

GUEVENT INSURANCE BROKER CORP.

MANUAL ON CORPORATE GOVERNANCE and BOARD CHARTER

Pursuant to GIBCO's aim to ensure good corporate governance, a Manual of Corporate Governance is hereby adopted to govern the performance of the duties and responsibilities of the Board of Directors and Management to its stockholders and its clients.

I. Definition of Terms

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;

Independent director – a person who, apart from his fees and shareholdings, is independent of management and 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;

Executive director – a director who is also the head of a department or unit of the corporation or performs any work related to its operation;

Non-executive director – a director who is not the head of a department or unit of the corporation nor performs any work related to its operation;

Internal control – the system established by the Board of Directors and Management for the accomplishment of the corporation's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;

Internal control system – the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed;

Internal audit – an independent and objective assurance activity designed to add value to and improve the corporation’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;

Internal Auditor – the highest position in the corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.

II. Rules of Interpretation

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

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

III. Board Governance

The Board of Directors (the “Board”) is primarily responsible for the governance of the corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

A) Composition of the Board

The Board shall be composed of eleven (11) members who are elected by the stockholders during the annual meeting of the stockholders held on the date indicated in GIBCO’s Bylaws.

Any vacancy occurring in the board of directors other than by removal or by expiration of term, may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancies must be filled by the stockholders in a

regular or special meeting called for that purpose. A director elected to fill a vacancy shall be referred to as replacement director and shall serve only for the unexpired term of the predecessor in office.

GIBCO shall have at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2). An independent director is a person who, apart from shareholdings and fees received from the corporation, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities as a director.

The membership of the Board shall 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 majority of the members of the Board shall be non-executive directors. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

B) Board Training

GIBCO shall also ensure that the Board is composed of members with collective working knowledge, experience and expertise relevant to its business. GIBCO shall provide a mandatory training for directors. The training shall be done every year and can be done through synchronous or asynchronous activities aimed to ensure that the members of the Board are equipped with basic knowledge of GIBCO's business operations, organisational policies and laws, rules and regulations governing insurance brokerage businesses. An orientation program shall likewise be made available for first time directors of GIBCO. The training and orientation modules shall be reassessed every two years by the President to ensure its effectiveness.

C) Multiple Board Seats

The Board shall adopt guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities,

and whether or not the corporation is under the Guevent Group of Companies or a related party.

The Chief Executive Officer (“CEO”) and other executive directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

All directors shall have the obligation to notify the Board, through its Corporate Secretary, before accepting a directorship in another company. He/ She shall also disclose all his/her affiliations with other stock and non-stock corporations at the time of his/her nomination. The disclosure shall be in writing duly submitted before the Corporate Secretary. If applicable, said directors shall provide all relevant information on their directorship in said companies whenever required by the Board.

D). The Chair and Chief Executive Officer

The roles of Chair and CEO shall be held by separate individuals to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chair and CEO upon their election.

The Chair shall, as far as practicable, be an independent director. In the event that the Chair is not an independent director, the Board shall designate a lead director among the independent directors. The lead director shall have the following roles and responsibilities:

- (i) Participates in board meetings like every other director;
- (ii) Acts as an intermediary - at times, the Chair may refer to the lead director for guidance or to have something taken up in executive session;
- (iii) Suggests calling board meetings to the Chair when appropriate;
- (iv) Collaborates with he Chair / CEO to set the board agenda and board information;

- (v) Facilitates discussion among the independent directors on key issues and concerns outside of board meetings;
- (vi) Serves as a not exclusive conduit to the CEO of views, concerns and issues of the independent directors; and
- (vii) Ensure that there are periodic meetings with the external auditor and heads of the internal auditor, without any executive directors present. The lead director shall likewise preside over said meetings.

The duties and responsibilities of the Chair in relation to the Board shall include, among others indicated in GIBCO's bylaws, the following:

- (i) Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;
- (ii) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and
- (iii) Maintain qualitative and timely lines of communication and information between the Board and Management.

E) Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code, Securities Regulation Code, Insurance Code and other relevant laws, the Board shall have the following additional qualifications:

- (i) College education or equivalent academic degree;
- (ii) Practical understanding of the business of the corporation; and
- (iii) Membership in good standing in relevant industry, business or professional organizations.

As to independent directors, they shall possess all the qualifications of a director, and shall have the following additional qualifications:

- (i) He/she shall have at least one (1) share of stock of the corporation;
- (ii) He/she shall be at least a college graduate or shall have been engaged or exposed to the business of the corporation for at least five (5) years;
- (iii) He/she shall possess integrity/probity, and shall be assiduous.

The independent directors shall serve for a maximum cumulative term of nine (9) years. As to the term limit, all previous terms served by existing independent directors prior to effectivity of IC Circular Letter No. 2020-72 shall not be included in the application of the term limit. In the event that GIBCO retains an independent director after his/her term limit expires, the Board shall submit to the Insurance Commission a formal written justification and shall secure stockholders' approval during the annual stockholders meeting.

F) Disqualification of Directors

Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

- (i) 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;
- (ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission / Insurance 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; (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 insurance related activities.

The disqualification shall also apply if such person is currently the subject of an order of the SEC / IC 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, Insurance Code or any other law administered by the regulatory agencies, or under any rule or regulation issued, or has otherwise been restrained to engage in any activity involving securities, insurance or banking; or 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;

- (iii) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (iv) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;
- (v) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;
- (vi) Any person judicially declared as insolvent;
- (vii) 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 enumerated in sub-paragraphs (i) to (v) above;
- (viii) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment.

Temporary Disqualification

- (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code, Insurance Code, Revised Corporation Code, and its Implementing Rules and

Regulations. The disqualification shall be in effect as long as the refusal persists.

- (ii) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- (iii) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
- (iv) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- (v) If any of the judgments or orders cited in the grounds for permanent disqualification 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.

Independent Directors

As to independent directors, they shall have the following additional disqualifications:

- (i) Is not a director or officer or substantial stockholder of the corporation or of its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- (ii) Is not a relative of any director, officer or substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders. For this purpose, relatives includes spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- (iii) Is not acting as a nominee or representative of a substantial shareholder of the corporation, any of its related companies or any of its substantial shareholders;

- (iv) Has not been employed in any executive capacity by that public company, any of its related companies or by any of its substantial shareholders within the last five (5) years;
- (v) Is not retained as professional adviser by that public company, any of its related companies or any of its substantial shareholders within the last five (5) years, either personally or through his firm;
- (vi) Has not engaged and does not engage in any transaction with the corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arms length and are immaterial or insignificant.
- (vii) Becomes an officer or employee of GIBCO
- (viii) His/her beneficial security ownership exceeds 10% of the outstanding capital stock of the company where he is such director;

G) Responsibilities, Duties and Functions of the Board

1. General Responsibility

It is the Board's responsibility to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders.

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.

2. Duties and Functions

To ensure a high standard of best practice for the corporation and its stockholders, the Board should conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- a) 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. Appoint competent, professional, honest and highly- motivated management officers. Adopt an effective succession planning program for Management.
- b) 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, operating budgets and Management's overall performance.
- c) Ensure the corporation's faithful compliance with all applicable laws, regulations and best business practices.
- d) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.
- e) Identify the sectors 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.
- f) 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.
- g) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.
- h) 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.

