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## Premiere Horizon Alliance Corporation PHA

### PSE Disclosure Form 17-18 - Other SEC Forms/Reports/Requirements

<b>Form/Report Type</b>	Revised Manual on Corporate Governance and Nominations Policy
<b>Report Period/Report Date</b>	Aug 22, 2025

#### Description of the Disclosure

Premiere Horizon Alliance Corporation (the "Corporation") respectfully reports that the Securities and Exchange Commission ("SEC") has accepted the submission of the Corporation's Revised Manual on Corporate Governance.

In line with this, the Corporation has likewise approved a Nominations Policy in its Board of Directors meeting held today, 22 August 2025, further strengthening and upholding its governance standards

#### Filed on behalf by:

<b>Name</b>	Geronimo Halili
<b>Designation</b>	Director/SEC Compliance Officer





**Premiere  
Horizon**

Invigorating the Countryside

# **MANUAL ON CORPORATE GOVERNANCE**

## **PREMIERE HORIZON ALLIANCE CORPORATION**

The Board of Directors and Management of  
Premiere Horizon Alliance Corporation hereby commit to the  
principles and best practices contained in this Code of Corporate  
Governance for Publicly Listed Companies pursuant to the SEC  
Memorandum Circular No. 16, Series of 2016.

Premiere Horizon Alliance Corporation further acknowledges the  
importance of good corporate governance in enhancing  
stakeholders' interests in the company and that the same will guide  
the attainment of the company's goals and objectives.

**Effective June 5, 2025**

## CODE OF CORPORATE GOVERNANCE FOR PUBLICLY LISTED COMPANIES

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### THE BOARD'S GOVERNANCE RESPONSIBILITIES

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- Principle 1:** The company should be headed by a competent working board 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 long-term best interests of its shareholders and other stakeholders.
- Principle 2:** The 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 should be clearly made known to all directors as well as to stockholders and other stakeholders.
- Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.
- Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.
- Principle 5:** The Board should endeavor to exercise objective and independent judgment on all corporate affairs.
- Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies.
- Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

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### DISCLOSURE AND TRANSPARENCY

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- Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor’s independence and enhance audit quality.

**Principle10:** The company should ensure that material and reportable non-financial and sustainability issues are disclosed.

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

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### **INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK**

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**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

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

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**Principle 13:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

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### **DUTIES TO STAKEHOLDERS**

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**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders’ rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company’s goals and participate in its corporate governance processes.

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

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## INTRODUCTION

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1. The Code of Corporate Governance is intended to raise the corporate governance standards of Philippine corporations to a level at par with its regional and global counterparts. The latest G20/OECD Principles of Corporate Governance and the Association of Southeast Asian Nations Corporate Governance Scorecard were used as key reference materials in the drafting of this Code.
2. The Code will adopt the “comply or explain” approach. This approach combines voluntary compliance with mandatory disclosure. Companies do not have to comply with the Code, but they must state in their annual corporate governance reports whether they comply with the Code provisions, identify any areas of non-compliance, and explain the reasons for non-compliance.
3. The Code is arranged as follows: Principles, Recommendations and Explanations. The principles can be considered as high-level statements of corporate governance good practice and are applicable to all companies.
4. The Recommendations are objective criteria that are intended to identify the specific features of corporate governance good practice that are recommended for companies operating according to the Code. Alternatives to a Recommendation may be justified in particular circumstances if good governance can be achieved by other means. When a Recommendation is not complied with, the company must disclose and describe this non-compliance and explain how the overall Principle is being achieved. The alternative should be consistent with the overall Principle. Descriptions and explanations should be written in plain language and in a clear, complete, objective and precise manner, so that shareholders and other stakeholders can assess the company's governance framework.
5. The Explanations strive to provide companies with additional information on the recommended best practice.

This Code does not, in any way, prescribe a “one size fits all” framework. It is designed to allow boards some flexibility in establishing their corporate governance arrangements. Larger companies and financial institutions would generally be expected to follow most of the Code’s provisions. Smaller companies may decide that the costs of some of the provisions outweigh the benefits or are less relevant in their case. Hence, the Principle of Proportionality is considered in the application of its provisions.

6. The Code of Corporate Governance for publicly listed companies is the first of a series of Codes that is intended to cover all types of corporations in the Philippines under supervision of the Securities and Company Commission (SEC).

7. Definition of Terms:

**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.

**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.

**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.

**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.

**Executive Director** – a Director who has executive responsibility of day-to-day operations of a part or the whole of the organization.

**Non-executive Director** – a Director who has no executive responsibility and does not perform any work related to the operations of the corporation.

**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.

**Internal Auditor** – the highest position in the company responsible for internal audit services. If the 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.

**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.

**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 company is exposed.

**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.<sup>2</sup>

**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 relatives within the fourth civil degree of consanguinity or affinity, legitimate or common law, , 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.

**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.

**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.

**ARTICLE III  
RULES OF INTERPRETATION**

1. All reference to the masculine gender in this Manual shall likewise cover the feminine gender.
2. All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the shareholders, investors and other stakeholders of the Company.

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**THE BOARD'S GOVERNANCE RESPONSIBILITIES**

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**1. ESTABLISHING A COMPETENT BOARD**

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**Principle**

The company should be headed by a competent working board 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 long-term best interests of its shareholders and other stakeholders.

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

It shall be the Board's responsibility to foster long-term success with the company and secure its sustained competitiveness in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

**1.1 Composition and Qualifications**

As required by the company's By-Laws, the Board of Directors shall be composed of nine (9) members who are elected by the shareholders. At least one-third (1/3) of the members of the Board of Directors shall be Independent Directors (The By-Laws Article IV Section 11 states that the Corporation shall have at least two (2) Independent Directors or at least 20% of its board size, whichever is lesser, but in no case less than two (2).)

The Board should be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the company's industry/sector. The Board should always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively,

to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

Competence can be determined from the collective knowledge, experience and expertise of each Director that is relevant to the industry/sector that the company is in. A Board with the necessary knowledge, experience and expertise can properly perform its task of overseeing management and governance of the corporation, formulating the corporation's vision, mission, strategic objectives, policies and procedures that would guide its activities, effectively monitor management's performance and supervising the proper implementation of the same. In this regard, the Board sets qualification standards for its members to facilitate the selection of potential nominees for board seats, and to serve as a benchmark for the evaluation of its performance.

The Board should be composed of a majority of Non-executive Directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances.

The right combination of Non-executive Directors (NEDs), which include Independent Directors (IDs) and Executive Directors (EDs), ensures that no director or small group of directors can dominate the decision-making process. Further, a board composed of a majority of NEDs assures protection of the company's interest over the interest of the individual shareholders. The company determines the qualifications of the NEDs that enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities.

## **1.2 POLICY ON TRAINING OF DIRECTORS AND OFFICERS**

The Company should provide in its Board Charter and Manual on Corporate Governance a policy on the training of directors, including an orientation program for first-time directors and relevant annual continuing training for all directors.

The orientation program for first-time directors and relevant annual continuing training for all Directors aim to promote effective board performance and continuing qualification of the directors in carrying-out their duties and responsibilities. It is suggested that the orientation program for first-time directors, in any company, be for at least eight hours, while the annual continuing training be for at least four hours.

All Directors should be properly oriented upon joining the Board. This ensures that new members are appropriately apprised of their duties and responsibilities, before beginning their directorships. The orientation program covers SEC-mandated topics on corporate governance and an introduction to the company's business, Articles of Incorporation, and Code of Conduct. It should be able to meet the specific needs of the Company and the individual directors and aid any new Director in effectively performing his or her functions.

The annual continuing training program, on the other hand, makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company.

It involves courses on corporate governance matters relevant to the Company, including audit, internal controls, risk management, sustainability and strategy. It is encouraged that companies assess their own training and development needs in determining the coverage of their continuing training program.

### **1.3 Policy on Board Diversity**

The Board should have a policy on board diversity.

In identifying, screening and evaluating nominees to the Board of Directors, the Company shall not discriminate on the basis of gender, race, ethnicity, religion, age or disability but will seek to foster diversity and balance in skills and experience in the Board. A diverse Board will strengthen the company's governance, integrity, and competence in carrying out its duties and responsibilities. This will also ensure that optimal decision-making is achieved, and group thinking is avoided.

### **1.4 The Corporate Secretary**

The Board should ensure that it is assisted in its duties by a Corporate Secretary, who should be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend training in corporate governance.

#### **1.4.1 Qualifications:**

The Corporate Secretary shall be: *(i)* a citizen and resident of the Philippines, *(ii)* be separate from the Compliance Officer, *(iii)* not be a member of the Board, and *(iv)* shall attend an annual training on corporate governance.

#### **1.4.2 Duties and Responsibilities**

The Corporate Secretary is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Company and has, among others, the following duties and responsibilities:

- a. 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, and assisting the chairs of the Board and its committees to set agendas for those meetings;
- b. 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;
- c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;

- d. Works fairly and objectively 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, including Shareholders;
- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five 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;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Performs required administrative functions;
- i. Oversees the drafting of the by-laws and ensure that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the SEC.
- k. Inform the Board of the agenda at least five (5) days in advance and ensure that the directors have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval. (the company's By-Laws Article IV Section 8, cited that at least two (2) days before the day on which the meeting is to be held. Every such notice shall state the time and place of the meeting but not need to state the purpose thereof except a otherwise provided in these By-laws.)

#### **1.4.3 Appointment of Assistant Corporate Secretary**

The Board may appoint an Assistant Corporate Secretary to assist the Corporate Secretary.

#### **1.5 The Compliance Officer**

The Board should ensure that it is assisted in its duties by a Compliance Officer, who should have a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation. The Compliance Officer should not be a member of the Board of Directors, be separated from the Corporate Secretary and should annually attend a training on corporate governance.

The Compliance Officer is a member of the company's management team in charge of the compliance function. Similar to the Corporate Secretary, he/she is primarily liable to the corporation and its shareholders, and not to the Chairman or President of the company. He/she has, among others, the following duties and responsibilities:

- a. Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);
- b. Monitors, reviews, evaluates and ensures 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. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensures the integrity and accuracy of all documentary submissions to regulators;
- e. Appears before the SEC when summoned in relation to compliance with this Code;
- f. Collaborates with other functions 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 board members and key officers on relevant trainings; and
- i. Performs such other duties and responsibilities as may be provided by the SEC.

