whichever comes earlier. The Company must notify the SEC within three (3) days from the creation of the emergency Board, stating therein the reason or reasons for its creation.

ARTICLE IV BOARD COMMITTEES

SECTION 1. *Number of Board Committees.* At its organizational meeting, immediately after the election of its members by the shareholders, the Board shall constitute and organize the following Board Committees:

- (a) The Executive Committee;
- (b) The Finance Committee (“BFC”);
- (c) The Audit and Compliance Committee (“BACC”);
- (d) The Governance, Nominations and Compensation Committee (“BGNCC”); and
- (e) The Risk Oversight Committee (“BROC”)

(collectively, the “Board Committees”),

which shall, in general, focus on Board functions to aid the Board in achieving the optimal and qualitative performance of its roles and responsibilities.

SECTION 2. *Composition, Roles and Responsibilities of the Board Committees.*

- (a) The composition, roles, as well as the policies and procedures of the Board Committees are provided in the New Manual and in the respective charters of the Board Committees; and
- (b) Each Board Committee shall be headed by a Chairman duly elected by a majority of the members of the Board at an organizational meeting.

SECTION 3. *Board Committee Charter.* Each Board Committee shall have a charter duly approved by the Board, which may be amended, whenever justified, for the enhancement of the Board Committee's effectiveness and efficiency.

ARTICLE V CORPORATE OFFICERS

SECTION 1. *The Corporate Officers.* The following shall be the corporate officers of the Company who shall be elected by the Board at its organizational meeting:

- (a) The President, who must be a Director;
- (b) The Corporate Secretary, who must be a Filipino citizen and a resident of the Philippines;
- (c) The Treasurer, who must be a Filipino citizen and a resident of the Philippines;
- (d) A Compliance Officer.

Such other officers as may be provided in the By-Laws of the Company or as may be required under applicable laws and/or rules of the SEC, may likewise be elected.

SECTION 2. *Election of Corporate Officers.* Immediately after their election, the Directors of the Company shall formally organize and elect the corporate officers.

SECTION 3. *The President as Chairman.* The Director elected as President shall automatically be the Chairman of the Board.

SECTION 4. *Concurrent Holding of Two or More Positions.* The same person may concurrently hold two or more positions, except that no one shall serve or act as President and Secretary or as President and Treasurer at the same time.

If the positions of Chairman (or President) and Chief Executive Officer (“CEO”) are held by the same person, as well as when the Chairman is found to be biased or partial in his/her decision-making, the Board, upon a vote of a majority of its members may designate a “Lead Director” from among the Independent Directors, or appoint a Vice Chairman in order to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

ARTICLE VI REPORTING OF ELECTION RESULTS

SECTION 1. *Duty of Reporting.* Within thirty (30) days after the election of the Directors and officers of the Company, the Corporate Secretary, or any other officer of the Company authorized by the Board, shall submit to the SEC, the names, nationalities/citizenship, shareholdings and residential addresses of the Directors and officers elected.

ARTICLE VII MEETINGS, NOTICES AND QUORUM OF THE BOARD

SECTION 1. *Regular Meetings.* The regular meetings of the Board shall be held at least once every quarter on such dates and at such places as may be determined by the Chairman of the Board or upon request of a majority of the Directors.

SECTION 2. *Special Meetings.* Upon the call of the Chairman, or upon request of a majority of the Board, if it shall become necessary to hold a meeting due to occurrence of events or matters that require immediate Board action, a special meeting may be held.

SECTION 3. *Presiding Officer.* Subject to the provisions of the second paragraph of Section 4, Article V of this Charter, the Chairman of the Board shall preside over the meetings of the Board; in his/her absence, any Director chosen by the Board shall preside at the meeting.

SECTION 4. *The Secretary at Every Meeting.* The Corporate Secretary shall act as secretary in every Board meeting. In his/her absence, the Chairman or any one chosen to preside over the meeting shall appoint a temporary secretary for the meeting.

SECTION 5. *Meetings Through Teleconferencing or Videoconferencing.* Upon approval of two-thirds (2/3) of the Directors, a regular or special meeting of the Board may be held through teleconferencing or videoconferencing as may be allowed by law, or by such other rules or regulations of the SEC.

SECTION 6. *Notice of Meetings.* Notice of regular or special meetings of the Board, which shall specify the date, time and venue of the meeting, shall be communicated by the Corporate Secretary to each Director personally, or by telephone, telegram or by written message.

A Director may waive this notice requirement either expressly or impliedly.

SECTION 7. Quorum. A majority of the Directors as fixed in the Articles of Incorporation, or as may hereafter be increased, shall constitute a quorum for the transaction of corporate business, and every act or decision of at least a majority of the Directors present at a meeting in which there is a quorum shall be valid and effective as a corporate act or decision, except for the election of Board Committee members and corporate officers which shall require the vote of a majority of the members of the Board.

SECTION 8. Meetings of the Board Committees. The Board Committees may hold meetings as follows:

- (a) Monthly for the BFC and the BACC; and
- (b) Every other month for the BGNCC and the BROCC.

