

## **SUBMISSION OF NOMINATION FOR DIRECTORS OF CREIT**

In relation to the annual stockholders' meeting of Citicore Energy REIT Corp. (the "Company") on June 8, 2022, the stockholders of the Company may nominate individuals to be members of the Board of Directors. The deadline for submission of nominees is on April 29, 2022. All nominations for directors, including the independent directors, shall be addressed to and received by:

**THE NOMINATIONS COMMITTEE**  
**c/o THE CORPORATE SECRETARY**

**CITICORE ENERGY REIT, CORP.**  
11<sup>th</sup> Floor Santolan Town Plaza,  
276 Col. Bonny Serrano Avenue, San Juan City

and signed by the nominating stockholder/s together with the acceptance and conformity by the nominees. All nominations should include (i) the curriculum vitae of the nominee, (ii) a statement that the nominee has all the qualifications and none of the disqualifications, (iii) information on the relationship of the nominee to the stockholder submitting the nomination, and (iv) all relevant information about the nominee's qualifications.

The Nominations, Compensation, and Personnel Committee ("NCPC"), created under the Company's Manual on Corporate Governance (the "Manual on Corporate Governance") endorses the nominees of CREIT to the Board of Directors for reelection/election at the upcoming annual stockholders' meeting, in accordance with the qualifications and disqualifications set forth in the Company's Manual on Corporate Governance, as follows:

### **Qualifications**

- (1) Every Director must own at least one (1) share of the capital stock of the Company, which share shall stand in his/her name in the books of the Company. Any Director who ceases to be the owner of at least one (1) share of capital stock of the Company shall *ipso facto* cease to be a Director.
- (2) Every Director must be a person of proven honesty, integrity, and competence.

### **Disqualifications**

- (a) A stockholder may not be nominated or elected to the Board if he/she represents or holds an interest adverse to or in conflict with those of the Company, or if he/she is an officer or stockholder of a corporation or entity engaged in the same or similar business or enterprise as that of the Company.
- (b) The following persons shall in no case be allowed to serve or act as a director:
  - i. Any person convicted of any crime involving any security or financial product;
  - ii. Any person convicted of an offense involving fraud or embezzlement, theft, estafa, or other fraudulent acts or transactions;
  - iii. Any person who, by reason of any misconduct, is enjoined by order, judgement, or decree by any court, quasi-judicial body, or administrative agency of competent jurisdiction from acting as a director, officer, employee, consultant, or agent occupying any fiduciary position;
  - iv. Any person found by the appropriate regulatory agency to have violated, or aided, abetted, counseled, commanded, induced, or procured the violation of

the REIT Act of 2009, the Revised Corporation Code, the General Banking Law, the Insurance Code, the Securities Regulation Code, or any related laws and any rules, regulations, or order thereunder;

- v. Any person judicially declared to be insolvent, or incapacitated to contract;
- vi. Any person found guilty by a foreign court, regulatory authority, or government agency of the acts or violations similar to any of the acts or misconduct enumerated in sub-paragraphs (i) to (v) above;
- vii. Any person convicted 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; and
- viii. Other grounds as the SEC may provide.

A conviction in the first instance shall be considered sufficient ground for disqualification.

### **Temporary Disqualification**

The following may be grounds for temporary disqualification of a director:

- (1) Absence in more than seventy-five percent (75%) of all regular and special meetings of the Board during his incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification should apply for purposes of the succeeding election;
- (2) Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification should be in effect until he has cleared himself from any involvement in the case that gave rise to his dismissal or termination;
- (3) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceed two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with; and
- (4) Being under preventive suspension by the Company for any reason.

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

Before the annual meeting, a stockholder of the Company may nominate individuals to be independent directors, taking into account the following guidelines set forth in the Company's Manual on Corporate Governance and By-Laws:

An Independent Director refers to a person who is independent of Management and the controlling shareholder(s), 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.