## **2. ESTABLISHING CLEAR ROLES AND RESPONSIBILITIES OF THE BOARD**

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### **Principle**

The 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 should be clearly made known to all Directors as well as to shareholders and other stakeholders.

### **2.1 Roles and Responsibilities of the Board of Directors**

- a. Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and all its shareholders. The Board shall exercise prudence and put the company's interest above its own when making decisions on behalf of the Company.
- b. It is the Board's responsibility to foster the long-term success of the company and create optimal value to its shareholders by establishing programs that can sustain its long-term viability and strength.

Oversee the development of, review, and approve, the company's vision, mission, and corporate strategies and objectives, risk management policies and procedures, annual budget, business plan, and major capital expenditures and acquisitions, and monitor implementation in order to sustain the company's long-term viability and strength. It shall set forth policies and procedures that shall guide its activities and periodically evaluate and monitor the implementation of corporate strategies, including the business plans and Management's overall performance.

- c. Create and sustain a corporate culture that encourages active employee participation in the realization of the company's vision, mission, and corporate objectives, and enable employees to value their individual roles within the larger group and develop a sense of accountability and pride.
- d. Be primarily responsible to the shareholders for financial reporting and control.
- e. Ensure that the company's remuneration policies for key officers and Board members link remuneration to individual performance, align with the long-term interests of the company, and that remuneration is commensurate with the responsibilities of each role.
- f. Approve the selection, hiring or appointment of key management officers, including the Chief Executive Officer, Chief Operations Officer, Compliance Officer, and Internal Auditor based on fit and proper standards.
- g. Ensure that an effective performance management framework is in place to monitor and evaluate the performance of the Chief Executive Officer and key management officers against performance standards set by the Board.
- h. Adopt a succession planning program for management that is aligned with the strategic direction of the company. The succession planning program shall include identification of the key knowledge and skills required for management positions, adoption of a policy on the retirement age of key officers, and adoption of a professional development plan for potential successors.
- i. Ensure that an appropriate and effective system of internal controls is in place across the organization, including a mechanism for overseeing risk management, compliance, and internal audit functions, and reviewing human resource policies and programs.

- j. There shall be a continuing review of the company's internal control system in order to maintain its adequacy and effectiveness.
- k. Adopt a system of internal checks and balances to ensure the integrity of the decision-making and reporting process at all times.
- l. Oversee that a sound enterprise risk management framework ("ERM Framework") and appropriate technology and systems are in place to effectively identify, assess, manage and monitor key business risks that pose possible threats to the Company's operational and financial viability. This framework shall guide the Board in identifying and preparing for significant enterprise-level risk exposures as well as monitoring the effectiveness of risk management strategies.
- m. Ensure that there is a group-wide policy and system governing RPTs and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include, among others, the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions and encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.
- n. Promote a proactive corporate governance culture as well as sustainability and social responsibility among shareholders, employees, listed companies, trading participants and other stakeholders of the company.
- o. Increase corporate governance awareness within the Company through participation in corporate governance forums; assess the quality of company's corporate governance through corporate governance scorecards; and review corporate governance policies and practices periodically to ensure that these remain relevant and updated.
- p. Ensure the continued compliance of the Company with all relevant laws, rules and regulations and uphold the highest ethical standards by its officers and staff by ensuring their adherence to the Company's Code of Ethics and Business Conduct.
- q. Strengthen communication with shareholders through an effective investor relation program, making efficient use of all available means, including electronic communication systems and social media platforms.
- r. Properly discharge Board functions by meeting regularly. Independent views during meetings shall be given due consideration.

- s. Keep Board actions within the authority granted in the Articles of Incorporation, By-Laws and in existing laws, rules and regulation. Unless individual directors receive specific delegations from the Board, they must refrain from participating in the day-to-day management of the company, making representations or agreements on its behalf, or influencing management as individuals.
- t. Endeavor to establish and maintain an alternative dispute resolution system in the company for amicable settlement of conflicts or differences between the company and its Shareholders, and the Company and third parties, including the regulatory authorities.
- u. Identify the Stakeholders in the community in which the Company operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
- v. Develop an annual formal process to assess the effectiveness of the Board as a whole and its Board Committees. The Board assessment process may be supported by an external facilitator. The Board must ensure that the Board assessment process provides, at the minimum, the criteria and process to determine Board performance and allow for a feedback mechanism from the Shareholders, if necessary.
- w. Adopt a Board Charter that formalizes and clearly states the Board's roles, responsibilities and accountabilities in carrying out its fiduciary duties.
- x. Recommend to the Shareholders the appointment of Independent External Auditors.
- y. Ensure the attendance of the External Auditor in the Annual Shareholder's Meeting to address queries on the scope and results of the audit, the financial statements and related matters.

There are two key elements of the fiduciary duty of board members: the duty of care and the duty of loyalty. The duty of care requires Board Members to act on a fully informed basis, in good faith, with due diligence and care. The duty of loyalty is also of central importance; the Board Member should act in the interest of the Company and all its Shareholders, and not those of the controlling company of the group or any other stakeholder.

## 2.2 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 company in a manner characterized by transparency,

Accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Company towards sustained progress.

In addition to a Director's duties and responsibilities as prescribed in the Board Charter and existing laws, a Director shall also have the following duties and responsibilities:

- a. To conduct fair business transactions with the Company, declare any material conflict of interest, and to ensure that the personal interest does not bias his decisions.

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 arises 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 company, or he stands to acquire or gain financial advantage at the expense of the company

- b. To devote time and attention necessary to properly discharge his duties and responsibilities.

A Director should devote sufficient time to familiarize himself with the Company's business and keep abreast of relevant laws and regulations, industry developments and business trends in order to promote the Company's competitiveness. He should be constantly aware and knowledgeable of the Company'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.

- c. To conduct oneself at all times and especially at Board meetings with courtesy, fairness and goodwill toward the other Directors, and not use

language, which is abusive, offensive or otherwise improper, in the interest of harmony and effectiveness of the Board and the Company as a whole.

- d. To act judiciously, and in addressing matters before the Board, adhere to the issues at hand and not resort to debates on issues driven by personalities and personal motives, to support the letter and the spirit of Board decisions when in contact with other parties outside the boardroom, and to bring any serious concern to the Chairman in time for the matter to be added to the agenda and materials to be duly prepared.

Before deciding on any matter brought before the Board, a Director should carefully study the issues and, if necessary, make inquiries and request clarification.

- e. To exercise independent judgment, and to desist from acting in a way likely to bring damage or discredit to the company.

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. In the same manner, he should support plans and ideas that he thinks are beneficial to the Company.

- f. To keep confidential all Board discussions and non-public information which he may acquire or learn by reason of his position as director. The Director shall not reveal confidential information to third parties without the authority of the Board.

### **2.3 The Chairman of the Board**

The Board should be headed by a competent and qualified Chairperson.

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

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitates discussions 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 inquires on reports submitted and representations made 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 performance of the Board is evaluated at least once a year and discussed/followed up on.

## **2.4 Policy on Board Nomination and Election**

The Board should be responsible for ensuring and adopting an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the Shareholders' value. This should include adopting a policy on the retirement age for directors and key officers as part of management succession and to promote dynamism in the corporation.

**2.4.1** Please refer to the By-Laws Article IV Sections 2, 3, 4, 10, 12 and 13. The company accepts nominations from all shareholders including minority shareholders, whereby, each Shareholder be entitled to one vote, in person or by proxy, for each share with voting right held by the stockholder and reviews nominated candidates. The Rights of Shareholders (2014 version requires update) are disclosed in the: <https://drive.google.com/file/d/1PaxjTxnoVXYG6TaxvoJdkBHV9sKfPSYW/view>

### **2.4.2 General Qualifications of a Director**

Every Director shall own at least one (1) share of the capital stock of the Company, which share shall stand in his name in the books of the company.

In addition to the qualifications provided for in the Revised Corporation Code, SRC and other relevant laws, the Board may provide for additional qualifications from a Director such as, but not limited to, the following:

- a. College education or sufficient experience in managing a business to substitute for such formal education;
- b. At least twenty one (21) years of age;
- c. Resident of the Philippines (including SRRV holders);
- d. Possesses integrity, probity and assiduousness.

### **2.4.3 Disqualifications of a Director**

#### **2.4.3.1 Permanent disqualification**

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

- a. Conviction 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 SRC; (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.
- b. Being permanently enjoined by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas ("BSP") or any court or administrative body of competent jurisdiction, after hearing, 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, by reason of misconduct or for willfully violating the laws that govern securities and banking activities.
- c. Being the subject of an order of the SEC, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporation Code, SRC or any other law administered by the SEC or BSP or under any rule or regulation issued by the SEC or the BSP; being restrained to engage in any activity involving securities and banking; or being 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.
- d. Conviction 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.
- e. Being adjudged by final judgment or order of the SEC, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of, any provision of the Revised Corporation Code, SRC or any other law, rule, regulation or order issued or administered by the SEC or BSP.
- f. Being judicially declared as insolvent.
- g. Being 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 above.

- h. Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Revised Corporation Code committed within five (5) years prior to the date of his election or appointment.
- i. Other grounds as the SEC may provide.

#### **2.4.3.2 Temporary disqualification**

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

- a. Refusal to comply with the disclosure requirements of the SRC and its Implementing Rules and Regulations, especially as regards the extent of its business interest. This disqualification shall be in effect as long as his refusal persists.
- b. Absence in more than fifty percent (50%) of all meetings, both regular and special, of the Board of Directors 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.
- c. The beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceed two percent (2%) of the subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
- d. Dereliction of duties and responsibilities, as set out herein, in the Code of Ethics and Business Conduct of the company.
- e. Dismissal or termination for cause from directorship in any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. 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.
- f. Being under preventive suspension by the company.
- g. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporary disqualified Director shall, within sixty (60) business days from such disqualification, take appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

#### **2.4.4 Replacement of Directors in case of Vacancy**

Any vacancy occurring by the Board of Directors other than by removal or expiration of term, shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, said vacancy shall be filled by the Shareholders in a regular or special meeting duly called for that purpose. Please refer to PHA By-Laws Article IV Sections 10 and 13.