- i) Constitute an Audit Committee, Risk and Corporate Governance Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- j) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.
- k) 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.
- l) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.
- m) Appoint a Compliance Officer who shall have the rank of at least vice president.
- n) Adopt a policy on the retirement for directors and key officers.
- o) Adopt a Code of Ethics which will provide for standards in professional and ethical behaviour, as well as codify acceptable and unacceptable conduct and practices in its internal and external dealings. The Board shall be responsible in implementing and disseminating the same to the key officers, senior management and employees and posted in its website. In the absence of the Code of Ethics, this Manual detailing the specific duties and responsibilities of the directors and officers and emphasising their duty of diligence, honesty and integrity shall serve as GIBCO's interim Code of Ethics.
- p) Adopt an alternative dispute mechanism for intra corporate controversies. Any and all controversy between directors, key officers, and stockholders shall be filed before the Board, through its Corporate Secretary. The Board, within 15 days from receipt of the letter shall endorse the same to its Risk and Corporate Governance Committee for mediation. The RCGC will conduct and terminate the mediation within 45 days from the endorsement by the Board. In the event that the same is unsuccessful, the matter can either be submitted for voluntary arbitration or filed before the commercial courts with Mandaluyong City as its exclusive venue.

- q) Adopt a suitable framework for whistleblowers which will allow employees to have direct access to an independent member of the Board. The Board upon receiving the information shall ensure anonymity and confidentiality. The Board shall likewise ensure that the whistleblower shall not be prejudiced or discriminated against after the fact. The employee may report any matter under this scheme, including but not limited to violation of sexual harassment laws, graft and corrupt practices act, money laundering, and other criminal violations.

H) Specific Duties and Responsibilities of a Director

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. Directors shall attend and actively participate in all meetings of the Board, Committees and shareholders in person or through valid teleconferencing in accordance with the guidelines laid down by the Securities and Exchange Commission.

A director should observe the following norms of conduct:

- (i) Conduct fair business transactions with the corporation, and ensure that his personal interest does not conflict with the interests of the corporation. 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.
- (ii) Devote the time and attention necessary to properly and effectively perform his duties and responsibilities. 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 and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

- (iii) Act 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.
- (iv) Exercise independent judgment. 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. Corollarily, he should support plans and ideas that he thinks are beneficial to the corporation.
- (v) 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.
- (vi) Observe 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) Internal Control Responsibilities of the Board

The control environment of the corporation consists of

- (a) the Board which ensures that the corporation is properly and effectively managed and supervised;
- (b) a Management that actively manages and operates the corporation in a sound and prudent manner;
- (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and
- (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

- a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;
- b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;
- c) Evaluation of proposed senior management appointments;
- d) Selection and appointment of qualified and competent management officers; and
- e) Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

The scope and particulars of the systems of effective organizational and operational controls may differ among corporations depending on, among others, the following factors: nature and complexity of the business and the business culture; volume, size and complexity of transactions; degree of risks involved; degree of centralization and delegation of authority; extent and effectiveness of information technology; and extent of regulatory compliance.

GIBCO shall establish an internal audit system that can reasonably assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board shall appoint an Internal Auditor or Chief Audit Executive to perform the audit function, and may require him to report to a level in the organization that allows the internal audit activity to fulfill its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

J) Board Meetings and Quorum Requirement

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors should always attend Board meetings. Their absence shall affect the quorum requirement. The Board, to promote transparency, shall require the presence of at least one independent director in all its meetings.

K) Remuneration of Directors and Officers

The levels of remuneration of GIBCO should be sufficient to be able to attract and retain the services of qualified and competent directors and key officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.

GIBCO shall 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.

In no case shall the total yearly compensation of directors exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year. Directors shall not participate in the determination of their own per diems or compensation.

The corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and key officers during the preceding fiscal year.

(L) Board Committees

The Board shall constitute the proper committees to assist it in good corporate governance.