At least one third (1/3) or at least two (2), whichever is higher, of the Board of Directors, or such number as may be required by the REIT Act and its IRR, shall be independent directors. Furthermore, the Independent Directors shall possess the necessary qualifications and none of

the disqualifications for an Independent Director in order to hold such position. The Board's Independent Directors shall serve for a maximum cumulative term of nine (9) years, whether cumulative or intermittent, provided that the total years served does not exceed the nine-year term limit. After which, the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a non-Independent Director. In the instance that the Company wants to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

To reinforce the independence of the Board, an Independent Director must ideally be a person who:

- (a) Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
- (b) Is not, and has not been, in the three (3) years immediately preceding his/her election, a Director of the Company; a Director, officer, employee of the Company's subsidiaries, associates, affiliates, or related companies; or a Director, officer, employee of the Company's substantial shareholders and its related companies;
- (c) Has not been appointed in the Company, including its subsidiaries, associates, affiliates, or related companies as, Chairman "Emeritus", "Ex-Officio" Director / officer or member of any advisory board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his/her election;
- (d) Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates, or related companies;
- (e) Is not a relative of a Director, officer, or substantial shareholder of the Company, or any of its related companies or of any of its substantial shareholders. "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 Company or any of its related companies;
- (g) Is not a securities broker-dealer of listed companies and registered issuer of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a Director, officer, principal stockholder, nominee of the firm to an exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- (h) Is not retained, either in his/her personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or substantial shareholders, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his/her election;
- (i) Does not engage or has not engaged, whether by himself/herself or with other persons or through a firm of which he/she is a partner, Director or substantial shareholder, in any transaction with the Company, 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/her independent judgment;
- (j) Is not affiliated with any non-profit organization that receives significant funding from the Company, any of its related companies, or substantial shareholders; and
- (k) Is not employed as an executive officer of another company where any of the Company's executives serves as Directors.

“Related companies”, as used here, refer to (a) the Company’s holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company. “Substantial stockholder” means any person who is directly or indirectly the beneficial owner of more than ten percent (10%) of any class of its equity security.

### **Qualifications of an Independent Director**

An Independent Director shall have the following qualifications:

- a. He must be a holder of at least one (1) share of stock of the Corporation registered under his name;
- b. He must be at least a college graduate or have been engaged or exposed to the business of the Corporation for at least five (5) years;
- c. He must be a person of proven integrity/probity;
- d. He must have practical understanding of the business of the Corporation;
- e. He must have previous business experience; and
- f. He must be a member in good standing in relevant industry, business or professional organizations.

### **Disqualifications of an Independent Director**

- a. He becomes an officer or employee of the Corporation where he is such member of the Board of Director or becomes any of the persons enumerated under Section 4 (1), Article III of the Corporation’s By-Laws;
- b. His beneficial security ownership exceeds two percent (2%) of the outstanding capital stock of the Corporation;
- c. Fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of Board meetings during his incumbency unless such absences are due to grave illness or death in the immediate family or serious accident;
- d. Dismissal, termination or removal for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC;
- e. If any of the judgements or orders cited in Recommendation 2.6 of the Code of Corporate Governance has not yet become final; and
- f. Such other disqualifications which the Corporation’s Manual on Corporate Governance provides.

The NCPC receives nominations for independent directors as may be submitted by the stockholders. After the deadline for the submission thereof, the NCPC meets to consider the qualifications as well as grounds for disqualification, if any, of the nominees based on the criteria set forth in the Company’s Manual on Corporate Governance, Rule 38 of the Securities Regulation Code, and SEC Memorandum Circular No. 09, Series of 2011 as amended by SEC Memorandum Circular No. 04, Series of 2017. All nominations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

The NCPC shall then prepare a Final List of Candidates enumerating the nominees who passed the screening.

The name of the person or group of persons who recommends nominees as independent directors shall be disclosed along with his or their relationship with such nominees. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as independent

directors. No other nomination shall be entertained after the Final List of Candidates shall have been prepared. No further nomination shall be entertained or allowed on the floor during the annual meeting.

The conduct of the election of independent directors shall be in accordance with the provisions of the Company's Manual on Corporate Governance and the Amended By-laws consistent with Rule 38 of the Securities Regulation Code.

It shall be the responsibility of the Chairperson of the meeting to inform all stockholders in attendance of the mandatory requirement of electing independent directors.

He shall ensure that independent directors are elected during the annual meeting. Specific slots for independent directors shall not be filled up by unqualified nominees. In case of failure of election for independent directors, the Chairperson of the meeting shall call a separate election during the same meeting to fill up the vacancy.