### **2.5 Policy on the Remuneration of the Board and Officers**

The Board should align the remuneration of key officers and Board Members with the long-term interests of the company. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no Director should participate in discussions or deliberations involving his own remuneration.

For officers, performance-based remuneration is grounded in the results of the annual performance review that is adopted by the Company.

Key considerations in determining proper compensation include the following: (1) the level of remuneration is commensurate to the responsibilities of the role; (2) no director should participate in deciding on his remuneration; and (3) remuneration pay-out schedules should be sensitive to risk outcomes over a multi-year horizon.

For employees in control functions (e.g., risk, compliance and internal audit), their remuneration is determined independent of any business line being overseen, and performance measures are based principally on the achievement of their objectives so as not to compromise their independence.

### **2.6 Policy on Related Party Transactions**

The Related Transaction Policy is disclosed as follows:

<https://drive.google.com/file/d/12r7OQOMBET4ZVThop2BEWeiLneAgiNAa/view>

This policy is subject to review by the RPT Committee

The board nomination and election policy of Directors are disclosed in the By-Laws and the Manual on Corporate Governance as Section 2.4.1.

The Company accepts nominations from all Shareholders including Minority Shareholders, whereby, each Shareholder is entitled to one vote, in person or by proxy, for each share with voting right held by the stockholder and reviews nominated candidates.

The following are suggestions for the content of the RPT Policy:

- Guidelines in ensuring arm's-length terms.
- Identification and prevention or management of potential or actual conflicts of interest which arise;  
[https://drive.google.com/file/d/1OrBpYBBRTAhxm\\_iuUmrPbCHD1mLhuj-n/view](https://drive.google.com/file/d/1OrBpYBBRTAhxm_iuUmrPbCHD1mLhuj-n/view)
- Adoption of materiality thresholds.
- Internal limits for individual and aggregate exposures.
- Whistle-blowing mechanisms, <https://drive.google.com/file/d/1WhgsnN-NcFvvc6y7pg41TCKAKsnCzV84/view> and
- Restitution of losses and other remedies for abusive RPTs.

Depending on the materiality threshold, approval of management, the RPT Committee, the Board or the Shareholders may be required. In cases where the Shareholders' approval is required, it is good practice for interested Shareholders to abstain and let the disinterested parties or majority of the Minority Shareholders decide.

## **2.7 Selection of President and Management Performance Assessment**

It is the responsibility of the Board to appoint a competent management team at all times. The principles of selection of the Chief Executive Officer (CEO), and heads of control functions (Chief Risk Officer, Compliance Officer, Internal Auditor, Treasurer, and Vice-Presidents) are disclosed in Article VI Sections 1, 2, 7, 8, 9, and 10 in the By-Laws.

The Board is responsible for monitoring and assessing the performance of the management team based on established performance standards that are consistent with the company's strategic objectives and conducting a regular review of the Company's policies with the management team.

The Board's authorities to remove and remunerate the Management is disclosed in the Article VI Sections 3 and 11 in the By-Laws.

The Board should oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board Members, and Shareholders. The Board should also approve the Internal Audit Charter.

In the performance of the Board's oversight responsibility, the minimum internal control mechanisms may include overseeing the implementation of the key control functions, such as risk management, compliance and internal audit, and reviewing the corporation's human resource policies, conflict of interest situations, compensation program for employees and management succession plan.

The Board should oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework should guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

Risk management policy is part and parcel of a Company's corporate strategy. The Board is responsible for defining the Company's level of risk tolerance and providing oversight into its risk management policies and procedures.

The Board should have a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter should serve as a guide to the directors in the performance of their functions and should be publicly available and posted on the Company's website.

The Board Charter guides the directors on how to discharge their functions. It provides the standards for evaluating the performance of the Board. The Board Charter also contains the roles and responsibilities of the Chairman.

### **3. ESTABLISHING BOARD COMMITTEES**

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#### **Principle**

The Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration.

To aid in complying with the principles of good corporate governance and in the optimal performance of its roles and responsibilities, the Board shall constitute committees, without prejudice to the inherent exercise of power and authority of the Board over these duly-constituted committees.

In addition to the committees described below, the Board may constitute such other committees as it may deem necessary in fulfilling its objectives and responsibilities. Each Board Committee shall report regularly to the Board of Directors.

### **3.1 Audit and Risk Oversight Committee (ARO Committee)**

The ARO Committee is responsible for overseeing the Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

#### **3.1.1 Composition**

The ARO Committee should have at least three (3) members, two of whom shall be Independent Directors. The ARO Chairman should be an Independent Director and shall not be the Chairman of the Board or of any other committees.

Article V Section 4 of the By-Laws require the chairman shall be an Independent Director only. (The By-laws need to be amended)

#### **3.1.2 General duties and responsibilities**

- a. Recommends the approval of the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- b. Through the Internal Audit (IA) functions, 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. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent the 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. Oversee the IA functions and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- e. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;

- f. Prior to the commencement of the audit, it discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- g. 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 and to the corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the corporation's Annual Report and Annual Corporate Governance Report;
- h. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- i. Reviews the disposition of the recommendations in the External Auditor's Management Letter;
- j. Performs oversight functions over the corporation's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- k. Coordinates, monitors and facilitates compliance with laws, rules and regulations;
- l. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and
- m. In case the company does not have a Board Risk Oversight Committee and/or Related Party Transactions Committee, performs the functions of said committees as provided under Recommendations 3.4 and 3.5.

The Audit Committee may meet 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.

### **3.1.3 Specific Duties and Responsibilities**

Without limiting the generality of the foregoing, the ARO Committee shall have the following duties and responsibilities in respect of the internal audit and external audit activities and supervision of the financial reporting system:

#### **3.1.3.1 External Audit**

- a. Recommend to the Board the appointment, reappointment, replacement, and fees of the External Auditor;
- b. Review and discuss with the External Auditor the audit plan before the commencement of the audit and ensure that there are no unjustified restrictions and limitations placed on the scope of audit;
- c. Meet with the External Auditor without the presence of Management, at least annually;
- d. Evaluate and determine non-audit work by the external auditor and keep under review the non-audit fees paid to the External Auditor in relation to the total fees paid to it and to the company's total expenditures on consultancy services. The ARO Committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, shall be disclosed in the Annual Report;
- e. Review the performance of the External Auditor as it relates to its engagement with the Company; and
- f. Review the disposition of the recommendations in the External Auditor's management letter.

#### **3.1.3.2 Internal Audit**

- a. Approve the Internal Audit Charter;
- b. Review and approve the Internal Audit Group's annual audit plan, including the audit scope and frequency, and ensure no unjustified restrictions or limitations are made;
- c. Monitor and evaluate the adequacy and effectiveness of the company's internal control system by ensuring that a review of the Company's material internal controls, including financial, operational and compliance controls and risk management, is conducted at least annually. Such review can be carried out by the Chief Internal Auditor and/or an External Auditor;

- d. Review the Internal Audit function of the company, including the Internal Audit Group's independence and reporting lines. The Chief Internal Auditor's primary line of reporting shall be to the Chairman of the ARO Committee to ensure that it is independent of the activities it audits;
- e. Review the reports of the Chief Internal Auditor; and
- f. Review and monitor Management's responsiveness to the Chief Internal Auditor's findings and recommendations.

### **3.1.3.3 Financial Reporting/Internal Controls**

- a. Review of quarterly and annual financial statements before submission to the Board, focusing particularly on:
  - i. Any change in accounting policies and practices;
  - ii. Areas where a significant amount of judgment has been exercised;
  - iii. Significant adjustments resulting from the audit;
  - iv. Going concern assumptions;
  - v. Compliance with accounting standards; and
  - vi. Compliance with tax, legal and regulatory requirements.
- b. Assess whether the financial statements reflect appropriate accounting principles;
- c. Make inquiries of Management and External Auditors concerning the adequacy of the Company's system of internal controls and any information on fraud, illegal acts or other similar issues. Ensure that Management implements the recommendations made and takes appropriate corrective actions on a timely basis; and
- d. Advise Management and the Independent Auditor to discuss with the ARO Committee their qualitative judgments about the appropriateness, not just the acceptability, of accounting principles and financial disclosure used or proposed to be adopted by the Company.

The ARO Committee shall be guided and its performance evaluated by the Board of the company as detailed in its charter. For transparency, the ARO Committee Charter is posted on the Company's website.

## **3.2 Corporate Governance Committee**

### **3.2.1 Composition**

The Corporate Governance Committee (“CG Committee”) shall be composed of at least three (3) members, all of whom shall be independent directors, including the Chairman.

### **3.2.2 Duties and Responsibilities**

The CG Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It has the following duties and functions, among others:

- a. Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to the corporation’s size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- c. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;
- g. Determines the nomination and election process for the company’s directors and has the special duty of defining the general profile of board members that the company may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- h. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the corporation’s culture and strategy as well as the business environment in which it operates.

The establishment of a Corporate Governance Committee does not preclude companies from establishing separate Remuneration or Nomination Committees, if they deem necessary.

### **3.3 Board Risk Oversight Committee (BROC)**

Subject to a corporation's size, risk profile and complexity of operations, the Board should establish a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a Company's Enterprise Risk Management system to ensure its functionality and effectiveness.

The BROC should be composed of at least three members, the majority of whom should be independent directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other committee. At least one member of the committee must have relevant thorough knowledge and experience of risk and risk management.

The establishment of a Board Risk Oversight Committee (BROC) is generally for conglomerates and companies with a high-risk profile.

Enterprise risk management is integral to an effective corporate governance process and the achievement of a Company's value creation objectives. Thus, the BROC has the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place. With an integrated approach, the Board and top management will be in a confident position to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities.