Each Committee shall decide on the dates, time and venue of its meetings.

SECTION 9. Notice of Board Committee Meetings. Notice of Board Committee meetings shall be done in the same manner as notice of Board meetings.

SECTION 10. Quorum in Board Committee Meetings. A majority of the members of a Board Committee shall constitute a quorum in its meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the Board Committee.

SECTION 11. Meetings of the Non-Executive Directors. The Non-Executive Directors may have separate periodic meetings with the external auditor and heads of the internal audit, as part of their compliance and risks functions, without any Executive Director present to ensure that proper checks and balance are in place in the Company. If a Lead Director is appointed, such periodic meetings shall be chaired by him; if none has been appointed, the Chairman of the BACC shall preside over the meeting.

ARTICLE VII POWERS OF THE BOARD OF DIRECTORS

SECTION 1. In General. Unless otherwise provided by applicable laws of the Republic of the Philippines, the Board shall (a) exercise all the corporate powers, (b) conduct business and affairs, and (c) control all properties of the Company.

SECTION 2. In Particular. Without prejudice to such powers as may be granted by law, the Board shall also have the following powers:

- (a) From time to time, to make and change rules and regulations not inconsistent with the By-Laws for the management of the Company's business and affairs;
- (b) To purchase, receive, take or otherwise acquire for and in the name of the Company, any and all properties, rights, or privileges, including securities and conditions as the Board may deem proper or convenient;
- (c) To invest the funds of the Company in other corporations or for purposes other than those for which the Company was organized, subject to such stockholders' approval as may be required by law;
- (d) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders' approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the Company;
- (e) To extend corporate guarantees to its subsidiaries and affiliates for business purposes;

- (f) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and Directors of the Company;
- (g) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Company or its officer are either plaintiffs or defendants in connection with the business of the Company;
- (h) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the Company to any standing or special committee or to any officer or agent and to appoint any person to be agent of the Company with such powers and upon such terms as may be deemed fit; and
- (i) To implement the By-Laws and to act on any matter not covered by the By-Laws, provided such matter does not require the approval or consent of the stockholders under the Revised Corporation Code of the Philippines.

ARTICLE VIII ROLES AND RESPONSIBILITIES OF THE BOARD

SECTION 1. *Ensuring the High Standard of Best Practices.* To ensure a high standard of best practices for the Company and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance of the following duties and functions, among others:

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

The Board, through its BGNCC, shall have a formal and transparent Board nomination and election policy that will include how it accepts nominations from minority shareholders. Such policy shall also include an assessment of the effectiveness of the Board's processes and procedures for nominations, election, or replacement of a Director;

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

- (g) Ensure the Company's faithful compliance with all applicable laws, regulations and best business practices;
- (h) Appoint/Elect a Compliance Officer to assist the Board in monitoring, reviewing, evaluating, and ensuring compliance by the Company, Directors, and officers with the applicable laws, rules and regulations, the New Manual, the Code of Business Conduct and Ethics, and all other governance issuances of regulatory agencies;
- (i) Establish and maintain an investor relations program that will keep the shareholders informed of important developments in the Company. If feasible, the Company's CEO or CFO shall exercise oversight responsibility over this program;
- (j) Identify the sectors in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
- (k) Adopt a system of internal checks and balances within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting process at all times. There shall be a continuing review of the Company's internal control system in order to maintain its adequacy and effectiveness;
- (l) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;
- (m) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions ("RPTs") between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, shareholders, officers and Directors, including their spouses, children, dependent siblings and parents, and of interlocking Director relationships by members of the Board;
- (n) Constitute the Executive Committee, the BFC, the BACC, the BGNCC, and the BROCC, and such other committees it deems necessary to assist it in the performance of its duties, roles, and responsibilities;
- (o) Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its shareholders, and the Company and third parties, including the regulatory authorities;
- (p) Properly discharge Board functions by meeting at such times or frequency as may be needed. The minutes of such meeting shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration. The members of the Board shall attend its regular and special meetings in person, or through teleconferencing, videoconferencing, or other technological devices, conducted in accordance with the rules and regulations of the SEC. Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings. To monitor the Directors' compliance with attendance requirements, the Company shall submit to the SEC, on or before January 30 of the following year, a sworn certification on the Directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing;
- (q) Approve the selection and assess the performance of senior Management led by the CEO, and control functions led by their respective heads (Chief Risk Officer, Compliance Officer and Chief Audit Executive);
- (r) Ensure that a sound enterprise risk management framework is in place to effectively identify, monitor, assess, and manage key business risks;

- (s) Ensure that appropriate compensation policies are in place, especially for senior Management, and that the compensation is at an appropriate level and commensurate to the contribution made to the business;
- (t) Determine the remunerations of Directors and Management in accordance with applicable laws, taking into consideration the long-term interests of the Company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. No Director shall participate in discussions or deliberations involving his/her own remuneration.

