

# **MANUAL ON CORPORATE GOVERNANCE**

Approved by the Board of Directors of Citicore Energy REIT Corp.  
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## I. INTRODUCTION

It is the firm belief of Citicore Energy REIT Corp. including its subsidiaries and affiliates, (the “Company”) that an organization that faithfully practices and implements the core principles of good Corporate Governance such as honesty, integrity, fairness, accountability, and transparency will, more often than not, outperform and outshine its competitors. Thus, the Board of Directors (the “Board”) and Management of the Company hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance (this “Manual”), and acknowledge that the same shall serve as their guide to the fulfilment of their duties and responsibilities in helping the Company to continuously achieve its mission to deliver a sustainable business platform with a renewable energy asset portfolio for shareholders and investors and to realize its vision to be the foremost Energy REIT Investment in the Philippines delivering superior yields from a portfolio of sustainable prime land and solar assets.

## II. OBJECTIVE

This Manual shall institutionalize the principles of best practices and good Corporate Governance in the entire organization.

The Board and Management believe that Corporate Governance is one of the most important components of what constitutes sound strategic business management. In this regard, the Board and Management shall undertake every effort necessary to constantly improve good Corporate Governance awareness within the organization.

## III. CORPORATE GOVERNANCE PRINCIPLES

Pursuant to the Securities and Exchange Commission (“SEC”) Memorandum Circular No. 19, dated 22 November 2016, the Board hereby adopts the governance principles embodied in the Code of Corporate Governance for Publicly Listed Companies, to wit:

### THE BOARD’S GOVERNANCE RESPONSIBILITIES

- Principle 1:** *The Company shall be headed by a competent, working Board to foster the long-term success of the Company, 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 Stakeholders.*
- Principle 2:** *The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Company’s articles of incorporation and by-laws, and other legal pronouncements and guidelines shall be clearly made known to all Directors, shareholders, and Stakeholders.*
- Principle 3:** *The Board committees shall be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, RPTs, and other key Corporate Governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all Board committees established shall be contained in a publicly available committee charter.*
- Principle 4:** *To show full commitment to the Company, the Directors shall devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the Company’s business.*
- Principle 5:** *The Board shall 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 shall 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.*

#### **DISCLOSURE AND TRANSPARENCY**

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

**Principle 9:** *The Company shall 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.*

**Principle 10:** *The Company shall ensure that material and reportable non-financial and sustainability issues are disclosed.*

**Principle 11:** *The Company shall 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.*

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

**Principle 12:** *To ensure the integrity, transparency and proper governance in the conduct of its affairs, the Company shall have a strong and effective Internal Control System and Enterprise Risk Management framework.*

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

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

#### **DUTIES TO STAKEHOLDERS**

**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 shall have the opportunity to obtain prompt effective redress for the violation of their rights.*

**Principle 15:** *A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Company's goals and participate in its Corporate Governance processes.*

**Principle 16:** *The Company shall be socially responsible in all its dealings with the communities where it operates. It shall 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.*



#### IV. DEFINITION OF TERMS

For the purpose of this Manual, the terms used in this Manual shall have the respective meanings as set forth below:

1. **AROC** – refers to the Audit and Risk Oversight Committee.
2. **Board of Directors or Board** – refers to the governing body of the Company, whose members are elected by the shareholders, and exercises the corporate powers of a corporation, conducts all its business and controls its properties.
3. **Chairman** – means the person duly elected by the members of the Board to preside over Board meetings and perform other duties and responsibilities listed under the Company's by-laws.
4. **Code** – refers to the Code of Corporate Governance for publicly-listed companies.
5. **Company** – means Citicore Energy REIT Corp., including its subsidiaries and affiliates, if any.
6. **Corporate Governance** – refers to the system of stewardship and control which guides 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.

7. **Director** – refers to a member of the Board, duly elected by the shareholders to the same.
8. **Enterprise Risk Management or ERM** – means a process, effected by the Company's Board, Management, and other personnel, applied in strategy setting across the enterprise, which is designed to (i) identify potential events that may affect the Company; (ii) manage risks which are to be within the Company's risk appetite; and (iii) provide reasonable assurance regarding the achievement of the Company's objectives.
9. **ESGC** – refers to the Environmental, Social, and Governance Committee.
10. **Executive Director** – a Director who has an executive responsibility relating to the day-to-day operations of a part or the whole of the Company.
11. **ExCom** – refers to the Executive Committee.
12. **Fund Manager** - refers to the person engaged by the Company to implement its investment strategies pursuant to the REIT Act and its Implementing Rules and Regulations.
13. **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.
14. **Internal Audit** – means an independent and objective assurance activity designed to add value to, and improve, the Company's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of its risk management, control, and governance processes.