The BROC has the following duties and responsibilities, among others:

- a. Develops a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BROC conducts regular discussions on the company's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- c. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Advises the Board on its risk appetite levels and risk tolerance limits;

- e. Reviews at least annually the company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Company;
- f. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact on the performance and stability of the corporation and its Shareholders;
- g. Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
- h. Reports to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.
- i. The above functions are currently taken up by the ARO Committee.

### **3.4 The Related Party Transaction (RPT) Committee**

The RPT Committee, should be tasked with reviewing all material related party transactions of the Company and should be composed of at least three non-executive directors, two of whom should be independent, including the Chairman.

The following are the functions of the RPT Committee, among others:

- a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;
- b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non- related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:

1. The related party's relationship to the company and interest in the transaction;
  2. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  3. The benefits to the corporation of the proposed RPT;
  4. The availability of other sources of comparable products or services; and
  5. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The company should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the company's affiliation or transactions with other related parties;
- d. Reports to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and
- f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.
- g. The RPT Policy is disclosed in Section 2.6 of this Manual.

### **3.5 Executive Committee**

The Executive Committee shall possess and may exercise all the powers of the Board of Directors in the management and direction of all the business and affairs of the Company, in such manner as the Executive Committee shall deem best for the interest of the corporation in all cases in which specific directions shall not have been given by the Board of Directors. The composition and authority of the Executive Committee are disclosed in Section 2 and 3 of Article V of the By-Laws.

The Committee Charter clearly defines the roles and accountabilities of each committee to avoid any overlapping functions, which aim at having a more effective Board for the Company. This can also be used as basis for the assessment of committee performance.

## **4. FOSTERING COMMITMENT**

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### **Principle**

To show full commitment to the Company, the Directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

#### **4.1 Meetings and Attendance**

The Directors should attend and actively participate in all meetings of the Board, Committees, and Shareholders 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 and explanations.

A Director's commitment to the Company is evident in the amount of time he dedicates to performing his duties and responsibilities, which includes his presence in all meetings of the Board, Committees and Shareholders. In this way, the Director is able to effectively perform his/her duty to the company and its shareholders.

The absence of a Director in more than fifty percent (50%) of all regular and special meetings of the Board during his/her incumbency is a ground for disqualification in the succeeding election, unless the absence is due to illness, death in the immediate family, serious accident or other unforeseen or fortuitous events.

#### **4.2 Policy on Directorships Outside of the Company**

The Non-executive Directors of the Board should concurrently serve as Directors to a maximum of five 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 Company.

Being a Director necessitates commitment to the corporation. Hence, there is a need to set a limit on board directorships. This ensures that the members of the board can effectively commit themselves to perform their roles and responsibilities, regularly update their knowledge and enhance their skills. Since sitting on the board of too many companies may interfere with the optimal performance of board members, in that they may not be able to contribute enough time to keep abreast of the corporation's operations and to attend and actively participate during meetings, a maximum board seat limit of five directorships is recommended. Directors should notify the Board through the Corporate Secretary before accepting directorship in another company.

The Board expects commitment from a Director to devote sufficient time and attention to his/her duties and responsibilities. Hence, it is important that a director notifies his/her incumbent Board before accepting a directorship in another company. This is for the Company to be able to assess if his/her present responsibilities and commitment to the company will be affected and if the Director can still adequately provide what is expected of him/her.

## **5. REINFORCING BOARD INDEPENDENCE**

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### **Principle**

The Board should endeavor to exercise an objective and independent judgment on all corporate affairs.

#### **5.1 Independent Director**

The Board should have at least three Independent Directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher.

The presence of Independent Directors in the Board is to ensure the exercise of independent judgment on corporate affairs and proper oversight of managerial performance, including prevention of conflict of interests and balancing of competing demands of the corporation. There is increasing global recognition that more independent directors on the Board lead to more objective decision-making, particularly in conflict-of-interest situations. In addition, experts have recognized that there are varying opinions on the optimal number of Independent Directors on the Board. However, the ideal number ranges from one-third to a substantial majority.

#### **5.2 Qualifications and disqualifications of Independent Director**

The Board should ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications for an Independent Director to hold the position. Independent Directors need to possess a good general understanding of the industry they are in. Further, it is worth to note that independence and competence should go hand-in-hand. It is therefore important that the Non-executive Directors, including Independent Directors, possess the qualifications and stature that would enable them to effectively and objectively participate in the deliberations of the Board.

An Independent Director refers to a person who, ideally:

- a. 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;

- b. Is not, and has not been during the three years immediately preceding the election, a Director of the covered Company; nor a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; nor a director, officer, employee of the covered company's substantial shareholders and its related companies;
- c. 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 years immediately preceding his election;
- d. Is not the owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- e. 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;
- f. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;
- g. 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 Shareholder, nominee of the firm to the Company, an associated person or salesman, and an authorized clerk of the broker or dealer;
- h. 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 years immediately preceding the date of his election;
- i. 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;
- j. 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

- k. 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.

### **5.3 Term Limit of Independent Director**

The Board's Independent Directors should serve for a maximum cumulative term of nine (9) years. After which, the Independent Director should be perpetually barred from re-election as such in the same Company, but may continue to qualify for nomination and election as a Non-Independent Director. In the instance that a Company 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.

### **5.4 Separation of the role of the Chairman of the Board and Chief Executive Officer**

The positions of Chairman of the Board and Chief Executive Officer should be held by separate individuals, and each should have clearly defined responsibilities.

The CEO has the following roles and responsibilities, among others:

- 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 and promotes any organization or stakeholder change in relation to the same;
- c. Oversee the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
- e. Directs, evaluates and guides the work of the key officers of the corporation;
- f. Manages the corporation's resources prudently and ensures a proper balance of the same;
- 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; and
- i. Serves as the link between internal operations and external shareholders.

The roles and responsibilities of the Chairman are provided under Recommendation 2.3.

The Board should designate a lead director among the Independent Directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

In cases where the Chairman is not independent and where the roles of Chair and CEO are combined, putting in place proper mechanisms ensures independent views and perspectives. More importantly, it avoids the abuse of power and authority, and potential conflict of interest.

A suggested mechanism is the appointment of a strong “lead director” among the Independent Directors. This lead director has sufficient authority to lead the Board in cases where management has clear conflicts of interest.

The functions of the lead director include, among others, the following:

- a. Serves as an intermediary between the Chairman and the other directors when necessary;
- b. Convenes and chairs meetings of the Non-executive Directors; and
- c. Contributes to the performance evaluation of the Chairman, as required.

A director with a material interest in any transaction affecting the corporation should abstain from taking part in the deliberations for the same.

The abstention of a Director from participating in a meeting when related party transactions, self-dealings or any transactions or matters on which he/she has a material interest are taken up ensures that he has no influence over the outcome of the deliberations. The fundamental principle to be observed is that a director does not use his position to profit or gain some benefit or advantage for himself and/or his/her related interests.

The Non-executive Directors (NEDs) should have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any Executive Directors present to ensure that proper checks and balances are in place within the corporation. The meetings should be chaired by the lead Independent Director.

NEDs are expected to scrutinize Management's performance, particularly in meeting the companies' goals and objectives. Further, it is their role to satisfy themselves with the integrity of the corporation's internal control and effectiveness of the risk management systems. This role can be better performed by the NEDs if they are provided with access to the external auditor and heads of the internal audit, compliance and risk functions, as well as to other key officers of the company without any Executive Directors present. The lead Independent Director should lead and preside over the meeting.

## **5.5 Conflict of Interest**

The personal interest of directors should never prevail over the interest of the Company. Directors are required to be loyal to the organization so much so that they shall not derive, directly or indirectly, any personal profit or advantage by reason of their position in the company.

A Director with a material interest in any transaction affecting the Company should fully disclose his interest and abstain from taking part in the deliberations for the same.

A contract of the Company with 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 the company, 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. For material contracts, the same have been approved by at least 2/3 of the entire membership of the Board, with at least a majority of the independent directors voting to approve the contract; and
- e. In case of an officer, the contract has been previously approved by the Board of Directors.

The company's Conflict of Interest Policy is disclosed as follows;

[https://drive.google.com/file/d/1OrBpYBBRTAhxm\\_iuUmrPbCHD1mLhuj-n/view](https://drive.google.com/file/d/1OrBpYBBRTAhxm_iuUmrPbCHD1mLhuj-n/view)

## **6. ASSESSING BOARD PERFORMANCE**

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### **Principle**

The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body and assess whether it possesses the right mix of backgrounds and competencies.

### **6.1 Board Assessment**

The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and

committees. Every three years, the assessment should be supported by an external facilitator. The external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization.

A self-assessment questionnaire shall be given to each Director to ensure the effectiveness of processes and performance and to identify areas of improvement, with the evaluation criteria focusing on structure, efficiency, and effectiveness of the Board, as well as participation and engagement of each member of the Board. This exercise shall also provide a means to assess a Director's attendance at Board and committee meetings, participation in boardroom discussions, and manner of voting on material issues.

### **6.2 Shareholder Feedback**

The Board shall have at the minimum, criteria and process to determine the performance of the Board, the individual Directors and Committees and such system shall allow for a feedback mechanism from the Shareholders.

The assessment criteria and process shall be based on the mandates, functions, roles and responsibilities provided in the Board and Committee Charters and duly disclosed to stakeholders. In establishing the criteria, attention should be given to the values, principles and skills required by the Company. The Corporate Governance Committee shall oversee the evaluation process and redress and/or response to stakeholder feedback.

## **7. STRENGTHENING BOARD ETHICS**

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### **Principle**

Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all shareholders.

## **7.1 Code of Ethics and Business Conduct**

The company has adopted a Code of Business Conduct and Ethics (<https://premierehorizon.com/wp-content/uploads/2022/06/PHA-Code-of-Conduct-and-Business-Ethics.pdf>), which 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. It should also be disclosed and made available to the public through the Company website.

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## **DISCLOSURE AND TRANSPARENCY**

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### **8. ENHANCING COMPANY DISCLOSURE POLICIES AND PROCEDURES**

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#### **Principle 8**

The Company should establish corporate disclosure policies and procedures that are practical and in accordance with the best practices and regulatory expectations.

