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# CORPORATE GOVERNANCE MANUAL

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MANUAL**

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**FIDELITY LIFE  
MUTUAL BENEFIT ASSOCIATION  
INC.**

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## I. INTRODUCTION

This Code of Corporate Governance is hereby adopted pursuant to Insurance Commission Circular Letter No. 2020-71.

This Code of Corporate Governance is intended to raise the corporate governance of **Fidelity Life Mutual Benefit Association, Inc.** to a level at par with its regional and global counterparts.

## II. DEFINITION OF TERMS

For purposes of this Code, the following terms are defined as follows:

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

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value - to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders and the nation.

2. **Board of Directors** - the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties. The term shall also include the Board of Trustees.
3. **Director** - as used in this Code shall also refer to a Trustee.
4. **Management** - a group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.
5. **Independent director** - a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which

could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

6. **Executive director** - a director who has executive responsibility for day-to-day operations of a part or the whole of the organization.
7. **Non-executive director** - a director who has no executive responsibility and does not perform any work related to the operations of the corporation.
8. **Conglomerate** - a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity.
9. **Internal control** - a process designed and effected by the board of directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.
10. **Enterprise Risk Management** - a process, effected by an entity's Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.
11. **Entity** - shall also refer to a company.
12. **Related Party** - shall cover the company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the company exerts direct or indirect control over or that exerts direct or indirect control over the company; the company's directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the company.
13. **Related Party Transactions** - a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.

14. **Shareholder** - refers to an owner of a share of stock in a company. For the purpose of this Code, the term shareholder shall also refer to a member of a non stock non-profit entity.

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

### III. **THE BOARD OF DIRECTORS' GOVERNANCE RESPONSIBILITY**

#### A. **Establishing a Competent Board of Directors**

The company is headed by a competent, working Board of Directors with the aim of fostering the long-term success and sustainability of the corporation in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

The Board of Directors is composed of directors with a collective working knowledge, experience and expertise that is relevant to the company's business and industry.

The Board of Directors consist of a mix of executive and non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on company affairs and to ensure proper check and balances.

The Board of Directors hereby adopts a policy on the training of directors, including an orientation program for first-time directors and relevant continuing training for all directors.

The training program for directors shall include IC-mandated topics on corporate governance, to wit:

- a. Code of Corporate Governance for IC regulated companies;
- b. ACGS and IC annual Corporate Governance Report;
- c. Board Responsibilities;
- d. Illegal activities of corporations/directors/officers;
- e. Protection of minority shareholders;
- f. Liabilities of directors;
- g. Confidentialities;
- h. Conflict of Interest;
- i. RPT

- j. Enterprise' Risk management; and
- k. Case studies and Financial Reporting and Audit.

The Board of Directors likewise adopts a policy on board diversity to avoid groupthink and ensure that optimal decision-making is achieved. The board diversity shall not be limited to gender diversity. It shall include diversity in age, ethnicity, culture, skills, competence and knowledge.

The Board of Directors shall be assisted in its duties by a Corporate Secretary who shall be chosen on account of his/her skill, knowledge, experience, honesty and integrity.

The Corporate Secretary shall be encouraged to attend regular training on corporate governance or other equivalent training.

The Corporate Secretary shall be primarily responsible to the corporation and its shareholders and not to the Chairman or President of the Company and shall have the following duties and responsibilities:

- a. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees as well as other official records of the corporation;
- b. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry development and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- c. Works fairly and objective with the Board, Management and stockholders and contributes to the flow of information between the Board and Management, the Board and its committees, and the Board and its stakeholders;
- d. Advises on the establishment of board committees and their terms of reference;
- e. Informs the members of the Board, in accordance with the by-laws, of the agenda of the meetings at least (5) working days in advance and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- f. Attends all meetings of the Board, except on justifiable causes;
- g. Performs required administrative functions;
- h. Oversees the drafting of the by-laws and ensure that they conform with regulatory requirements; and
- i. Performs such other duties and responsibilities as may be provided by the IC.