Audit Committee

The Audit Committee shall consist of at least three (3) non-executive directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director and a Certified Public Accountant. The members of the Audit Committee shall have the relevant background, skills and experience in the areas of accounting, auditing and finance. The committee shall have the following functions:

- (a) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- (b) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- (c) Perform oversight functions over the corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- (d) Evaluate, review and recommend the appointment, reappointment and removal of the external auditors for the appreciation and approval of the Board. In the event of removal of external auditors, the grounds relied upon shall be disclosed through the company's website and required disclosures, pursuant to the requirements of the Insurance Commission;
- (e) Review the annual internal audit plan to ensure its conformity with the objectives of the corporation. The plan shall include the audit scope, resources and budget necessary to implement it;
- (f) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- (g) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
- (h) Monitor and evaluate the adequacy and effectiveness of the corporation's internal control system, including financial reporting control and information technology security;
- (i) Review the reports submitted by the internal and external auditors;

- (j) Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
- (k) The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties; and
- (l) The Audit Committee shall proactively evaluate any potential conflict of interest situations with external auditors which could be viewed as impairing the external auditor's objectivity. GIBCO, through the Audit Committee, shall disclose all non-audit services performed by its external auditor in the Annual Report.

Risk and Corporate Governance Committee

The Risk and Corporate Governance Committee shall consist of at least three (3) non-executive directors, majority of whom should be independent directors. The chair of the Risk and Corporate Governance Committee ("RCGC") should be an independent director and a lawyer. The committee shall have the following functions:

- (a) Assist the Board in the performance of its corporate governance responsibilities;
- (b) Appoint a Chief Risk Officer who shall identify, assess and monitor key risk exposures and report to either the RCGC or the Board;
- (c) Ensure, coordinate and monitor compliance with legal and regulatory requirements under pertinent laws, rules and regulations governing insurance brokerage business;
- (d) To make recommendations to the Board regarding the size and composition of the Board and qualifications for Board membership consistent with the By-laws.
- (e) Review and assess the independence of each director and make recommendations to the Board on all determinations regarding director independence.
- (f) Advise the Board on the following matters related to all standing Board committees: (i) committee member qualifications, including independence and the Audit Committee's process of determining financial literacy and expertise, (ii) committee member and chair appointments and removals including, nominating

directors for appointment to committees; and (iii) committee structure and operations (including authority to delegate to subcommittees).

- (g) Evaluate and review the performance of the Compliance Officer and ensure its continuous qualifications as such.
- (h) Adopt and oversee a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risk and ensure that the Board is guided in identifying units/business lines and enterprise level risk exposures.
- (i) To identify and carefully examine individuals potentially qualified to become members of the Board and, as appropriate, propose candidates to the Board for appointment to the Board or nomination for election as directors of the Corporation, consistent with criteria approved by the Board, including individuals proposed under the Guevara Family Nomination Process and shareholder nominees for director, and to fill vacancies on the Board in accordance with the Corporation's By- Laws. The Committee will consider potential director candidates recommended by the Corporation's shareholders in the same manner as nominees identified by the Committee.
- (j) Implement and execute a process for evaluating incumbent directors prior to consideration of whether to re-nominate incumbent directors for reelection at any annual or special meeting of shareholders.
- (k) Develop and recommend to the Board for its approval an annual self-evaluation process of the Board and its committees. The Committee shall oversee such annual self-evaluations.
- (l) Review the performance of the committees of the Board of Directors, including annual evaluations of the performance of the Committee. The Committee shall, at least once a year, report to the Board of Directors on the Committee's performance.
- (m) Review and consider the appropriateness of continued Board service of any director who retires or resigns from his or her principal employment or experiences a significant change in primary responsibilities and recommend actions to the Board.