#### **8.1 Corporate Disclosures and Policies Procedures**

The Board should establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other shareholders that gives a fair and complete picture of a Company's financial condition, results and business operations.

Setting up clear policies and procedures on corporate disclosure that comply with the disclosure requirement as provided in Rule 68 of the Securities Regulation Code (SRC), Philippine Stock Company Listing and Disclosure Rules, and other regulations such as those required by the Bangko Sentral ng Pilipinas, is essential for comprehensive and timely reporting.

As a listed company and a self-regulatory organization, the Company has to comply with corporate disclosure policies and procedures to ensure full, accurate, reliable and timely report to shareholders and other stakeholders of information that would give them a fair and complete picture of PSE's financial condition and results of business operations.

The Company's disclosure policies and procedures include the following:

- 8.1.1 The reports or disclosures required of the Company as a listed company shall be prepared and submitted to SEC by the Compliance Officer while reports filed as a self-regulatory organization shall be filed through Compliance Functions. Overall compliance with regulatory reporting requirements shall be under the oversight of the Compliance Officer.

8.1.2 The Company shall make full, fair, accurate and timely disclosure to the public of every material information or event, i.e., anything that could potentially affect share price, adversely affect its viability or the interest of its shareholders and other stakeholders.

Such information shall include among other earnings results, acquisition or disposal of significant assets, changes in the composition of the Board, material RPTs, and changes in the shareholdings of directors and officers.

8.1.3 Disclosures shall be disseminated to the public via the Company's online disclosure portal for Company announcements.

8.1.4 Directors, officers or personnel of the Company are prohibited from communicating material non-public information about the company to third parties until such time as the Company is able to disclose such material non-public information to the SEC and to the public. This prohibition shall not apply to communications made to the following third parties:

8.1.5 Persons who owe a duty of confidence or trust to the Company, such as but not limited to its auditors, legal counsels, financial advisers, investment bankers and other professional advisors with fiduciary responsibilities to the Company; and

8.1.6 Persons who otherwise have entered into express or implied confidentiality undertakings with the Company or are otherwise expected to maintain in strict confidence any material information discussed.

## **8.2 Disclosure of Dealings in Securities**

The Board and key officers shall commit, at all times, to fully and accurately disclose dealings in securities in a timely manner. Hence, all directors and key officers are required to submit to the Corporate Information Officer, within three (3) business days, the required SEC Form 23-B (Statement of Changes of Ownership in Securities) in relation to the changes in their shareholdings for immediate submission and disclosure to SEC. Such information shall likewise be reflected in the relevant reports and the Company's website.

## **8.3 Disclosure of Directors' and Key Officers' Information**

The Board shall fully disclose all relevant and material information such as the experience and qualifications of directors and officers, their share ownership in the company, membership in other boards, other executive positions, continuous trainings attended, and any potential conflicts of interest that might affect their judgment. Independent Directors shall be identified.

#### **8.4 Disclosure of Remuneration Policies**

The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration and the level and mix of the same, individual and/or aggregate remuneration paid, directly or indirectly, directly or indirectly, to its directors and top four executives, as well as the termination and retirement provisions, in the Annual Report and Integrated Annual Corporate Governance Report.

The Board's remuneration is set at an optimum level to attract and retain high-caliber directors who continuously and effectively deliver services. The per diem remuneration received by each director shall be disclosed in Company's annual reports and reflected in the company's website. The Executive Director shall not receive per diem remuneration in addition to his remuneration as part of the company's management in his role as the President and CEO. Meanwhile, the remuneration structure of Management shall also be disclosed in Company's Annual Reports.

#### **8.5 Disclosure of Related Party Transactions Policy**

The Company's Material RPT Policy sets out the procedure for review, approval and disclosure of material RPTs entered into by the Company, in accordance with corporate governance standards and best practices and regulatory requirements.

To ensure transparency, the Company's Material RPT Policy is disclosed on its Company website.

Material RPTs entered into by the Company shall be disclosed in the SEC Advisement Report, Integrated Annual Corporate Governance Report, and Annual Report. The disclosure shall include, but will not be limited to, the name of the related party, relationship of the RPT with the company, nature of the transaction, contract price, and percentage of contract price to total assets.

#### **8.6 Disclosure of Acquisition or Disposal of Significant Assets**

The Company shall make a full, fair, accurate and timely disclosure to the public of any acquisition or disposal of significant assets which could adversely affect the company's operation and the interest of its shareholders. The disclosure shall include the rationale for the transaction, effect on the Company's operations, and approval by the Board of the transaction.

Prior to approval of the transaction, the Board shall appoint an independent party to evaluate the fairness of the transaction price. Majority of the Independent Directors should approve the acquisition or disposal.

## **8.7 Communication Process**

This Manual is available for inspection by any shareholder of the company. Copies of the Manual are submitted to the SEC and posted on the company's corporate website.

## **9. STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY**

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The Company should establish standards for the appropriate selection of an External Auditor, and exercise effective oversight of the same to strengthen the External Auditor's independence and enhance audit quality.

### **9.1 Selection and Removal of External Auditor**

The appointment, reappointment, removal, and fees of the External Auditor shall be recommended by the Audit and Related Party Transactions Committee and approved by the Board and the Shareholders.

The Audit and Related Party Transactions Committee shall be responsible for assessing the integrity and independence of the External Auditor and monitoring the External Auditor's objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Audit and Related Party Transactions Committee shall review and monitor the External Auditor's suitability and effectiveness on an annual basis.

If non-audit work is given to the External Auditor, the Company shall ensure that the same shall not be in conflict with his duties as an Independent Auditor, or does not pose a threat to his independence.

The Company's External Auditor shall be rotated, or the handling partner changed, every five (5) years or earlier.

In case of removal of the External Auditor for any reason other than expiration or completion of the engagement, the company shall disclose to the SEC and to the public the reasons for such removal or change, the date thereof, and any disagreement with said External Auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The ARO Committee should have the responsibility on assessing the integrity and independence of External Auditors and exercising effective oversight to review and monitor the External Auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and

regulatory requirements. It is also the ARO Committee's responsibility to review and monitor the External Auditor's suitability and effectiveness on an annual basis.

## **9.2 Non-audit Work**

The Company should disclose the nature of non-audit services performed by its External Auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee should be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the External Auditor's objectivity.

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## **10. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING**

### **Principle 10**

The Company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

#### **10.1 Increasing Focus on Non-Financial and Sustainability Reporting**

The Board should 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 Company should adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

As external pressures including resource scarcity, globalization, and access to information continue to increase, the way the Company respond to sustainability challenges, in addition to financial challenges, determines its long-term viability and competitiveness. One way to respond to sustainability challenges is disclosure to all shareholders and other stakeholders of the company's strategic (long-term goals) and operational objectives (short-term goals), as well as the impact of a wide range of sustainability issues.

Disclosures can be made using standards/frameworks, such as the G4 Framework by the Global Reporting Initiative (GRI), the Integrated Reporting Framework by the International Integrated Reporting Council (*IIRC*) and/or the Sustainability Accounting Standards Board (SASB)'s Conceptual Framework.

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## **11. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION**

### **Principle 11**

The Company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, shareholders and other interested users.

in addition to structured and unstructured reports disseminated to the investing public through the Company's online disclosure portal, the company uses various forms of communication to apprise its shareholders and stakeholders of developments affecting the company, such as:

- 1.1. Websites:  
Corporate Website: <https://premierehorizon.com/>  
PSE EDGE Website:  
[https://edge.pse.com.ph/companyInformation/form.do?cmpry\\_id=148](https://edge.pse.com.ph/companyInformation/form.do?cmpry_id=148)
- 1.2. Electronic mails, primarily [investors@premierehorizon.com](mailto:investors@premierehorizon.com)
- 1.3. Phone Calls;

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## INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

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### 12. STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

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#### Principle

To ensure integrity, transparency and proper governance in the conduct of its affairs, the Company should have a strong and effective internal control system and enterprise risk management framework.

The Company should have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations.

The Company should have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Company's operations.

The following are the functions of the internal audit, among others:

- a. Provides an independent risk-based assurance service to the Board, the ARO Committee and the Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, External and Internal Auditors, and Management;
- b. Performs regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;

- c. Performs consulting and advisory services related to governance and control as appropriate for the organization;
- d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the Company;
- f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- g. Evaluates specific operations at the request of the Board or Management, as appropriate; and
- h. Monitors and evaluates governance processes.

A Company's internal audit activity may be a fully resourced activity housed within the organization or may be outsourced to qualified independent third party service providers.

## **12.1 Internal Auditor**

Subject to a company's size, risk profile and complexity of operations, it should have a qualified Internal Auditor appointed by the Board. The Internal Auditor shall oversee and be responsible for the internal audit function of the organization, including that portion that is outsourced to a third-party service provider. In the case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel should be assigned the responsibility for managing the fully outsourced internal audit activity.

The Internal Auditor, in order to achieve the necessary independence to fulfill his/her responsibilities, directly reports functionally to the ARO Committee and administratively to the CEO. The following are the responsibilities of the Internal Auditor, among others:

- a. Periodically reviews the internal audit charter and presents it to Senior Management and the ARO Committee for approval;
- b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;
- c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the ARO Committee for review and approval;

- d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;
- e. Reports periodically to the ARO Committee on the internal audit activity's performance relative to its plan; and
- f. Presents findings and recommendations to the ARO Committee and gives advice to senior management and the Board on how to improve internal processes.

## **12.2 Risk Management**

Subject to its size, risk profile and complexity of operations, the company should have a separate risk management function to identify, assess and monitor key risk exposures.

The risk management function should involve the following activities, among others:

- a. Defining a risk management strategy;
- b. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
- c. Evaluating and categorizing each identified risk using the company's predefined risk categories and parameters;
- d. Establishing a risk register with clearly defined, prioritized and residual risks;
- e. Developing a risk mitigation plan for the most important risks to the company, as defined by the risk management strategy;
- f. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the ARO Committee; and
- g. Monitoring and evaluating the effectiveness of the organization's risk management processes.

