

Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension of Directors

Procedure	Process Adopted	Criteria	
a. Selection/Appointment			
(i) Executive Directors	<p>The Revised Manual on Corporate Governance requires the conduct of the following process/procedures in the nomination and election of directors:</p> <ul style="list-style-type: none"> • The Corporate Secretary shall set a reasonable period for the submission of nominations of candidates for election to the Board of Directors. All nominations for directors submitted in writing to the Corporate Secretary within such nomination period shall be valid. A stockholder of record, including a minority stockholder, entitled to notice of, and to vote at, the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated as a director. • The Company may engage the services of professional search firms or use other external sources of candidates when searching for candidates to the Board of Directors. • The Corporate Governance Committee meets, pre-screens and checks the qualifications of, and deliberates on, all persons nominated to be elected to the 	<p>Per the Company’s Revised Manual on Corporate Governance each director shall possess all of the following qualifications:</p> <ul style="list-style-type: none"> • Ownership of at least one (1) share of stock of the Corporation; • At least twenty-one (21) years of age; • At least a college graduate or have sufficient experience in managing the business to substitute for such formal education; • Proven to possess integrity, probity and assiduousness; and • Proven to possess the appropriate level of skill and experience in line with the strategic plans and goals of the Corporation; • In addition to the qualifications required by relevant laws, additional qualifications which may be provided by the Board, such as practical understanding of the Corporation’s business, previous business experience, or membership in good standing in relevant industry, business or professional organizations. 	
(ii) Non-Executive Directors			<p>(i) Executive Directors</p>
(iii) Independent Directors			<p>(iii) Independent Directors</p>

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	<p>Board of Directors from the pool of candidates submitted by the nominating stockholders. The Corporate Governance Committee shall prepare a Final List of Candidates after considering the qualifications and disqualifications set forth in the previous sections. Said list shall contain all the information about these nominees. Only nominees qualified by the Corporate Governance Committee and whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No other nomination shall be entertained after the Final List of Candidates shall have been prepared.</p> <ul style="list-style-type: none"> • Based on the Final List of Candidates, directors are elected by shareholders individually. The vote required for the election of directors is majority of the outstanding capital stock. The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him, for as many persons as there are to be elected as Directors, or he may cumulate or give to one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he may see fit, provided that the whole number of votes cast by him shall not 	<p>elected as an independent director should meet the following requirements:</p> <ul style="list-style-type: none"> • He must be independent of Management, substantial shareholdings and material relations, whether it be business or otherwise, which could reasonably be perceived to impede the performance of independent judgment; and • He is not an officer, consultant, adviser, or employee of the Company.

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	<p>exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.</p> <ul style="list-style-type: none"> To preserve the integrity of the election process, the Corporation shall employ the services of an external party to validate the voting results. 	
b. Re-appointment		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	<p>The Company applies the same process and criteria used in the selection/appointment of Executive Directors, Non-Executive Directors and Independent Directors, respectively, for their re-appointment.</p>	
c. Permanent Disqualification		
(i) Executive Directors (ii) Non-Executive Directors (iii) Independent Directors	<p>The Corporate Governance Committee assesses and evaluates all members of the Board of Directors based on the disqualification criteria set out in the Company's Revised Manual on Corporate Governance and other relevant laws.</p>	<p>The grounds for permanent disqualification are as follows:</p> <ol style="list-style-type: none"> Any person finally convicted judicially of an offense involving moral turpitude or fraudulent act or transgressions; Any person finally found by the Securities Exchange Commission (the "Commission) or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or Bangko Sentral ng Pilipinas, or any rule, regulation or order of the

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		<p>Commission or Bangko Sentral ng Pilipinas;</p> <p>c) Any person judicially declared to be insolvent;</p> <p>d) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violates or misconduct listed in the foregoing paragraphs; and</p> <p>e) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment.</p> <p>f) No person shall qualify or be eligible for nomination or election to the Board if he is engaged in any business which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged:</p> <p>i. If he is the owner (either of record or as beneficial owner) of 5% or more of any outstanding class of share of, any corporation (other than one in which the Corporation owns at least 20% of the capital stock) which is engaged in a business directly competitive to that of the Corporation or any of its subsidiaries or affiliates;</p>

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		<p>ii. If he is an officer, manager, or controlling person of, or the owner or any member of his immediate family is the owner (either of record or as beneficial owner) of 5% or more of any outstanding class of shares of any corporation (other than one in which the Corporation owns at least 20% of the capital stock) which is an adverse party in any suit, action or proceeding (of whatever nature, whether civil, criminal, administrative, or judicial) by or against the Corporation, which has been actually filed or threatened, imminent or probably, to be filed;</p> <p>iii. If he is determined by the Board, in the exercise of its judgment in good faith, to be the nominee, officer, trustee, adviser, or legal counsel, of any individual set forth in (i) or (ii) hereof.</p>
d. Temporary Disqualification		
(i) Executive Directors	<p>The Corporate Governance Committee assesses and evaluates all members of the Board of Directors based on the disqualification criteria set out in the Revised Manual on Corporate Governance.</p>	<p>The grounds for temporary disqualification are as follows:</p> <p>a) Refusal to fully disclose the extent of his business interest as required under the Securities Regulation Code and its implementing rules and regulations. This disqualification shall be in effect as long as his refusal persists;</p> <p>b) Absence or non-participation for whatever reason/s for more than 50% of all meetings, both regular and special, of the Board during his incumbency, or any twelve (12) month</p>
(ii) Non-Executive Directors		
(ii) Independent Directors		

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	to do so for unjustified reasons, the disqualification shall become permanent.	<p>period during his 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;</p> <p>c) Dismissal/termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity; and</p> <p>d) Conviction that has not yet become final referred to in the grounds for disqualification of directors.</p>
e. Removal		
(i) Executive Directors (ii) Non-Executive Directors (ii) Independent Directors	The Company applies the same process and criteria used in the permanent disqualification of Executive Directors, Non-Executive Directors and Independent Directors, respectively, for their removal.	
f. Re-instatement		
(i) Executive Directors (ii) Non-Executive Directors (ii) Independent Directors	The Company applies the same process and criteria used in the selection/appointment of Executive Directors, Non-Executive Directors and Independent Directors, respectively, for their re-instatement.	
g. Suspension		
(i) Executive Directors (ii) Non-		

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Executive Directors ii) Independent Directors	The Company applies the same process and criteria used in the temporary disqualification of Executive Directors, Non-Executive Directors and Independent Directors, respectively, for their suspension.	