The Board of Directors shall likewise be assisted in its duties by a Compliance Officer, who shall have the rank of Vice President or equivalent position with

adequate stature and authority in the corporation. The Compliance Officer shall attend training on corporate governance on a regular basis.

The Compliance Officer shall be a member of the company's management team in charge of the compliance function. The Compliance Officer shall be primarily liable to the corporation and shareholders and not to the Chairman or the President of the company.

The Compliance Officer shall have the following duties and responsibilities:

- a. Ensures proper onboarding of new directors such as orientation on the company's business, charter, articles of incorporation and by-laws, among others;
- b. Monitors, reviews, evaluate and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommends appropriate disciplinary action;
- d. Ensures the integrity and accuracy of all documentary submissions to regulators;
- e. Appears before the IC when summoned in relation to compliance with this Code;
- f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of members of the Board and key officers to relevant trainings;
- i. Performs such other duties and responsibilities as may be provided by the IC.

## **B. Establishing Clear Roles and Responsibilities of the Board of Directors**

The Board of Directors hereby directs, as a matter of policy, that fiduciary roles, responsibilities and accountabilities of the Board, as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines, are clearly made known to all directors as well as shareholders and other stakeholders.

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



The Board of Directors shall oversee the development of and approve the company's business objectives and strategy and monitor their implementation in order to sustain the company's long-term viability and strength.

The Board of Directors shall be headed by a qualified and competent Chairperson whose responsibilities include, among others, the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, taking into consideration the developments in the industry, key governance concerns and contentious issues that will significantly affect operations;
- b. Guarantees that the Board of Directors receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;
- c. Facilitates discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquire on reports submitted by management;
- e. Assures 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 and discussed/followed up on.

The Board of Directors shall hereby adopt and implement an effective succession program for directors, key officers and management to ensure growth and continued increase in the shareholder's value. The succession program shall include the retirement age for directors and key officers of the corporation.

The Board of Directors hereby adopts a policy specifying the relationship between remuneration of key officers and members of the Board which should be aligned with the long-term interests of the corporation.

The Board of Directors hereby adopts a formal and transparent board nomination and election policy that includes how it accepts nominations from minority shareholders and review of nominated candidates. Such policy shall include processes and procedures in the nomination, election or replacement/removal/disqualification of a director.

The following are the grounds for the disqualification of a director:

- a. Permanent Disqualification
  - i. Persons who have been convicted by final judgment of a court of competent jurisdiction for offenses involving dishonesty or breach of

- trust such as estafa, embezzlement, extortion, forgery, malversation, swindling and theft;
- ii. Persons who have been convicted by final judgment of a court of competent jurisdiction for violation of the insurance laws;
  - iii. Persons who have been judicially declared insolvent, spendthrift or unable to enter into contracts; or
  - iv. Directors, officers or employees of closed insurance companies or any insurance intermediaries who were responsible for such closure as determined by the Insurance Commission.
- b. Temporary Disqualification (The disqualification shall continue as long as the ground for the disqualification exists.)
- i. Persons who refuse to disclose the extent of their business relationship when so required by law, or a circular, memorandum or regulation of the Insurance Commission;
  - ii. Directors who have been absent or who have not participated for any reason whatsoever in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors during their incumbency. This disqualification shall apply on succeeding elections;
  - iii. Persons whose conviction for offenses involving dishonesty, breach of contract or violation of the insurance laws has not yet become final and executory;
  - iv. Directors and officers of closed insurance companies and insurance intermediaries pending clearance from the Insurance Commission;
  - v. Directors disqualified for failure to observe and discharge their duties prescribed under existing regulations;
  - vi. Directors who failed to attend the special seminar on corporate governance;
  - vii. Persons dismissed or terminated from employment for cause;
  - viii. Those under preventive suspension;
  - ix. Persons with derogatory records with the NBI, court, police, INTERPOL and insurance authorities of other countries;
  - x. Delinquency in the payment of financial obligations.

### **Related Party Transactions**

The Board of Directors hereby adopts as a matter of policy a system that would govern related third party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. Such policy shall include appropriate review and approval of material RPTs which should guarantee fairness and transparency of the transactions.