- (n) Review and recommend policies of the Board of Directors including policies contemplated or referenced in the By-Laws of the Corporation, and any other policies which it deems necessary or advisable for the Board of Directors.
- (o) Develop and recommend to the Board a Code of Conduct for the Corporation and a Code of Ethics and periodically review and make recommendations with respect to such codes of conduct.
- (p) Establish policies regarding stock ownership by directors of the Corporation's common stock and review and report to the Board annually on the Board's compliance with such ownership policies.
- (q) Consider and make recommendations to the Board regarding the payment of dividends to the Corporation's shareholders.
- (r) Review and make recommendations with respect to any shareholder proposal. To the extent that a shareholder proposal relates to a matter that is overseen by another committee of the Board of Directors, then the input of such other committee shall be solicited.
- (s) Develop and recommend to the Board of Directors improvements, additional insights, amendments, revisions, or modifications to the company's Code of Corporate Governance, and periodically review and make recommendations with respect to such Corporate Governance Guidelines.
- (t) Consider and make recommendations to the Board regarding any request by a director for a waiver of the director term limit and board membership limits set forth in the Corporate Governance Guidelines.
- (u) Consider questions of possible conflicts of interest of the Board members. To administer and periodically review the Corporation's Related Party Transactions, in which the Corporation is a participant and directors, nominees for director, executive officers, substantial shareholder and/or others have or will have an interest. Related company means another company which is (1) holding company, (2) its subsidiary, or (3) subsidiary of its holding company; and (3) substantial shareholder means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of equity securities.

- (v) Review and assess directors' directorships in other companies to ensure that no actual or foreseeable conflicts of interest exist with any outside directorships, director
- (w) Establish and oversee procedures for shareholder communications with the Board.
- (x) Oversee the Corporation's orientation program for new Board members.
- (y) Generally, consider and advise the Board as a whole on corporate social responsibility, environmental, and governance matters.

M) The Corporate Secretary

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. He should -

- (i) 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;
- (ii) Be loyal to the mission, vision and objectives of the corporation;
- (iii) Work fairly and objectively with the Board, Management and stockholders;
- (iv) Have appropriate administrative and interpersonal skills;
- (v) If he is not at the same time the corporation's legal counsel, be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities;
- (vi) Have a working knowledge of the operations of the corporation;
- (vii) 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;

- (viii) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
- (ix) Ensure that all Board procedures, rules and regulations are strictly followed by the members.

IV. Compliance Officer

The Board shall appoint a Compliance Officer who shall report directly to the Chair of the Board. The Compliance Officer shall not be a member of the board of directors. He shall perform the following duties:

- (i) Monitor compliance by the corporation with this Code and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- (ii) Appear before the Commission when summoned in relation to compliance with this Code; and
- (iii) Attend relevant trainings on corporate governance regularly.

V. Accountability and Audit

The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

To enable the members of the Board to properly fulfill their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to

enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

The information may include the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the corporation's expense.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee and the Risk and Corporate Governance Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- (i) The extent of its responsibility in the preparation of the financial statements of the corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- (ii) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the corporation should be maintained;
- (iii) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
- (iv) The corporation should consistently comply with the financial reporting requirements of the Commission;
- (v) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the corporation, should be changed with the same frequency. The Internal Auditor should submit to the Audit Committee and Management an annual report on the internal audit department's activities, responsibilities and performance relative to the audit plans

and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.

The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide internal audit services to the corporation. Non-audit work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the Commission or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

VI. Stockholders' Rights and Protection of Minority Stockholders' Interests

The Board shall respect the rights of the stockholders as provided for in the Revised Corporation Code, namely:

- (i) Right to vote on all matters that require their consent or approval;

- (ii) Pre-emptive right to all stock issuances of the corporation;
- (iii) Right to inspect corporate books and records;
- (iv) Right to information;
- (v) Right to dividends;
- (vi) Appraisal right; and
- (vii) Right to propose the holding of a special meeting and items to be included in the agenda.

The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the by-laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval.

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the corporation.

The Board shall encourage active stockholder participation by sending the appropriate notices with sufficient and relevant information at least 21 days before the meeting. The results of the votes taken shall be made available the next working day, and the minutes of meeting shall be made available within 5 business days from the end of the meeting.

VII. Nomination and Election

The Board shall adopt and improve on GIBCO's nomination and election policy. All stockholders shall have the right to appoint their own nominees for directors, including themselves, provided that the nominee shall have all the qualifications and none of the disqualifications of the directors.