15. **Internal Control** – refers to a process designed and effected by the Board, 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.
16. **Internal Control System** – means the framework under which Internal Controls are developed and implemented to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed.
17. **Management** – refers to the group of executives given authority by the Board to implement the policies it has laid down in the conduct of the business of the Company.
18. **Manual** – refers to this Manual on Corporate Governance.
19. **NCPC** – refers to the Nomination, Compensation, and Personnel Committee.
20. **Non-Audit Work** – means the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, Internal Audit, and other services that may compromise the independence and objectivity of an external auditor.
21. **Non-Executive Director** – refers to a Director who has no executive responsibility to continuously achieve the Company’s mission to deliver a sustainable business platform with a renewable energy asset portfolio for shareholders and investors and to realize the Company’s vision to be the foremost Energy REIT Investment in the Philippines delivering superior yields from a portfolio of sustainable prime land and solar assets.
22. **Property Manager** – refers to the person engaged to manage all aspects of the real estate owned by the Company pursuant to the REIT Act and its Implementing Rules and Regulations.
23. **REIT Act** - refers to Republic Act No. 9856, otherwise known as the Real Estate Investment Trust (REIT) Act of 2009.
24. **Related Party** – shall include the following:
  - a. the Company’s Sponsor;
  - b. the Company’s Fund Manager;
  - c. the Company’s Property Manager;
  - d. the Company’s lawyer, accountant, auditor, financial or business consultant or other persons rendering professional advisory services to it;
  - e. a director, principal officer or principal stockholder of the Company or Associate of such person;
  - f. a director, principal officer or principal shareholder of the Sponsor, of the Fund Manager, of the Property Manager, or Associate of any such persons;
  - g. the parent, subsidiary or affiliate of the Company, the Fund Manager or Property Manager

“Associate” of a person includes (i) any relative of such person within the fourth (4<sup>th</sup>) degree of consanguinity or affinity; and (ii) any company in which he/she and his/her relative within the fourth (4<sup>th</sup>) degree of consanguinity or affinity, directly or indirectly, has an interest of twenty five percent (25%) or more.

25. **Related Party Transactions or RPTs** – means a transfer of resources, services or obligations between a reporting entity and a Related Party, regardless of whether a price is charged. It shall 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.



26. **RPTRCC** – refers to the Related Property Transaction Review and Compliance Committee.
27. **SEC** – refers to the Securities and Exchange Commission.
28. **Sponsor** - refers to any person, acting alone or in conjunction with one or more other persons, directly or indirectly, contributes cash or property in establishing the Company.
29. **Stakeholders** – refers to 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, shareholders, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

## **V. RULES OF INTERPRETATION**

1. Unless the context otherwise requires:
  - a. Words in the singular include the plural, and vice versa; and
  - b. Words importing any gender include all genders.
2. A reference to a law or statutory provision shall be construed as a reference to the law or statutory provision as from time to time amended, modified, or re-enacted, and any orders, rules and regulations made under such law or statutory provision.
3. The headings of this Manual are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.
4. All doubts or questions that may arise in the interpretation of the application of this Manual shall be resolved in favor of promoting fairness, accountability, and transparency to the Stakeholders of the Company.
5. Capitalized terms defined in this Manual have the same meaning in its Annexes, unless expressly defined in the said Annexes or the context otherwise requires.

## **VI. THE BOARD'S GOVERNANCE RESPONSIBILITIES**

### **1. ESTABLISHING A COMPETENT BOARD**

*The Company shall be headed by a competent, working Board to foster the long-term success of the Company, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interest of its shareholders and Stakeholders.*

The composition, roles and responsibilities, as well as the policies and procedures of the Board are also found in its Charter, which is attached hereto and made an integral part as ANNEX "A".

