

CHARTER OF THE BOARD OF DIRECTORS OF EMPERADOR INC.

This Charter of the Board of Directors (the “Charter”) is promulgated by the Board of Directors (the “Board”) of Emperador Inc. (the “Corporation”) to provide for the purpose, membership, structure, operations, duties and responsibilities of the Board, including the procedures which shall guide the conduct of its functions.

I. INTRODUCTION

The Board of Directors is the governing body elected by the stockholders that exercises the corporate powers of the Corporation, conducts all its business and controls its properties.

The Board shall exercise its powers with respect to the best interest of the Corporation, its shareholders and stakeholders and within the powers of the institution as prescribed in the Articles of Incorporation and By-laws of the Corporation, the Securities Regulation Code, and such other relevant laws, rules and regulations.

The Board of Directors is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of corporate goals, it shall provide an independent check on Management. The Board of Directors believes that corporate governance is a necessary component of sound strategic business management and is committed to create awareness of the principles of good corporate governance within the organization.

II. STRUCTURE

The Board shall be composed of such number of directors as may be provided in the Articles of Incorporation and By-Laws, who shall have all the qualifications and none of the disqualifications set forth in the Articles of Incorporation and By-Laws, the Manual on Corporate Governance (the “Manual”), the Corporation Code, the Securities Regulation Code, and such other relevant laws, rules and regulations.

- A. Membership and Composition. The Board of Directors shall consist of such number of members as provided for in the Articles of Incorporation, provided however, that at least two (2) members of the Board of Directors, or at least twenty percent (20%) of the total number of members thereof, whichever is the lesser but in no case less than two, shall be independent as hereinafter defined. If the Chairman of the Board is not an Independent Director, it shall elect a Lead Independent Director.

The Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Corporation’s industry. The Board

shall ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions, individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

The Board is committed to supporting and encouraging a culture of equality and diversity where all can realize their potential, opinions and viewpoint whatever their age, race, color, nationality, ethnic origin, disability, sexual orientation, gender identity, marital or civil partnership status, religion, belief, social or economic class. The Corporation believes in diversity and values the benefits that diversity can bring to its Board. Diversity promotes the inclusion of different perspectives and ideas, mitigates against groupthink and ensures that the Company has the opportunity to benefit from all available talent. The promotion of a diverse Board makes prudent business sense and makes for better corporate governance.

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

B. Qualifications and Disqualifications. Each member of the Board shall have the qualifications and none of the disqualifications of a director prescribed in the By-Laws, Corporation Code, the Securities Regulation Code, the Manual, and other relevant laws, as well as any of the following additional qualifications:

- 1) A college degree;
- 2) Business experience;
- 3) Practical understanding of the business of the Corporation;
- 4) Working knowledge, experience or expertise relevant to the Corporation's industry;
- 5) Membership in good standing in a relevant industry, business or professional organization; and/or
- 6) Record of integrity and good reputation

An Independent Director refers to a person who, ideally:

- 1) Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company;
- 2) Is not, and has not been in the three (3) years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies, or of its substantial shareholders and its related companies;
- 3) Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- 4) Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- 5) Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- 6) Is not acting as a nominee or representative of any director of the covered company or any of its related companies;
- 7) Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- 8) Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;
- 9) Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at

arm's length and could not materially interfere with or influence the exercise of his independent judgment;

- 10) Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
- 11) Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.

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

Any of the following shall be a ground for **permanent disqualification** of a director:

- 1) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- 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 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; or (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.
- 3) The disqualification shall also apply if (a) such person 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 Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or BSP, or (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person 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 organization;
- 4) Any person convicted by final judgment or order by a court of competent jurisdiction of an offense involving moral turpitude, fraud, embezzlement, theft,

estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts or transgression;

- 5) Any person who has been adjudged by final judgment or order of the Commission, BSP, or a court or other competent administrative body to have 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;
- 6) Any person judicially declared to be insolvent;
- 7) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
- 8) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment, and
- 9) Other reasonable grounds as the SEC may provide.

Any of the following shall be a ground for the **temporary disqualification** of a director:

- 1) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. This disqualification shall be in effect as long as his refusal persists;
- 2) Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election;
- 3) Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. This disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- 4) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director shall be lifted if the limit is later complied with; and/or,
- 5) Conviction referred to in the grounds for the permanent disqualification of directors has not yet become final.

A temporarily disqualified director shall, within 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.

- C. Nomination, Election, or Appointment. The Board of Directors shall be nominated by the Corporate Governance Committee. At each meeting of the stockholders for the election of directors, at which a quorum is present, the persons receiving the highest number of votes of the stockholders present in person or by proxy and entitled to vote shall be the directors. It shall be the responsibility of the Chairman of the Stockholder's Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors.