## **12.5 Chief Risk Officer (CRO)**

In managing the company's Risk Management System, the company should have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfill his/her responsibilities, subject to a company's size, risk profile and complexity of operations.

The CRO has the following functions, among others:

- a. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- c. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggests ERM policies and related guidance, as may be needed; and
- e. Provides insights on the following:
  - Risk management processes are performing as intended;
  - Risk measures reported are continuously reviewed by risk owners for effectiveness; and
  - Established risk policies and procedures are being complied with.

There should be clear communication between the ARO Committee and the CRO.

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## CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

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### 13. PROMOTING SHAREHOLDER RIGHTS

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#### Principle

The Company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

#### 13.1 Right to propose the holding of meetings and include agenda items

Shareholders who, alone or together with other Shareholders, hold at least five percent (5%) of the outstanding capital stock of the company, shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

## **13.2 Right to Nominate and Elect Directors**

Subject to the limitations in laws and regulatory issuances, all shareholders shall have the right to nominate and elect candidates for the Board of Directors, subject to the observance of the nomination process provided in the NOMELEC Rules. The nomination procedure, qualifications and disqualifications of directors, and determination of the number of votes to which each shareholder is entitled are also disclosed in Section 2.4 of this Manual and will likewise be posted on the company's website.

## **13.3 Right to Participate in Stockholders' Meeting and to Vote on Matters Submitted for Stockholders' Approval**

Written notice of Annual Stockholders' Meeting shall be sent to all stockholders of record at least twenty-eight (28) calendar days prior to the date of the meeting. In case of postponement of stockholders' meetings, written notice thereof and the reason therefore shall be sent to all shareholders of record at least two (2) weeks prior to the date of the meeting as originally scheduled. The shareholders of record shall be notified of the new schedule of the regular meeting in accordance with the immediately preceding sentence.

The Board shall be transparent and fair in the conduct of the annual and special shareholders' meetings of the Company. To ensure Shareholders are fully informed, the Board shall facilitate the electronic distribution of information necessary for shareholders to make informed decisions.

The Company shall provide in the notice of stockholders' meeting the agenda of the meeting and the rationale and explanation for each agenda item which require shareholders' approval.

The Board of Directors shall encourage the exercise by Shareholders of their voting rights and endeavor to remove excessive costs and other administrative or practical impediments to shareholders participating in stockholders' meetings.

Shareholders can vote, either in person or by proxy or, when authorized by majority of the Board of Directors, by remote communication or *in absentia*. Subject to the requirements of law and regulatory issuances, the exercise of the right to vote by proxy or *in absentia* shall not be unduly restricted, and any doubt about the validity of a proxy or a shareholder's right to vote shall be resolved in the shareholder's favor.

Voting shall be by ballot. Votes cast in the election are validated by an Independent Board of Canvassers. Results of the votes, with a breakdown of the number of approving votes, dissenting votes and votes representing those who abstained, on the matters raised during the Annual or Special Shareholders' Meetings shall be made available to the public on the next working day.

The minutes of the annual or special shareholders' meetings shall be made available on the company's website within five (5) business days from the date of the meeting. The minutes of the meeting shall include the following matters:

- a. A description of the voting and the vote tabulation procedures used;
- b. The opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received;
- c. The matters discussed and the resolutions reached;
- d. A record of the voting results for each agenda item;
- e. A list of the directors, officers and shareholders who attended the meeting; and
- f. Dissenting vote on any agenda item that is considered significant in the discussion process.

#### **13.4 Right of Inspection**

All Shareholders shall be allowed to inspect corporate books and records, including minutes of Board meetings and stock registries in accordance with the Revised Corporation Code and shall be furnished with annual reports including financial statements, without cost or restrictions.

#### **13.5 Right to Dividends**

Shareholders shall have the right to receive dividends when declared by the Board. The declaration of dividends is dependent on the availability of unrestricted retained earnings, cash flow, business plan and financial condition of the company, and shall be subject to the approval of the Board of Directors. The dividend policy is posted on the company's website and reflected in the annual reports.

As a policy, the company pays cash dividends within thirty (30) days from declaration.

#### **13.4 Alternative Dispute Resolution**

To resolve intra-corporate disputes, a shareholder may, at their option, file for mediation under the Alternative Dispute Resolution Act of 2004. If the intra-corporate dispute is not resolved through mediation, the parties may bring the matter to arbitration in accordance with the Philippine Arbitration Law then in force.

#### **13.5 Investor Relations Office**

The Investor Relations Office ("IRO") of the Company shall maintain constant engagement with the Company's Shareholders. The Investor Relations Officer shall be present at every Shareholders' meeting.

### **13.5.1 Duties of the IRO**

- a. Creation and implementation of an investor relations program that allows for active engagement of shareholders and fully informs them of corporate activities;
- b. Formulation of a clear policy on communicating or relating relevant information to the company's stakeholders and to the broader investor community accurately, effectively, timely, and sufficiently; and
- c. Setting up an avenue to receive feedback, complaints and queries from shareholders and assure their active participation with regard to activities and policies of the company. The IRO shall have a designated IR Officer, email address and telephone number to ensure that all information regarding the activities of the company are properly and timely communicated to Shareholders and other relevant stakeholders

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## **DUTIES TO STAKEHOLDERS**

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### **14. RESPECTING RIGHTS OF STAKEHOLDERS AND EFFECTIVE REDRESS FOR VIOLATION OF STAKEHOLDER'S RIGHTS**

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#### **Principle**

The Rights of Stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, Stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

#### **14.1 Identification of Stakeholders**

The Board should identify the company's various Shareholders and promote cooperation between them and the Company in creating wealth, growth and sustainability. The Company's Shareholders shall include, among others, the investing public, listed companies, Trading Participants, other market participants, employees, data vendors, suppliers, shareholders, the community the

Company operates in, and regulators. The Board shall consider the Company's strategic and operational decisions affecting its wealth, growth and sustainability, in line with the interest of both the company and its stakeholders.

## **14.2 Equitable Treatment of Shareholders**

The Board has established a clear policy on the fair treatment and protection of Shareholders. This is contained in the Company's Code of Ethics and Business Conduct which mandates directors, officers and employees of the Company to act with the highest standards of ethical conduct and observe candor and honesty in all its dealings with business partners, regulators, investing public and other Shareholders.

It is the duty of the Directors to promote Shareholders rights, encourage the resolution of issues through appropriate mechanisms and allow shareholders to communicate with the Company and obtain redress for the violation of their rights, if applicable.

The Company's Shareholders play a role in its growth and long-term viability. As such, it is crucial for the company to maintain open and easy communication with its stakeholders. This can be done through shareholder engagement touchpoints in the Company, such as the Investor Relations Officer and Corporate Secretary. Whistleblowing channels and other convenient communication channels are provided to shareholders.

## **14.3 Whistleblowing Policy**

The Company has adopted a Whistleblowing Policy to encourage and enable all shareholders to raise ethical concerns that can be addressed within the company prior to seeking redress outside of the Company. The Company shall make available various channels and a mechanism to allow employees and even third parties to report suspected violations of rules and policies, unethical and corrupt acts, misappropriation, fraud and violations of the Code of Ethics and Business Conduct, the law and rules and regulations. Reports regarding ethical concerns may be sent through mail, e-mail, telephone call, fax transmission or face-to-face meeting. The identity of the whistleblowers is kept in strictest confidence to ensure protection from retaliation.

All directors, officers and employees of the company are subject to the Whistleblowing Policy.

The Company's Shareholders play a role in its growth and long-term viability. As such, it is crucial for the Company to maintain open and easy communication with its stakeholders. This can be done through shareholder engagement touchpoints in the Company, such as the Investor Relations Office, Office of the Corporate Secretary, Customer Relations Office, and Corporate Communications Group.

## **15. ENCOURAGING EMPLOYEES' PARTICIPATION**

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### **Principle**

A mechanism for employee participation should be developed to create a symbiotic environment, realize the Company's goals and participate in its corporate governance processes.

### **15.1 Employees Engagement**

The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and in its governance.

At the minimum, the company shall provide opportunities for training and development of employees, adopt policies or programs relating to health, safety and welfare of all employees, and incentive or rewards program to motivate employees to perform better.

Employees must also have access to a feedback mechanism in case of violation of their rights or such other unethical concerns they may want to report.

### **15.2 Policy on Compensation and Reward**

The Company's Policy on Performance Management states that the performance of every employee shall be formally evaluated once a year to capture the employees overall. This performance is in relation to their set goals and those of the Company. This performance management system will also serve as a basis for promotions and succession planning.

### **15.3 Policy in relation to Health, Safety and Welfare of Employees**

It is the policy of the Company to provide its employees with clean, safe, healthful, and pleasant working conditions. The objective is to improve the quality of work life of the employee and increase his level of well-being as a productive and fulfilled individual.

An employee health program is in place to help ensure that employees are fit to work. Safety rules and precautionary measures are laid out to prevent accidents in the work areas of the Company.

### **15.4 Anti-Fraud Policy**

Employees of the Company have a responsibility to identify and ensure that situations involving fraud do not occur. Fraud is the intentional misrepresentation or concealment of a material fact for the purpose of procuring an unjust or unlawful benefit.

Fraud encompasses all forms of theft, including intellectual property, identity, theft and manipulation or misuse of company information or assets. Shareholders are encouraged to report suspected fraud through the proper channels.

### **15.5 Anti-Corruption Policy**

The Board shall set the tone and make a stand against corrupt practices. The anti-corruption policy in the company's Code of Ethics and Business Conduct prohibits employees of the Company from offering, giving, soliciting or accepting bribes or kickbacks.

The Board shall also approve programs to create an anti-corruption culture in the Company.

### **15.6 Social Media Policy**

The Company's Social Media Policy is intended to guide employees to make appropriate decisions about the use of social media channels. It outlines the standards that employees are required to observe when using social media,

the circumstances where the Company will manage and monitor the use of social media, and the actions that the Company may take with respect to breaches of the policy. The Social Media Policy supplements Company's Code of Ethics and Business Conduct, Employee Handbook, and Information Security Policy, among others.