The nominations shall be submitted to the Board prior the meeting or election. The Board shall review and evaluate the nominated candidates taking into account the long term and strategic direction of GIBCO. It shall also seek the recommendation from its Risk and Corporate Governance Committee.

At all elections of directors, the voting stockholder must be present, either in person or through a representative authorized to act by written proxy. The stockholders may also vote through remote communication or in absentia. The election must be by ballot if requested by any voting stockholder or member.

The stockholders entitled to vote shall have the right to vote the number of shares of stock standing in their own names in the stock books of the corporation at the time fixed in the bylaws. The said stockholder may: (a) vote such number of shares for as many persons as there are directors to be elected; (b) cumulate said shares and give one (1) candidate as many votes as the number of directors to be elected multiplied by the number of the shares owned; or (c) distribute them on the same principle among as many candidates as may be seen fit: Provided, That the total number of votes cast shall not exceed the number of shares owned by the stockholders as shown in the books of the corporation multiplied by the whole number of directors to be elected: Provided, however, That no delinquent stock shall be voted. Unless otherwise provided in the articles of incorporation or in the bylaws, members of non- stock corporations may cast as many votes as there are trustees to be elected but may not cast more than one (1) vote for one (1) candidate.

The Nominees for directors or trustees receiving the highest number of votes shall be declared elected.

VIII. Governance Self-Rating System

The Board shall create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Manual. The Board shall conduct an annual assessment of its performance as a whole, including the performance of its Chairman and the individual directors. The system shall be re-evaluated and assessed by an external consultant every three years. The stockholders of GIBCO shall likewise be consulted for their insights and inputs through the dissemination of a feedback form every year.

The creation and implementation of such self-rating system, including its salient features, may be disclosed in the corporation's annual report.

The Board shall be responsible in the selection of CEO and other key officers, including assessing the performance thereof. The Board shall ensure that GIBCO management and key officers are at par with the standards set by the industry and the company.

IX. Disclosure and Transparency

The essence of corporate governance is transparency. The more transparent the internal workings of the corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the corporation or misappropriate its assets.

It is therefore essential that all material information about the corporation which could adversely affect its viability or the interests of the stockholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions, and direct and indirect remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the Commission.

The Board shall ensure fairness and transparency in all its transactions, including but not limited to related party transactions. A Director or Officer shall not attempt to acquire, or acquire any interest adverse to GIBCO with respect to any matter which has been reposed in them in confidence, and upon which, equity imposes a disability upon themselves to deal in their own behalf. A contract with (1) one or more of its directors, officers or their spouses

and relatives within the fourth civil degree of consanguinity or affinity is voidable, at the option of GIBCO, unless all the following conditions are present:

- (a) The presence of such director in the board meeting in which the contract was approved was not necessary to constitute a quorum for such meeting;
- (b) The vote of such director was not necessary for the approval of the contract;
- (c) The contract is fair and reasonable under the circumstances;
- (d) In case of an officer, the contract has been previously authorized by the board of directors.

The same rule shall apply in contracts of GIBCO with another corporations having interlocking directors, provided, that if the interest of the interlocking director in one (1) corporation is substantial and the interest in the other corporation or corporations is merely nominal. Stockholdings exceeding twenty (20%) percent of the outstanding capital stock shall be considered substantial for purposes of interlocking directors.

The directors with material or conflicting interest in a transaction affecting GIBCO shall abstain from taking part in the deliberations of the same.

X. Commitment to Good Corporate Governance

All covered corporations shall establish and implement their corporate governance rules in accordance with this Code. The rules shall be embodied in a manual that can be used as reference by the members of the Board and Management. The manual shall be submitted to the appropriate regulatory agencies.

The manual shall be made available for inspection by any shareholder at reasonable hours on business days. The manual shall also be posted to the company's website.

Adopted this 16th July 2021; Mandaluyong City, Philippines.