The policy shall include the following:

- a. Definition of related parties;
- b. Coverage of RPT policy;
- c. Guidelines in ensuring arm's length terms;
- d. Identification and prevention or management of potential or actual conflicts of interest which may arise;
- e. Adoption of materiality thresholds and excluded transactions;
- f. Internal limits for individual and aggregate exposures;
- g. Whistle-blowing mechanism;
- h. Restitution of losses and other remedies for abuse of RPTs.

### **Management Team**

The Board of Directors shall likewise be responsible for approving the selection and assessing the performance of the Management team led by the Chief Executive Officer (CEO), and control functions led by their respective heads.

### **Effective Performance Management Framework**

The Board of Directors shall establish an effective performance management framework that would ensure that the management, including the CEO and other personnel's performance is at par with the standards set by the Board and senior management.

### **Internal Control System & Risk Management Framework**

The Board of Directors shall oversee that an appropriate internal control system is in place, including the mechanism for monitoring and managing potential conflict of interest of Management, board members and shareholders.

The Board of Directors shall adopt and approve the Internal Audit Charter.

The Board of Directors shall also adopt a Board Charter whose main function is to guide the directors on how to discharge their functions. It shall also provide the standards for evaluating the performance of the Board.

## **Enterprise Risk Management**

The Board of Directors shall likewise oversee that a sound enterprise risk management (ERM) is in place to effectively identify, monitor, assess and manage key business risks.

### **C. Establishing Board Committees**

The Board of Directors shall, as a matter of policy, establish board committees that shall focus on specific board functions to aid in the optimal performance of its roles and responsibilities such as, but not limited to Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee and Related Party Transaction Committee.

Functions of the Audit Committee:

- a. Recommends the approval of the Internal Audit Charter which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the Internal Audit Charter;
- b. Monitors and evaluates the adequacy and effectiveness of the corporation's internal control system, integrity of financial reporting and security of physical and information assets that would ensure a system of checks and balances are in place to (a) safeguard the company's resources and ensure their effective utilization (b) prevent occurrence of fraud and other irregularities (c) protect the accuracy and reliability of the company's financial data and (d) ensure compliance with applicable laws and regulations;
- c. Prior to commencement of audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination with the external auditor/s.
- d. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him.
- e. Reviews and approves the interim and Annual Financial Statements before submission to the Board, with particular focus on the following:
  - i. Any changes in accounting policies and practices
  - ii. Areas where a significant amount of judgment has been executed
  - iii. Significant adjustments resulting from the audit
  - iv. Going concerns assumptions
  - v. Compliance with accounting standards
  - vi. Compliance with tax, legal and regulatory requirements
- f. Reviews the disposition of the recommendations in the External Auditor's management letter;

- g. Performs oversight functions over the corporation's internal and external auditors to ensure independence of the internal and external auditors.
- h. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- i. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor who must be duly accredited by the Insurance Commission;
- j. In the absence of a Board Risk Oversight Committee, the Audit Committee performs the functions of said Committee.

The Audit Committee shall meet with the Board of Directors at least every quarter without the presence of the CEO or other management team members.

The Audit Committee shall have an Audit Committee Charter that would outline the committee's responsibility in assessing the integrity and independence of the external auditors and the committee's authority to oversee and review the external auditor's independence and objectivity.

The Board of Directors hereby establishes a Corporate Governance Committee whose functions are as follows:

- a. Oversees the implementation of the corporate governance framework and ensures that it remains appropriate in the light of material changes to the corporation's size and business strategy as well as regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees and conducts an annual self-evaluation of its performance;
- c. Ensures that the results of the Board evaluation are shared, discussed and that concrete plans are developed and implemented;
- d. Recommends continuing education/training programs for directors, assignment of tasks or projects to board committees, succession plan for the board members and senior officers, and others;
- e. Adopts corporate governance policies and ensures that the same are reviewed and updated regularly and implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;
- g. Determines the nomination and selection process for the corporation's directors;
- h. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers.

Considering the size, risk profile and nature of the corporation's business operation, the Board of Directors hereby defers the establishment of a separate Board Risk Oversight Committee (BROC). The function of said committee shall, in the meantime, be performed by the Audit Committee.