#### **a. Composition of the Board**

The Board shall be composed of eight (8) members. 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 Republic Act No. 9856, otherwise known as the Real Estate Investment Trust (REIT) Act of 2009 (the "REIT Act") and its Implementing Rules and Regulations (IRR), shall be Independent Directors. The members of the Board shall be elected by the shareholders.

The membership of the Board shall be a combination of Executive and Non-Executive Directors, majority of which are Non-Executive Directors (including Independent 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.

**b. Members of the Board**

The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry/sector. The Board shall 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 fulfil its roles and responsibilities and respond to the needs of the Company based on the evolving business environment and strategic direction.

The Non-Executive Directors shall possess the necessary qualifications and stature that would enable them to effectively participate and help secure objective and independent judgment on corporate affairs, and substantiate proper checks and balances.

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.

**c. Training**

It is the policy of the Company to provide the relevant trainings to its Directors, including an orientation program for first time Directors and annual continuing training for all Directors. The said trainings and orientation cover SEC-mandated topics on Corporate Governance, conducted by a private or government institution duly accredited by the SEC.

**d. Board Diversity**

The Company believes in diversity and values the benefits that diversity can bring to the Company. Thus, the Company promotes the inclusion of different perspectives and ideas, which mitigates against group thinking and ensures that the Company has the opportunity to benefit from all available talent. The Company aims to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills and backgrounds, which shall reflect the diverse nature of the business environment in which the Company operates. For purposes of Board composition, diversity includes, but is not limited to, competence, business experience, geography, age, and gender.

**e. Corporate Secretary**

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

The Corporate Secretary shall be primarily responsible to the Company and its shareholders, and not to the Chairman or the Chief Executive Officer ("CEO") of the Company; and has, among others, the following duties and responsibilities:



- i. Assist 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 assist the Chairman of the Board and its committees to set agendas for those meetings;
- ii. Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the Company;
- iii. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments, and operations of the Company, and advise the Board and the Chairman on all relevant issues as they arise;
- iv. Work fairly and objectively with the Board, Management, and shareholders and contribute to the flow of information between the Board and Management, the Board and its committees, and the Board and its Stakeholders, including shareholders;
- v. Advise on the establishment of Board committees and their terms of reference;
- vi. Inform Directors, in accordance with the Company's by-laws, of the agenda of their meetings at least two (2) 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;
- vii. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family, and serious accidents, prevent him from doing so;
- viii. Perform required administrative functions;
- ix. Oversee the drafting of the Company's by-laws and ensure that they conform with regulatory requirements; and
- x. Perform such other duties and responsibilities as may be provided by the SEC.

**f. Compliance Officer**

The Board shall ensure that it is assisted in its duties by a Compliance Officer, who shall have a rank of Senior Vice President, or an equivalent position, with adequate stature and authority in the Company. The Compliance Officer shall not be a member of the Board and shall 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 is primarily liable to the Company and its shareholders, and not to the Chairman or CEO of the Company; and has, among others, the following duties and responsibilities:

- i. Ensure proper on boarding of new Directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);
- ii. Monitor, review, evaluate and ensure the compliance by the Company, its officers and Directors with the relevant laws, rules and regulations, this Manual, and all governance issuances of regulatory agencies;
- iii. Report violations discovered to the Board and recommend the imposition of appropriate disciplinary actions;



- iv. Ensure the integrity and accuracy of all documentary submissions to regulators;
- v. Appear before the SEC when summoned in relation to compliance with this Manual;
- vi. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- vii. Identify possible areas of compliance issues and work towards the resolution of the same;
- viii. Ensure the attendance of Directors and key officers to relevant trainings; and
- ix. Perform such other duties and responsibilities as may be provided by the SEC.

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

*The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Company's articles of incorporation and by-laws, and other legal pronouncements and guidelines shall be clearly made known to all Directors, shareholders, and Stakeholders.*

To ensure a high standard of best practices for the Company and its Stakeholders, the Board shall conduct itself with honesty and integrity in the performance of the following duties and functions, among others:

- a. Implement a process for the selection of competent Directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.  
  