The Directors' compensation shall be in accordance with the By-Laws and/or as approved by the shareholders during the annual shareholders' meeting. The Board will, from time to time, approve reasonable per diem that a Director may receive for attendance in the Board and Board Committee meetings;

- (u) Ensure that the Company's senior Management progress reports on the execution of strategic plans, financial performance of the business, and in general, other matters related to the roles and responsibilities of the Board, are received and properly evaluated;
- (v) Ensure the proper and orderly conduct of annual shareholders' meetings, and such special shareholders' meetings that may be called;
- (w) Adopt a Code of Business Conduct and Ethics to provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings including anti-corruption practices, and ensure that such Code of Business Conduct and Ethics is properly disseminated to, and implemented by the Board, senior Management, and employees;
- (x) Ensure proper disclosure on all relevant and material information on Directors and officers to enable stakeholders to evaluate their experience and qualifications, and assess any potential conflict of interests that might affect their judgment;
- (y) Establish policies, program and procedures to encourage employees to actively participate in the realization of the Company's goals and in its governance;
- (z) Provide appropriate technology to account for available resources to ensure a position of a strong and meaningful competitor;
- (aa) Adopt and implement an effective succession program for Directors and Management to ensure growth and continued increase in shareholders' value. This will include adopting a policy on the retirement age of Directors and key officers as part of the Company's Management succession;
- (bb) Ensure that there is a policy and system governing RPTs. This policy shall include the appropriate review and approval of significant RPTs that will guarantee fairness and transparency of the Company's transactions; and
- (cc) Ensure that an internal control is in place, including setting up a mechanism for monitoring and managing potential conflicts within the Board and the Company.

ARTICLE IX DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN AND LEAD DIRECTOR

SECTION 1. Primary Duties and Responsibilities. The duties and responsibilities of the Chairman (in case of his/her absence or necessary replacement, the Vice Chairman) are the following, among others:

- (a) Make certain that every meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and

regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

- (b) Guarantee that the Board receives accurate, timely relevant, insightful, concise, and clear information to enable it to make sound decisions;
- (c) Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
- (d) Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
- (e) Assure the availability of proper orientation for first time Directors and continuing training opportunities for all Directors; and
- (f) Make sure that the performance of the Board is evaluated at least once a year.

SECTION 2. *Functions of the Lead Director.* Whenever applicable, the functions of the Lead Director are the following, among others:

- (a) Serve as an intermediary between the Chairman and the other Directors when necessary;
- (b) Convene and chair meetings of the Non-Executive Directors; and
- (c) Contribute to the performance and evaluation of the Chairman whenever required.

ARTICLE X STRENGTHENING BOARD ETHICS, COMPETENCE AND COMMITMENT

SECTION 1. *Strengthening Board Ethics.* The Board shall adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in external dealings. The said code shall be properly disseminated to the Board, Management, and employees. It shall also be disclosed and made available to the public through the Company's website.

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

SECTION 2. *Training.* It is the policy of the Company to provide relevant training to its Directors, which shall include an orientation programs for first-time Directors as continuing annual training for all Directors. The trainings and orientation cover topics or subjects mandated by the SEC on corporate governance and conducted by a government institution, or a private institution duly accredited by the SEC.

SECTION 3. *Fostering Commitment.* The Directors shall attend and actively participate in all meetings of the Board, Board Committees, and of the stockholders, in person or through teleconferencing, or videoconferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Board Committee meetings, Directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

SECTION 4. *Notice to the Board of Possible Election as Director in Other Companies.* It shall be the duty of an incumbent Director of the Board to notify the Board that he/she is being nominated or about to be elected as a Director of another company. Such notice may be made during a Board meeting or in writing well in advance of the nomination and/or election.

ARTICLE XI ASSESSING BOARD PERFORMANCE

SECTION 1. Annual Self-Assessment. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, all the Directors, and the Board Committees. If the need arises, every three (3) years, such assessment will be supported by an external facilitator.

SECTION 2. Criteria and Process. The Board shall have a system that provides, at least, a criteria and process to determine the performance of the Board, its individual members, and Board Committees, with a mechanism that allows feedback from the shareholders.

ARTICLE XII COMPENSATION

SECTION 1. Fixing of Compensation. By resolution of the Board, each Director shall receive a reasonable per diem allowance for his/her attendance at each meeting of the Board and of the Board Committee of which he/she is a member. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income of the Company before income tax during the preceding year, and such compensation shall be determined and apportioned among the Directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

ARTICLE XIII AMENDMENTS

SECTION 1. Amendments. The provisions of this Charter may be modified or amended, to the extent necessary, in order to comply with the Revised Corporation Code of the Philippines, the Securities Regulation Code and related laws, as well as with the SEC implementing rules, regulations, and circulars, and other applicable local and foreign laws.

ARTICLE XIV EFFECTIVITY

SECTION 1. Effectivity. This Charter of the Board of Directors of the Company shall take full force and effect immediately upon its approval by the Board.

**APPROVED BY THE BOARD OF DIRECTORS
ON
11 JUNE 2019**