The Board of Directors hereby adopts, as a matter of policy, that each committee should have their respective Committee Charter that would define the role and accountabilities of each committee in order to avoid overlapping of functions. The Committee Charter shall likewise be used to assess the said committee's performance.

#### **D. Fostering Commitment**

Members of the Board of Directors are enjoined to attend and actively participate in all meetings of the Board, Committees and Shareholders in person or through videoconferencing conducted in accordance with the rules and regulations of the Insurance Commission except on justifiable instances.

A non-executive member of the Board of Directors shall be allowed to concurrently serve as director to a maximum of five (5) Insurance Commission regulated entities.

A member of the Board of Director shall disclose the names of companies where he/she is also an incumbent director.

#### **E. Reinforcing the Independence of the Board Directors**

The number of independent directors shall in no case exceed twenty percent (20%) of the total number of directors in order to ensure the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflict of interest and balancing of competing demands of the corporation.

The qualifications of an independent director are as follows:

- a. is not or was not a regular director, officer or employee of the covered entity, its subsidiaries, affiliates or related companies during the past three (3) years counted from the date of his election/appointment;
- b. is not or was not a regular director, officer, or employee of the covered entity's substantial stockholders and their related companies during the past three (3) years counted from the date of his election/appointment;
- c. is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of Directors of the covered entity;
- d. is not a relative by affinity or consanguinity within the fourth (4<sup>th</sup>) degree of a director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the board of the covered entity;

- e. is not acting as a nominee or representative of any director or substantial shareholder of the covered entity, any of its related companies or any of its substantial shareholders;
- f. is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the covered entity, either in his personal capacity or through his firm during the past three (3) years counted from the date of his election/appointment;
- g. is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the covered entity 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 his judgment;
- h. was not appointed in the covered entity or its affiliates as Chairman "Emeritus", "Ex-Officio", regular director, officer or member of any advisory group or otherwise appointed in a capacity to assist the Board of Directors in the performance of its duties during the past three (3) years counted from the date of his election/appointment;
- i. is not affiliated with any non-profit organization that receives significant funding from the covered entity or its affiliates;
- j. is not employed as an executive officer of another company where any covered entity's executives serve as regular directors.

All independent directors shall serve for a maximum cumulative term of nine (9) years after which said independent director shall be perpetually barred from re-election as such but may qualify for nomination and election as a non-independent director.

As far as practicable, the positions of Chairman of the Board and Chief Executive Officer shall be held by separate individuals in order to avoid conflict or a split board and to foster balance of power, increased in accountability and better capacity for independent decision-making.

The duties and responsibilities of the Chief Executive Officer shall be as follows:

- a. Determines the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b. Communicates and implements the corporation's vision, mission, values and overall strategy;
- c. Oversees the operation of the corporation and manages human and financial resources in accordance with strategic plan;
- d. Has a good working knowledge of the corporation's industry and market;
- e. Directs, evaluates and guides the work of the key officers of the corporation;

- f. Manages the corporation's resources prudently;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of the corporation;
- i. Serves as the link between internal operations and external stakeholders.

The Board of Directors hereby adopts, as a matter of policy, that any director with a material interest in any transaction affecting the corporation shall be excluded from taking part in any deliberation regarding said transaction.

The non-executive directors shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk function, without the presence of any executive directors present to ensure proper check and balances are in place.

#### **F. Assessing the Performance of the Board of Directors**

The Board of Directors shall conduct an annual assessment of its performance and that of its Chairman, individual members and committees.

#### **G. Strengthening the Ethics of the Board of Directors**

The Board of Directors hereby adopts a Code of Business Conduct and Ethics which shall formalize the corporation's ethical values in order to instill an ethical culture throughout the corporation.

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

### **IV. DISCLOSURE AND TRANSPARENCY**

#### **A. Enhancing Company Disclosure Policies and Procedures**

The Board of Directors shall establish the appropriate corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to the shareholders and other stakeholders that give a fair and complete picture of the corporation's financial condition and business operations.