The Board, through its NCP, will have a formal and transparent Board nomination and election policy that will include how it accepts nominations from minority shareholders. The said policy will also include an assessment of the effectiveness of the Board's processes and procedures for nominations, election, or replacement of a Director;
- b. Determine the Company's purpose, its vision and mission, and strategies to carry out its objectives. The Board shall oversee the development of and approve the Company's objectives and strategy, and monitor their implementation, to sustain the Company's long-term viability and strength;
- c. The Board should be headed by a competent and qualified Chairman. The roles of Chairman and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions should be made between the Chairman and CEO upon their election.
- d. Identify the Company's Stakeholders and formulate a clear policy on accurate, timely, and effective communication with them through an effective investor relations program. Ensure an effective and constructive communication between the Company's senior Management and external Stakeholders (including shareholders and media, when appropriate or relevant), particularly on the business direction and work progress and any Stakeholders' concern, consistent with good governance practices and avoiding any possible damage to the image and/or financial value of the business. If feasible, oversight responsibility over this policy will be exercised by the CEO or the Chief Financial Officer ("CFO") of the Company;
- e. Appoint competent, professional, honest and highly-motivated Management officers, and take a direct interest in leadership succession, including the

appointment of the CEO in particular, and other key senior Management positions in general, and ensure that appropriate processes are effectively adopted to avoid a leadership gap;

- f. Provide sound strategic policies and guidelines to the Company on major capital expenditures, periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management's overall performance;
- g. Establish programs that can sustain the Company's long-term viability and strength in accordance with its objectives;
- h. Ensure the Company's faithful compliance with all applicable laws, regulations and best business practices;
- i. Appoint a Compliance Officer to assist the Board in monitoring, reviewing, evaluating, and ensuring compliance by the Company, Directors, and officers with the applicable laws, rules and regulations, this Manual, the Code, and all other governance issuances of regulatory agencies;
- j. Establish and maintain an investor relations program that will keep the shareholders informed of important developments in the Company. If feasible, the Company's CEO or CFO shall exercise oversight responsibility over this program;
- k. Identify the sectors 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;
- l. Adopt a system of internal checks and balances within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting process at all times. There shall be a continuing review of the Company's Internal Control System in order to maintain its adequacy and effectiveness;
- m. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;
- n. Formulate and implement policies and procedures that would ensure the integrity and transparency of RPTs between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, shareholders, officers and Directors, including their spouses, children, dependent siblings and parents, and of interlocking director relationships by members of the Board;
- o. Constitute the Executive Committee, the AROC, the RPTRCC, the NCPC, ESGC, and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
- p. Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its shareholders, and the Company and third parties, including the regulatory authorities;
- q. Properly discharge Board functions by meeting at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration. The members of the Board shall attend its regular and special meetings in person, or through teleconferencing or other technological devices, conducted in accordance with the rules and regulations of the SEC. Independent Directors shall always attend Board meetings. Unless otherwise provided in the by-laws, their absence shall not



affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one Independent Director in all its meetings;

- r. Approve the selection and assess the performance of senior Management as led by the CEO, and control functions led by their respective heads (Chief Risk Officer, Compliance Officer, and Chief Audit Executive);
- s. Ensure that a sound ERM framework is in place to effectively identify, monitor, assess, and manage key business risks;
- t. Ensure that appropriate compensation policies are in place, especially for senior Management, and that the compensation is at an appropriate level and commensurate to the contribution made to the business;
- u. Determine the remuneration of Management and Directors in accordance with applicable laws, including the REIT Act, taking into consideration the long-term interests of the Company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. No Director shall participate in discussions or deliberations involving his own remuneration.

The Directors' compensation will always be in accordance with the by-laws of the Company and/or as approved by the shareholders during the annual shareholders' meeting. The Board will, from time to time, approve reasonable per diem that a Director may receive for attendance in the Board and committee meetings;