All shareholders, including minority shareholders, are given the opportunity to nominate candidates to the Board of Directors in accordance with the existing laws.

The Corporate Governance Committee shall determine the nomination, election and replacement policy and process for the Corporation's directors and the general profile and quality of the members that the Corporation may need to ensure the appropriate knowledge, competencies and expertise that complement the existing skills of the Board and that are aligned with the strategic direction of the company. The Corporate Governance Committee shall assess the effectiveness of the nomination, election and replacement policy and process.

In case of any increase in the number of directors, the additional directors may be elected by the stockholders (i) at the first annual meeting held after such increase has been approved, (ii) at a special meeting called for the purpose, or (iii) at the same meeting authorizing the increase of directors, if so stated in the notice of the meeting.

- D. Resignation, Removal or Vacancy. Any director of the Corporation may resign at any time by giving written notice to the Chairman of the Board, the President, or the secretary of the Corporation. The resignation of any director shall take effect at the time specified therein and, unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

Any director may be removed, with or without cause, at any time by the affirmative vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock entitled to vote at a regular meeting or at a special meeting of the stockholders called for the purpose and held after due notice as provided in Section 28 of the Corporation Code. The vacancy in the Board caused by any such removal may be filled by the stockholders at such meeting without further notice, or at any regular or at any special meeting called for the purpose after giving notice as prescribed by the Corporation Code.

Any vacancy occurring in the Board of Directors by a reason of death, resignation, retirement, or disqualification may be filled by the affirmative vote of a majority of the remaining directors constituting a quorum, upon the nomination of the Nomination Committee; provided that, specific slots for independent directors shall not be filled by unqualified nominees. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

- E. Term Limits. The members of the Board shall serve for a term of one (1) year until their successors is duly elected and qualified at the next annual stockholders' meeting, or until his death or until he resigns, or shall have been removed. The independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director should be perpetually barred from reelection as such in the Corporation but may continue to qualify for nomination and election as a non-independent director. If the Corporation wants to retain an independent director who has served for nine years, the Board should provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

The non-executive directors of the Board should concurrently serve as directors to a maximum of five (5) publicly listed companies 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 Corporation.

- F. Corporate Secretary. The Corporate Secretary shall inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval; assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, minutes of the proceedings of the meetings and board resolutions, and assisting the chair of the Board and its committees to set agenda for those meetings; attends all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accident, prevent him from doing so; ensures that all Board procedures, rules and regulations are strictly followed by the members; advises on the establishment of board committees and their terms of reference; oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and performs such other duties and responsibilities as may be provided by the Board and by the Commission.

III. OPERATION

- A. Meetings and Notices. The Board of Directors may hold its meeting at the principal office of the Corporation or at such other places within or outside the Republic of

the Philippines as the Chairman or, in his absence, the President, may from time to time determine. The Chairman shall be the Presiding Officer of the meetings or, in his absence, the President of the Company.

The Board of Directors shall meet for the purpose of organization, the election of officers, and the transaction of other business, as soon as practicable after each annual election of directors and on the same day and at the same place at which regular meetings of the Board of Directors are held. Notice of such meeting need not be given. Such meeting may be held at any other time or place, which shall be specified in a notice given as hereinafter provided for special meetings of the Board of Directors or in a consent and waiver of notice thereof signed by all the directors.

If any day fixed for a regular meeting shall be a legal holiday at the place where the meeting is to be held, then the meeting which would otherwise be held on that day shall be held at the same hour on the next succeeding business day not a legal holiday. Notice of regular meetings need not be given.

Special meetings of the Board of Directors shall be held when called by the Chairman of the Board, or the President, or by the Secretary at the request of any two (2) of the directors. Notice of such meeting shall be mailed to each director, addressed to him at his residence or usual place of business, at least two (2) days before the day on which the meeting is to be held, or shall be sent to him at such place by telegraph, cable, or facsimile, or be delivered personally or by telephone, or email not later than a day before the day on which the meeting is to be held. Every notice shall state the time and place of the meeting but need not state the purpose thereof except as otherwise expressly provided in the By-Laws. Notice of any meeting of the Board need not be given to any director, if waived by him in writing or by telegraph, cable, facsimile, or email whether before or after such meeting is held or if he shall be present at the meeting.

The members of the Board, including Independent Directors, should attend all its regular and special meetings in person or through teleconferencing if applicable, conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so. The absence of Independent Directors, however, shall not affect the quorum requirement.

To monitor the directors' compliance with their duty to attend Board meetings, the Corporation shall submit to the Commission, on or before January 30 of the following year a sworn certification about the directors' record of attendance in Board meetings. This certification may be submitted through SEC Form 17-C or in a separate filing.