The Board of Directors hereby adopts, as a matter of policy, to provide a clear disclosure of its policies and procedures for setting directors' and officers' remunerations, as well as the level and mix of the same in the Annual Corporate Governance Scorecard (ACGS) and the revised Corporation Code, including termination and retirement provisions, subject to the provisions of the Data Privacy Act.

The Board of Directors shall likewise disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequent transactions subject to the provisions of the Data Privacy Act.

**B. Strengthening The External Auditor's Independence and Improving Audit Quality**

The Board of Directors hereby adopts as a matter of policy that the Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditor.

**C. Increasing Focus On Non-Financial And Sustainability Reporting**

The Board of Directors hereby adopts as a matter of policy that all the material and reportable non-financial information and sustainability issues are disclosed based on globally recognized standards and framework subject to the provisions of the Data Privacy Act.

For this purpose, the company shall establish a website to ensure a comprehensive, cost efficient, transparent and timely manner of disseminating relevant information to the public subject to the provisions of the Data Privacy Act.

**V. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK**

**A. Strengthening The Internal Control System and Risk Management Framework Of The Corporation**

The Board of Directors hereby adopts as a matter of policy that the corporation shall have an adequate and effective internal control system and risk management framework in the conduct of its business operations, taking into account its size, risk profile and complexity of operations.

However, the creation of a separate internal and audit function, while appears to be essential, shall be considered more thoroughly by the Board of Directors taking into consideration the corporation's existing size, risk profile and complexity of its operations.

Likewise, when the financial position of the corporation would allow it, the Board of Directors shall consider the appointment of a Chief Audit Executive who shall oversee and be responsible for the internal audit activities of the corporation.

On the other hand, when the size, risk profile and complexity of operation of the of the corporation would require it, the Board of Directors shall consider the creation of a separate risk management unit to identify, assess and monitor key risk exposures, including the appointment of a Chief Risk Officer (CRO) who shall have adequate authority, stature, resource and support to fulfill his responsibilities.

## **VI. CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS**

### **A. Promoting Shareholders Rights**

As a matter of policy, the Board of Directors shall ensure the basic rights of shareholders are disclosed in the Manual of Corporate Governance and on the company's website subject to the provisions of the Data Privacy Act.

The rights of shareholders are as follows:

- a. Pre-emptive right
- b. Dividend policies
- c. Right to propose the holding of meetings and to include agenda items ahead of scheduled Annual and Special stockholders' meeting
- d. Right to nominate candidates to the Board of Directors
- e. Nomination process and
- f. Voting procedures that would govern the Annual and Special stockholders' meeting

The sending of Notice of Annual and Special shareholders' meeting shall be governed by the corporation's by-laws and the Corporation Code, as amended.

The Board of Directors hereby adopts as a matter of policy the establishment of a dispute resolution mechanism aimed at resolving intra-corporate disputes amicably.

## VII. DUTIES OF STAKEHOLDERS

### A. Respecting The Rights of Stakeholders and Effective Redress For Violation of Stakeholders' Rights

The Board of Directors hereby acknowledge that stakeholders in corporate governance include, but not limited to, customers, employees, suppliers, shareholders, investors, creditors, the community where the company operates, the government, regulators, competitors, external auditors and others.

The Board of Directors hereby adopts as a matter of policy the establishment of policies and programs aimed at providing a mechanism on the fair treatment and protection of stakeholders, including a transparent framework and process to allow stakeholders to communicate with the corporation and to obtain redress for violation of their rights.

The Board of Directors likewise, as a matter of policy, adopts the following:

- a. Establishment of policies and programs that would encourage employees to participate in the realization of the corporation's goals particularly on (1) health, safety and welfare (2) training and development and (3) compensation for employees.
- b. Adoption of an anti-corruption policy and program that endeavors to eliminate corrupt practices such as bribery, fraud, extortion, collusion, conflict of interest and money laundering.
- c. Establish a suitable framework for whistleblowing that would allow employees to freely communicate their concerns about illegal or unethical practices without fear of retaliation and to have direct access to independent members of the Board of Directors or unit created to handle whistleblowing concerns.
- d. Recognizes the importance of interdependence between business and society and to promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the community where it operates preferably with lesser intrusion from regulators.