- v. Ensure that the Company's senior Management progress reports on the execution of strategic plans, financial performance of the business, and in general, other matters related to the role and responsibilities of the Board, are received and properly evaluated;
- w. Ensure the proper and orderly conduct of Annual Shareholders' Meetings, and such special shareholders' meetings that may be called;
- x. Adopt a Code of Business Conduct and Ethics to provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings including anti-corruption practices, and ensure that such Code of Business Conduct and Ethics is properly disseminated to, and implemented by the Board, senior Management, and employees;
- y. Ensure proper disclosure on all relevant and material information on Directors and officers to enable Stakeholders to evaluate their experience and qualifications, and assess any potential conflict of interests that might affect their judgment;
- z. Establish policies, programs, and procedures to encourage employees to actively participate in the realization of the Company's goals and in its governance;
- aa. Provide appropriate technology to account for available resources to ensure a position of a strong and meaningful competitor;
- bb. Adopt and implement an effective succession program for Directors and Management to ensure growth and continued increase in shareholders' value. This will include adopting a policy on the retirement age of Directors and key officers as part of the Company's Management succession;
- cc. Ensure that there is a policy and system governing RPTs. The policy shall include the appropriate review and approval of significant RPTs that will guarantee fairness and transparency of the Company's transactions;
- dd. Ensure that a policy and system is in place to maintain the Company's ESG general strategy material, current, and relevant to the Company's businesses, operations, performance, and public image; and

- ee. Ensure that an Internal Control is in place, including setting up a mechanism for monitoring and managing potential conflicts within the Board and the Company.

### 3. ESTABLISHING BOARD COMMITTEES

*The Board committees shall be set up, to the extent possible, to support the effective performance of the Board's functions, particularly with respect to audit, risk management, RPTs, and other key Corporate Governance concerns, such as nomination and remuneration. The composition, functions, and responsibilities of all Board committees established shall be contained in a publicly available committee charter.*

The Board shall establish Board committees that focus on Board functions to aid in the optimal performance of its roles and responsibilities. As such, the Board shall constitute the following committees:

- a. The Executive Committee;
  - The composition, roles and responsibilities, as well as the policies and procedures of the Executive Committee are found in its Charter, which is attached hereto and made an integral part as ANNEX "B".
- b. The AROC;
  - The composition, roles and responsibilities, as well as the policies and procedures of the AROC are found in its Charter, which is attached hereto and made an integral part as ANNEX "C".
- c. The RPTRCC;
  - The composition, roles and responsibilities, as well as the policies and procedures of the RPTRCC are found in its Charter, which is attached hereto and made an integral part as ANNEX "D".
- d. The NCPC; and
  - The composition, roles and responsibilities, as well as the policies and procedures of the NCPC are found in its Charter, which is attached hereto and made an integral part as ANNEX "E".
- e. The ESGC.
  - The composition, roles and responsibilities, as well as the policies and procedures of the ESGC are found in its Charter, which is attached hereto and made an integral part as ANNEX "F".

### 4. FOSTERING COMMITMENT

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

- a. The Directors shall 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 SEC, 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 shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.



- b. A Director shall notify the Board where he is an incumbent director before accepting a directorship in another company.

## 5. REINFORCING INDEPENDENCE

*The Board shall endeavor to exercise objective and independent judgment on all corporate affairs.*

- a. At least one third (1/3) or at least two (2), whichever is higher, of the Board or such number as may be required under the REIT Act and its IRR, shall be Independent Directors. The Board shall ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications for an Independent Director to hold position. Ideally, an Independent Director refers to a person who:
  - i. 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;
  - ii. Is not, and has not been, in the three (3) years immediately preceding the 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;
  - iii. Has not been appointed in the Company, 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 election;
  - iv. Is not an owner of more than two percent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates, or related companies;
  - v. 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. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
  - vi. Is not acting as a nominee or representative of any Director of the Company or any of its related companies;
  - vii. 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 the SEC, an associated person or salesman, and an authorized clerk of the broker or dealer;
  - viii. Is not retained, either in his 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 shareholder, 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 election;
  - ix. 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 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;

- x. Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and
- xi. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

Related companies, as used in this section, refer to the Company's parent company, subsidiary or affiliate; the Company's Fund Manager, Property Manager, and their parent company, subsidiary or affiliate; the Company's Sponsor; the director, principal officer, principal stockholder or associate of such persons of the Company, its Sponsor, Fund Manager or Property Manager.