At least once a year, Non-Executive Directors must meet without any Executive Directors present, to be chaired by the Lead Independent Director.

At least once a year, Non-Executive Directors must meet without any Corporate Executives present with the External Auditors and Heads of Board Committees, to be chaired by the Lead Independent Director.

- B. Quorum and voting. Except as otherwise provided by statute, the Articles of Incorporation, or these By-Laws, a majority of the number of directors specified in the Articles of Incorporation shall constitute a quorum for the transaction of the business at any meeting, and the act of a majority of the directors present at any meeting at which there is a quorum shall be valid as a corporate act. In the absence of a quorum, a majority of the directors present may adjourn any meeting from time to time until a quorum is achieved. Notice of any adjourned meeting need not be given.
- C. Minutes and Record. The minutes of meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration. The Corporate Secretary shall be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its Committees, as well as the other official records of the Corporation.

IV. POWERS OF THE BOARD

A. General Powers. Unless otherwise provided by law, the corporate powers of the Corporation shall be exercised, all business conducted and all property of the Corporation controlled and held by the Board to be elected by and from among the stockholders.

B. Express powers. 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:

- 1) From time to time make and change rules and regulations not inconsistent with these By-Laws for the management of the corporation's business and affairs;
- 2) To purchase receive, take, or otherwise acquire in any lawful manner, or and in the name of the corporation, any and all properties, 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 may deem proper or convenient;
- 3) To invest the funds of the corporation in another corporation or business or for any other purpose 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 the law;
- 4) To incur indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness, including, without limitation, notes, deed of trust, instruments, bonds, debentures, or securities, subject to such stockholder approval as may be required by law; and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the corporation;
 - 5) To guarantee, for and in behalf of the corporation obligations of other corporations or entities in which it has lawful interest;
 - 6) To make provisions of the discharge of the obligations of the corporation as they mature, including payment for any property, or in stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;
 - 7) To sell, lease, exchange; assign, transfer or otherwise dispose of any property, real or personal, belonging to the corporation whenever in the Board's judgment the corporation's interest would thereby be promoted;
 - 8) To establish pension, retirement, bonus, profit-sharing, 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 amount of each respective participations;
 - 9) To prosecute, maintain, defend, aim promise 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 grant installments for the payments or settlement of whatsoever debts are payment to the corporation;
 - 10) 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 or businesses of the corporation to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the corporation which such powers (including the power to sub-delegate) and upon such terms, as may be deemed fit;
 - 11) To implement these By-Laws and to act on any matter not covered by these By-Laws, provided such matter does not require the approval or consent of the stockholders under any existing law, rules or regulation.

V. DUTIES AND RESPONSIBILITIES OF THE BOARD

- A. General Responsibility. It shall be the Board's responsibility to foster the long-term success of the Corporation, to sustain its competitiveness, profitability and fiduciary responsibility, and to act on a fully-informed basis, in good faith, with due diligence and care and in a manner consistent with its corporate objectives and the long-term best interests of its stockholders and other stakeholders.

The Board should oversee the development of and approve the Corporation's business objectives and strategy and monitor the implementation thereof, in order to sustain long-term viability and strength.

The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

The Board shall also ensure that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds and materiality, which shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions.

B. Duties and Functions. To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- 1) *Selection and appointment.* Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies and to appoint competent, professional, honest and highly-motivated management officers.
- 2) *Succession planning program.* Adopt an effective succession planning program for the directors, key officers and management to ensure growth and a continued increase in the shareholders' value.
- 3) *Strategic policies, guidelines, and review.* Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans and operating budgets and monitor and assess the Management's overall performance based on established performance standards that are consistent with the Corporation's strategic objectives. Conduct a regular review of the Corporation's policies with the management team.

Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness.

- 4) *Internal control.* Design and effect a process together with the senior management and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information.
- 5) *Sustainability and non-financial issues.* The Board shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues. The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Board shall disclose to the Corporation's shareholders and other stakeholders the Corporation's strategic (long-term goals) and operational objectives (short-term goals), as well as the impact of a wide range of sustainability issues.
- 6) *Compliance.* Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.
- 7) *Orientation and Continuing Education Programs.* All new and first-time directors shall undergo orientation on the Corporation's business, articles of incorporation and by-laws, among others. All directors shall attend relevant annual continuing training for at least four hours for all directors to promote effective board performance and continuing qualification of the directors in carrying out their duties and responsibilities.
- 8) *Investor relations program.* Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. Identify the Corporation's stakeholders in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- 9) *Enterprise risk management framework.* Oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risk areas and performance indicators with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. It shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss.
- 10) *Related Party Transactions.* Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company,

joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board. Define the threshold for disclosure and approval of RPTs and categorize such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.