### **15.7 Data Privacy Policy**

The Company shall respect customer and stakeholder privacy and secure personal data that were obtained. The Company shall institute proper safeguards to ensure confidentiality and privacy of personal data in accordance with the Data Privacy Law and the Company's policies. The Company's Privacy Policies and Manual outlines the Company's policy and procedures in relation to the collection, use, and protection measures implemented on the personal data of data subjects processed by the Company. The Company has put in place appropriate physical, organizational and technical measures to prevent the unauthorized use, disclosure, access to, or alteration of data collected from various data subjects.

### **15.8 Policy on Intellectual Property Rights**

The Company shall continue to respect the intellectual property rights of its stakeholders. It shall undertake measures to prevent the theft or unauthorized use of third-party intellectual property rights.

## 16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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### Principle

The Company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

### 16.1

The Company should recognize and place an importance on the interdependence between business and society and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

The Company's value chain consists of inputs to the production process, the production process itself and the resulting output. Sustainable development means that the Company not only complies with existing regulations, but also voluntarily employs value chain processes that take into consideration economic, environmental, social and governance issues and concerns.

In considering sustainability concerns, the Company plays an indispensable role alongside the government and civil society in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.

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**COMMITMENT OF GOOD GOVERNANCE**

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To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the company's directors, officers, staff, subsidiaries and affiliates and their respective directors, officers, and staff in case of violation of any provision of this Manual:

1. In case of **first violation**, the subject person shall be reprimanded.
2. Suspension from office shall be imposed in case of **second violation**. The duration of the suspension shall depend on the gravity of the violation.
3. For **third violation**, the maximum penalty of removal from office shall be imposed.

The commission of a third violation of this Manual by any member of the board of the corporation or its subsidiaries and affiliates shall be a sufficient cause for removal from directorship.

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

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**REVIEW AND AMENDMENT OF THE MANUAL**

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The provisions of this Manual and the enforcement thereof shall be subject to periodical review to ensure that it meets its objectives, unless otherwise stated by the Board.

All business processes and practices being performed within any department or business unit of the Corporation that is not consistent with any portion of this Manual shall be revoked unless upgraded to the compliant state.

This Manual is subject to review and amendment to take into account the Corporation's changing needs, factual conditions prevailing in the environment and regulatory requirements.

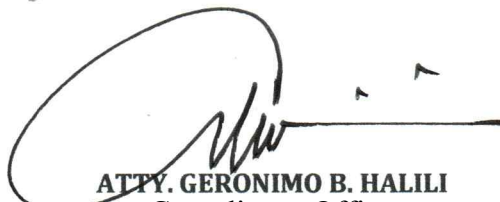
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**ADOPTION AND EFFECTIVITY**

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The Manual was made effective by the Board of Directors of Premiere Horizon Alliance Corporation on June 5, 2025.

  
**EUGENIO T. TAN**  
President and CEO

  
**ATTY. GERONIMO B. HALILI**  
Compliance Officer



## **CORPORATE GOVERNANCE COMMITTEE NOMINATIONS POLICY**

### **1. Introduction**

- 1.1 Premiere Horizon Alliance Corporation's ("Corporation") Corporate Governance Committee ("Committee") shall, among others, oversee the establishment of policies and guidelines relative to strengthening the composition, competence, and integrity of the members of the Board of Directors ("Board") and of other officers whose appointments require the approval of the Board by reviewing and evaluating their respective qualifications. For this purpose, the Committee shall serve as the Corporation's ad hoc Nominations Committee whenever needed.
- 1.2 In line with the foregoing, the Committee shall adhere to this Nominations Policy ("Policy") in the review of all candidates for Board directors and officers requiring Board approval.

### **2. Role in Nominations**

- 2.1 The Committee shall accept, screen, and evaluate candidates for the Board and for positions requiring Board approval in accordance with the qualifications and disqualifications provided in this Policy. Specifically, the Committee shall:
  - 2.1.1 Implement a process for evaluating nominees;
  - 2.1.2 Review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval; and
  - 2.1.3 Encourage stockholder participation by formulating a procedure for accepting nominations for Board members from minority stockholders.
- 2.2 The Committee shall recommend to the Board a shortlist of qualified candidates for election or appointment, ensuring alignment with the Corporation's strategic goals at any given period. Specifically, the Committee shall:
  - 2.2.1 Pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications set out in the Revised Corporation Code of the Philippines ("RCC"), Securities Regulation Code ("SRC"), the Corporation's Articles of Incorporation, By-Laws, and the Corporation's Revised Manual of Corporate Governance. Where applicable,

the Committee shall also consider the nominee's history of service in the Corporation; and

2.2.2 Vet and evaluate candidates for officer positions or appointments that require Board approval, ensuring that each nominee meets the standards of competence, integrity, and experience appropriate for the role. The Committee shall coordinate with relevant departments to validate the nominee's credentials and conduct due diligence, including background checks where necessary.

2.2.2.1 In addition to the qualifications and disqualifications set out in the RCC, SRC, the Corporation's Articles of Incorporation, By-Laws and the Corporation's Manual of Corporate Governance, the Committee shall also include other considerations in the review and evaluation of nominees to officer positions which may include but are not limited to:

2.2.2.1.2 Possess the knowledge, skills, experience, and independence of mind given their responsibilities to the Board and in light of the Corporation's business and profile;

2.2.2.1.3 Have a record of integrity and good repute:

2.2.2.1.4 Have sufficient time to carry out their responsibilities;

2.2.2.1.5 Have the ability to produce a smooth interaction between Board Members

2.2.2.1.6 Have relevant work experience in relation to functions for such corporate positions;

2.2.2.1.7 Have no conflict of interest that would interfere with their ability to exercise independent judgment or act in the best interest of the Corporation; and

2.2.2.1.8 Must not be directly or indirectly involved with any business that competes, or is likely to compete, with the Corporation in any capacity, including as an employee, consultant, advisor, investor, or owner, engaged, whether directly or indirectly, in a business that is in direct competition with the Corporation.



### 3. Board Nominations

3.1. The Corporation shall announce on its official website that it is accepting nominations for directors upon the disclosure of a call for a regular or, when required, special stockholders' meeting, convened for the purpose of electing directors, among other matters. This announcement shall be made no later than five (5) calendar days from the date of disclosure, and shall include the following details:

- 3.1.1 Number of positions open for nominations;
- 3.1.2 The physical address and/or official e-mail address where the nomination documents, as detailed in the succeeding section, shall be submitted; and
- 3.1.3 The deadline for submitting nominations.

The nomination period shall be open for ten (10) calendar days from the date of such announcement.

3.2 All nominations for directors must be signed by the nominating stockholder and must clearly identify the nominee(s) by providing the following information:

***For the nominating stockholder:***

*If an individual*

- 3.2.1. Full name;
- 3.2.2. Residential address;
- 3.2.3. Contact number;
- 3.2.4. E-mail address;
- 3.2.5. Certificate of Participation (if shares are held through a broker);
- 3.2.6. Valid government-issued ID; and
- 3.2.7. Relationship to the nominee;

*If a corporation:*

- 3.2.8. Name of the corporation;
- 3.2.9. Office address;
- 3.2.10. Name and position of the authorized representative;
- 3.2.11. Contact number and email address of the authorized representative;
- 3.2.12. Secretary's Certificate or board resolution authorizing the representative to submit the nomination on behalf of the corporation;
- 3.2.13. Certificate of Participation (if shares are held through a broker); and
- 3.2.14. Valid government-issued ID of the authorized representative;

***For the nominee***

- 3.2.15. Full name;
- 3.2.16. Age;
- 3.2.17. Residential address;
- 3.2.18. Contact number;
- 3.2.19. Email Address;
- 3.2.20. Description of the business experience during the past five (5) years;
- 3.2.21. Other directorships held in other publicly-listed companies; and
- 3.2.22. Indication of whether he/she is being nominated for a position as a regular or independent director.

The aforementioned information shall be set out in a form substantially conforming to the templates attached herewith as Annexes “A-1” to “D”.

- 3.3 Upon the close of the nomination period, the Committee shall publish a Preliminary List of Nominees on the Corporation’s official website. This publication shall provide stockholders with reasonable time to review the nominees.
- 3.4 Stockholders may submit any objections or concerns regarding the qualifications or disqualifications of nominees within three (3) calendar days from the publication of the Preliminary List. Such objections must be made in writing to the Committee.
- 3.5 The Committee shall consider any valid objections during its deliberations before preparing the Final List of Candidates.
- 3.6 All nominations for directors shall be pre-screened and evaluated by the Committee in accordance with the qualifications, disqualifications, and restrictions set forth in the RCC, SRC, the Corporation's Articles of Incorporation, By-Laws, and its Manual of Corporate Governance.
- 3.7 Within five (5) calendar days from the close of the nomination period, the Committee shall deliberate and prepare the Final List of Candidates, which shall contain complete information about all nominees for election to the Board. Information pertaining to independent directors shall comply with the requirements under SRC Rule 38 and those laid out under Part IV (A) and (C) of Annex “C” of the SRC. For independent directors, the name of the person or group of persons who recommended the Independent Director nominee shall be identified in the report including any relationship with the nominee.

- 3.8 After deliberations of the Committee, they shall approve and publish a Final List of Candidates. They shall endorse the same for the approval of the Board. For avoidance of doubt, the Final List of Candidates, as reviewed, prepared, and duly approved by the Committee, shall be deemed conclusive and binding, and shall serve as the sole basis for the election of the Directors during the stockholders' meeting.
- 3.9 Only those nominees whose names appear in the Final List of Candidates shall be eligible for election as director(s). No other nomination shall be entertained after the Final List of Candidates has been submitted, and no further nominations shall be allowed on the floor of the Stockholders' Meeting.