- b. 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, such 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.
- c. If the positions of Chairman and the CEO are held by the same person, as well as when the Chairman is found to be biased or partial in his decision making, the Board shall designate a "Lead Director" among the Independent Directors, and/or appoint a Vice Chairman, in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision making by the Board.
- i. The duties and responsibilities of the Chairman (in case of his absence or necessary replacement, the Vice Chairman) shall include the following, among others:
  - Make certain that every meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
  - Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
  - Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
  - Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
  - Assure the availability of proper orientation for first time Directors and continuing training opportunities for all Directors; and
  - Make sure that the performance of the Board is evaluated at least once a year.
- ii. On the other hand, the duties and responsibilities of the CEO shall include the following, among others:

- Determine the Company's strategic direction and formulate and implement a strategic plan based on the same;
  - Communicate and implement the Company's vision, mission, values and overall strategy and promote any organization or Stakeholder change in relation to the same;
  - Oversee the operations of the Company and manage its human and financial resources in accordance with their respective strategic plans;
  - Keep a good working knowledge of the Company's industry and market, and keep up-to-date with its core business purpose;
  - Direct, evaluate, and guide the work of the key officers of the Company;
  - Manage the Company's resources prudently and ensure a proper balance of the same;
  - Provide the Board with timely information, and interface between the Board and the employees;
  - Build the corporate culture and motivate the employees of the Company;
  - Serve as the link between internal operations and external Stakeholders; and
  - Perform such other responsibilities as the Board may impose.
- iii. If applicable, the functions of the Lead Director include the following, among others:
- Serve as an intermediary between the Chairman and the other Directors when necessary;
  - Convene and chair meetings of the Non-Executive Directors; and
  - Contribute to the performance and evaluation of the Chairman whenever required.
- d. Any Director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations pertaining to such transaction to ensure that he has no influence over the outcome of the deliberations.
- e. The Non-Executive Directors shall have separate periodic meetings with the external auditor and heads of the Internal Audit, as part of their compliance and risk functions, without any Executive Directors present to ensure that proper checks and balances are in place within the Company. If a Lead Director is appointed, such periodic meetings shall be chaired by him.

## 6. ASSESSING BOARD PERFORMANCE

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

- a. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, all the Directors, and the Board committees. If the



need arises, every three (3) years, such assessment will be supported by an external facilitator.

- b. The Board shall have a system in place that provides, at least, a criteria and process to determine the performance of the Board, its individual members, and committees; with a mechanism that allows feedback from the shareholders.

#### **7. STRENGTHENING BOARD ETHICS**

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

- a. The Board shall adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practices in external dealings. Such Code shall be properly disseminated to the Board, Management, and employees. It shall also be disclosed and made available to the public through the Company's website.
- b. The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics, including all internal policies.

### **VII. DISCLOSURE AND TRANSPARENCY**

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

*The Company shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations. In view thereof, the Company shall timely disclose all material information which could affect its viability or the interests of the stockholders. To attain these objectives -*

- i. The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely reporting to shareholders and Stakeholders that gives a fair and complete picture of the Company's financial condition, results, and business operations.
- ii. The Company shall have a policy requiring all Directors and officers to disclose/report to the Company any dealings in the Company's shares within three (3) business days.
- iii. The Board shall fully disclose all relevant and material information on Directors and key officers/executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.
- iv. The Company shall provide a clear disclosure of its policies and procedures for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. The Company may also disclose the remuneration on an individual basis, including termination and retirement.
- v. The Company shall disclose all its policies governing RPTs and other unusual or infrequently occurring transactions. The material and significant RPTs reviewed and approved during the year will be disclosed in its Annual Corporate Governance Report.
- vi. The Company shall make a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and Stakeholders. Moreover, the board of directors of the offeree company shall appoint an independent party to evaluate the fairness of the transaction on the said acquisition or disposal of assets.



- vii. The Company's Corporate Governance policies, programs and procedures will be submitted to the regulators and posted on the Company's website.

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

*The Company shall 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.*

- a. The AROC shall have a robust process for approving and recommending the appointment, reappointment, removal, and payment of fees of the Company's external auditor. Such appointment, reappointment, removal, and payment of fees of the external auditor will be recommended by the AROC, approved by the Board, and ratified by the shareholders. For removal of the Company's external auditor, the reasons for removal or change will be disclosed to the regulators and the public through the Company's website and required disclosures.
- b. The AROC Charter shall include its responsibility of assessing the integrity and independence of the Company's external auditor in 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. The said Charter shall also contain the AROC's responsibility of reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.
- c. The Company shall disclose the nature of Non-Audit Work or services performed by its external auditor in the Company's Annual Report (SEC Form 17-A) to deal with the potential conflict of interest. The AROC shall be alert for any potential conflict of interest situations, given the guidelines or policies on Non-Audit Work or services, which could be viewed as impairing the external auditor's objectivity.