- 11) *Establishment of committees.* Constitute an Audit Committee who meets with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit, and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities. The Committees shall be composed of the members of the board and shall have Committee charters including the duties and responsibilities, duly approved by the Board.
- 12) *Alternative dispute resolution system.* Establish and maintain an alternative dispute resolution system in the Corporation and oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing and amicably settling potential conflicts of interests or differences between and among the Corporation, Management, board members, stockholders, and third parties, including the regulatory authorities.
- 13) *Board meetings.* Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- 14) Keep the activities and decisions of the Board within its authority under the Corporation's Articles of Incorporation and By-laws, and in accordance with existing laws, rules and regulations.
- 15) Appoint the Compliance Officer.

VI. BOARD POLICIES AND NORMS OF CONDUCT.

A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director should observe the following policies and norms of conduct:

- A. Board Compensation and Remuneration. The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance. The Board should align the remuneration of key officers and board members with the long-term interests of the Corporation. The Corporation may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the corporation. No director should participate in deciding on his remuneration.
- B. Pension, Retirement, Bonus, Profit-Sharing and Other Incentives and Plans. The Board shall establishment pension, retirement, bonus, profit-sharing and other incentives and plans for the directors, officers, and employees and determine the persons to participate in any such plans and amount of each respective participations.
- C. Board Independence and Conflict of Interest. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Corporation, or stands to acquire or gain financial advantage at the expense of the Corporation.
- D. Effective Performance of Duties. A director should devote sufficient time to familiarize himself with the Corporation's business. He should be constantly aware of and knowledgeable with the Corporation's operations to enable him to meaningfully contribute to the Board's work. He should attend and actively participate in Board, committee and shareholders' meetings, in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review meeting materials and, if called for, ask the necessary questions or seek clarifications or explanations.

- E. Acting Judiciously. Before deciding on any matter brought before the Board, a director should carefully evaluate the issues and, if necessary, make inquiries and request clarification.
- F. Objective and Independent Judgment on All Corporate Affairs. A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollarilly, he should support plans and ideas that he thinks are beneficial to the Corporation.
- G. Working Knowledge. A director should have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its articles of Incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies. A director should also keep abreast with industry developments and business trends in order to promote the Corporation's competitiveness.
- H. Confidentiality. A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.
- I. Ethical Standards. The Board should adopt a Code of Business Conduct and Ethics which would provide standards for professional and ethical behavior as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code should be properly disseminated to the Board, senior management and employees and may also be disclosed and made available to the public through the Corporation's website. The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. The Compliance Officer duly appointed by the Board shall disseminate, implement, and monitor compliance with the code of ethics and conduct.
- J. Anti-corruption programmes and procedures. The Board shall endeavor to cultivate a culture of integrity that does not tolerate conflict of interest and unfair business dealings. The Board shall set up a reporting channel through which violation of the Company or any of its subsidiaries or affiliates culture of integrity may be reported, investigated and acted upon. Employees are encouraged to promptly report concerns about any illegal and unethical behavior. Reports can be made anonymously to the Company's Compliance Officer, Human Resource Department Head, or to any member of the relevant Committee. To enable the Company to verify and act on the report, employees are encouraged to make reports that contain as much information as possible, including the person

involved, any witnesses, the location of any other information that would assist in investigating the concerns, and any supporting documentation.

- K. Whistleblowing policy. All whistle blower reports shall be handled in a confidential manner and confidentiality will be maintained to the fullest extent possible, consistent with the need to conduct an adequate investigation of the report and to perform subsequent remedial measures. All reports received are forwarded to the relevant Committee that will make the preliminary assessment of the issues raised. The relevant Committee will then determine whether there is justification for an investigation and how it should be handled, should one be necessary. Depending on the issues involved, the relevant Committee may, in some cases, decide to delegate responsibility for an investigation to the Compliance Officer or to a legal counsel who will report directly to the relevant Committee.

VII. PERFORMANCE MANAGEMENT AND EVALUATION FRAMEWORK

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, the Board of Directors, individual directors, committees, management, personnel and employees. The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, management, and committees and such system should allow for a feedback mechanism from the shareholders. The Board shall conduct an annual review of its vision, mission, strategic objectives, policies and procedures in order to appraise and assess the Chairman, the Board of Directors, individual directors, committees, management, personnel and employees' overall performance based on established performance standards. The Board shall engage the services of an external facilitator in the assessment process every three year thereof.

VIII. AMENDMENTS

This Charter may be reviewed and amended by the Board annually, or as the need arises.

IX. EFFECTIVITY

This Charter shall take effect immediately upon approval by the Board.