#### **4. Appointment and Approval of Officers Requiring Board Approval**

- 4.1 Certain officer positions, including but not limited to the Corporate Secretary, Treasurer, Data Protection Officer (DPO), and Compliance Officer, require formal appointment by the Board of Directors, pursuant to the Corporation's By-Laws, applicable laws, and regulatory requirements.
- 4.2 The selection of candidates for these positions shall be conducted internally by the Chief Executive Officer or the Human Resources Department, based on the qualifications, experience, and competencies required for the role.
- 4.3 Once a suitable candidate has been identified, the recommending authority shall submit the following documents to the Committee for review and endorsement to the Board:
- 5.5.1. Full name and proposed position;
  - 5.5.2. Curriculum vitae;
  - 5.5.3. Summary of qualifications and relevant experience;
  - 5.5.4. Certifications or licenses required for the role, if any;
  - 5.5.5. Statement of no conflict of interest or disclosure of any affiliations, if applicable;  
and
  - 5.5.6. Any other supporting documents required by internal policy or regulatory guidelines.
- 4.4 The Nomination Committee shall review the qualifications and ensure that the candidate meets all internal and regulatory requirements applicable to the position.

- 4.5 The Committee shall submit its endorsement to the Board of Directors within five (5) calendar days from receipt of complete documents.
- 4.6 The appointment shall be effective upon the approval by the Board through a Board resolution. The Corporate Secretary shall ensure that the appointment is duly recorded and, where required, disclosed to relevant regulatory agencies.

## **5. Meetings**

- 5.1 The Committee shall conform to any regulations that may, from time to time, be imposed by the Board.
- 5.2 A majority of the Members shall constitute a quorum.
- 5.3 The Committee, acting as an ad hoc Nominations Committee, shall convene at least once a year.
- 5.4 The Committee may meet for the dispatch of business, adjourn, and otherwise regulate its meetings as it deems appropriate. Any member may call for a meeting by giving at least one (1) day prior notice in writing, or through e-mail to each Member.
- 5.5 The Members may, by majority vote, waive the notice period and allow for a shorter notice.
- 5.6 Conduct of Meeting:
- 5.6.1 The Chairman of the Committee shall preside at each meeting. If he/she is not present within five (5) minutes after the time appointed for holding the meeting, the members present shall elect a chairman of the meeting among themselves.
- 5.6.2 Except for nominations for directors, all recommendations of the Committee shall be decided by a majority vote and thereafter submitted to the Board for approval.
- 5.6.3 Issues arising at any meeting shall be resolved by a majority of votes of the members present.



- 5.7 The members may participate in meetings via remote communication in accordance with prevailing regulations. Participation through such means shall constitute presence in person at such meeting.
- 5.8 No Member shall participate in the deliberation or vote on any matter in which he or she has a direct or indirect personal interest, including matters involving his or her own re-appointment or assessment.

## **6. Data Privacy**

All personal information submitted for nominations to the Committee shall be processed and protected in accordance with Republic Act No. 10173 otherwise known as the Data Privacy Act and its Implementing Rules and Regulations, as well as the Corporation's Data Privacy Policy. Consent of the persons involved shall be collected prior to the processing thereof.

## **7. Amendments**

- 7.1 Any member may initiate amendments to this Policy when the need arises due to changes in relevant rules and regulations or when there are changes in the Corporation's structure, organization and/or operations which affect the matters set out in this Policy.
- 7.2 Any amendment to this Policy shall be submitted to the Committee for consideration and presented to the Board for approval.

## **8. Effectivity**

This Policy shall take effect upon the approval of the Corporation' Board of Directors.

### **The Corporate Governance Committee**

By:

**Maria Clara A. Camacho**  
*Chairman*



**Esteban Peña-Sy**  
*Member*

**Marian Peña**  
*Member*

**ANNEX A-1**

Date

**The Corporate Governance Committee**  
Premiere Horizon Alliance Corporation

**Re: DIRECTOR NOMINATION LETTER**

Gentlemen:

I/We, the undersigned, being stockholders in good standing of Premiere Horizon Alliance Corporation (“PHA”), nominate the following for election as Director/Independent Director to the Board of Directors of PHA:

1. [Name of Nominee]- [State whether Regular or Independent Director]
2. [Name of Nominee]- [State whether Regular or Independent Director]
3. XXX

Attached hereto as Annex “A” is his/her curriculum vitae, showing among others, his/her educational credentials and work experience, the periods in which they were attained, and his/her affiliations.

Likewise attached as Annex “B” and “C” is his/her Conforme to Nomination, and Certificate of Eligibility as Director/ Independent Director.

I likewise freely, voluntarily, and knowingly give my consent to the collection and processing of my personal and sensitive personal information contained in the documents submitted to Premiere Horizon Alliance Corporation for the purposes of evaluating the nominee’s qualifications for the position available.

Thank you.

Sincerely,



**Stockholder/s:**

\_\_\_\_\_  
**Signature/s above Printed Name/s**

**ANNEX A-2**

Date

**The Corporate Governance Committee**

Premiere Horizon Alliance Corporation

**Re: DIRECTOR NOMINATION LETTER**

Gentlemen:

I, [Authorized Representative], of [Name of the Corporation], a stockholder in good standing of Premiere Horizon Alliance Corporation (“PHA”), hereby nominate the following for election as Director/Independent Director to the Board of Directors of PHA:

1. [Name of Nominee]- [State whether Regular or Independent Director]
2. [Name of Nominee]- [State whether Regular or Independent Director]
3. XXX

Attached hereto as Annex “A” is his/her curriculum vitae, showing among others, his/her educational credentials and work experience, the periods in which they were attained, and his/her affiliations.

Likewise attached as Annex “B” and “C” is his/her Conforme to Nomination, and Certificate of Eligibility as Director/ Independent Director.

In addition, attached as Annex “D” is the Secretary’s Certificate of [Corporate Name], attesting to the authority of the undersigned to make this nomination on behalf the Corporation.

Thank you.

Sincerely,

**Authorized Representative/s:**

\_\_\_\_\_

**Signature/s above Printed Name/s**

**ANNEX B**

**CONFORME TO NOMINATION AS DIRECTOR/INDEPENDENT DIRECTOR**

I, \_\_\_\_\_, of legal age, Filipino, married/single and a resident of \_\_\_\_\_, have read the Nomination Letter by [Stockholder Name/s] and accept the nomination for [Director/Independent Director].

I also certify that my curriculum vitae as submitted in the Nomination Letter is true and correct.

I likewise freely, voluntarily, and knowingly give my consent to the collection and processing of my personal and sensitive personal information contained in the documents submitted to Premiere Horizon Alliance Corporation for the purposes of evaluating my qualifications for the position available.

IN WITNESS WHEREOF, I have set my hand this \_\_\_\_day of [month] [year] in \_\_\_\_\_.

\_\_\_\_\_  
[Nominee]

SUBSCRIBED AND SWORN to before me in \_\_\_\_\_ this \_\_\_\_ day of [month] [year] whose identity I have confirmed through his/her government issued ID \_\_\_\_\_.

Doc. No. \_\_\_\_;  
Page No. \_\_\_\_;  
Book No. \_\_\_\_;  
Series of \_\_\_\_.

## ANNEX C

### **CERTIFICATION OF DIRECTOR**

*[Nominee for Independent Director]*

I, \_\_\_\_\_, [citizenship], of legal age, and with address at \_\_\_\_\_, after having been duly sworn to in accordance with law do hereby declare that:

I am a nominee for independent director of PREMIERE HORIZON ALLIANCE CORPORATION (the "Corporation").

I am affiliated with the following corporations or organizations:

I possess all the qualifications and none of the disqualifications to serve as an independent director of the Corporation as provided for in Section 38 of the Securities Regulation Code, its Implementing Rules and Regulations, other Securities and Exchange Commission ("SEC") issuances, and the Corporation's Revised Manual of Corporate Governance.

I am not in government service or affiliated with a government agency or a Government-Owned and Controlled Corporation as would require written permission or consent from the head of the agency/ department for me to be an independent director of the Corporation, pursuant to Office of the President Memorandum Circular No. 17 and Section 12, Rule XVIII of the Revised Civil Service Rules.

I shall faithfully and diligently comply with my duties and responsibilities as an independent director under the Securities Regulation Code and its Implementing Rules and Regulations, Code of Corporate Governance, and other SEC issuances.

I shall inform the Corporate Secretary of the Corporation of any changes in the abovementioned information within five (5) days from its occurrence.

Done this \_\_\_ day of [month] [year] at \_\_\_\_\_.

SUBSCRIBED AND SWORN to before me this day of \_\_\_\_\_ [month] [year] at \_\_\_\_\_, affiant personally appeared before me and exhibited to me his/her valid government ID \_\_\_\_\_.

Doc No. \_\_\_\_\_;

Page No. \_\_\_\_\_;

Book No. \_\_\_\_\_;

Series of \_\_\_\_\_.

#### ANNEX D

REPUBLIC OF THE PHILIPPINES)  
MAKATI CITY ) S.S.

#### SECRETARY'S CERTIFICATE

I, [Name of Corporate Secretary], of legal age, Filipino, with office address at [Office Address of the Corp Sec], the duly elected and incumbent Corporate Secretary of [Name of Stockholder Corporation], a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal address at [Principal Office Address of the Corporation], do hereby certify that:

1. During the lawfully convened meeting of the Board of Directors ("Board") on [Date of the Meeting], during which meeting a quorum was present and acted throughout, the following resolutions were approved by at least majority of the Board:

"RESOLVED, that [Name of Corporation], being a stockholder in good standing of Premiere Horizon Alliance Corporation, hereby, nominates the following for election as Director/Independent Director to the Board

of Directors of PHA:

1. [Name of Nominee]- [State whether Regular or Independent Director]
2. [Name of Nominee]- [State whether Regular or Independent Director]
3. XXX

“RESOLVED further that [Name of Authorized Representative] is hereby designated as the authorized representative of the Corporation, with full power and authority to do and any and all acts necessary or appropriate, for and on behalf of the Corporation, in its name, place, and stead, to carry out and implement the foregoing resolution.”

2. Based on the records of the Corporation, the foregoing resolutions continue to be in full force and effect, and have not been rescinded, revoked, amended, modified or terminated.

[Name of Corporate Secretary]  
*Corporate Secretary*

**SUBSCRIBED AND SWORN** to before me in \_\_\_\_\_ this \_\_\_\_\_ day of [month]  
[year] whose identity I have confirmed through his/her government issued ID  
\_\_\_\_\_.

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2025.