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

*The Company shall ensure that material and reportable non-financial and sustainability issues are disclosed.*

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

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

*The Company shall 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.*

The Company shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material, and relevant information to its shareholders and other investors.

**VIII. INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK**

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

*To ensure the integrity, transparency, and proper governance in the conduct of its affairs, the Company shall have a strong and effective Internal Control System and ERM framework.*

- a. The Company shall have an adequate and effective Internal Control System and ERM framework in the conduct of its business, taking into account its size, risk profile, and complexity of operations.
- b. The Company shall 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, among others, are the functions of the Internal Audit:
  - i. Provide an independent risk-based assurance service to the Board and the AROC, 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;
  - ii. Perform regular and/or special audits as contained in the annual audit plan and/or based on the Company's risk assessment;
  - iii. Perform consulting and advisory services related to governance and control as may be appropriate for the Company;
  - iv. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the Company;
  - v. Review, audit, and assess the efficiency and effectiveness of the Internal Control System in all areas of the Company;
  - vi. Evaluate 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;
  - vii. Evaluate specific operations at the request of the Board or Management, as appropriate; and
  - viii. Monitor and evaluate governance processes.
- c. Subject to the Company's size, risk profile, and complexity of operations, the Company shall have a qualified Chief Audit Executive ("CAE") appointed by the Board. The CAE shall oversee and be responsible for the Internal Audit activity of the Company, including that portion that is outsourced to a third party service provider. In case of a fully outsourced Internal Audit activity, a qualified independent executive or senior Management personnel shall be assigned the responsibility of managing the fully outsourced Internal Audit activity. The following are the responsibilities of the CAE, among others:
  - i. Periodically review the Internal Audit charter and present it to senior Management and the AROC for approval;
  - ii. Establish a risk-based Internal Audit plan, including policies and procedures, to determine the priorities of the Internal Audit activity, consistent with the Company's goals;



- iii. Communicate the Internal Audit's activity plans, resource requirements, and impact of resource limitations, as well as significant interim changes, to senior Management and the AROC for review and approval;
  - iv. Spearhead the performance of the Internal Audit's activity performance relative to its plan; and
  - v. Present findings and recommendations to the AROC and give advice to senior Management and the Board on how to improve internal processes.
- d. As the need arises, subject to its size, risk profile, and complexity of operations, the Company shall have a separate risk management function to identify, assess, and monitor key risk exposures. This function is currently being undertaken by the AROC, and such function involves the following activities, among others:
  - i. Define a risk management strategy;
  - ii. Identify and analyze key risks exposure relating to EESG factors and the achievement of the organization's strategic objectives;
  - iii. Evaluate and categorize each identified risk using the Company's predefined risk categories and parameters;
  - iv. Establish a risk register with clearly defined, prioritized, and residual risks;
  - v. Develop a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;
  - vi. Communicate and report significant risk exposures including business risks (i.e. strategic, compliance, operational, financial and reputational risks), control issues, and risk mitigation plans to the Board; and
  - vii. Monitor and evaluate the effectiveness of the organization's risk management processes.
- e. Subject to the Company's size, risk profile, and complexity of operations, it may have a Chief Risk Officer ("CRO") who will manage the Company's risk management system, who is the expert on ERM and has adequate authority, stature, resources and support to fulfill his responsibilities. The CRO has the following functions, among others:
  - i. Supervise the entire ERM process and spearhead the development, implementation, maintenance, and continuous improvement of the ERM process and documentation;
  - ii. Communicate the top risks and the status of the implementation of risk management strategies and action plans to the AROC;
  - iii. Collaborate with the CEO in updating and making recommendations to the AROC;
  - iv. Suggest ERM policies and related guidance, as may be needed; and
  - v. Provide 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.

## **IX. CULTIVATING SYNERGETIC RELATIONSHIP WITH SHAREHOLDERS**

### **13. PROMOTING SHAREHOLDERS RIGHTS**

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

- a. The Board shall ensure that basic shareholder rights are disclosed in this Manual and on the Company's website. The Board shall respect the following rights of the shareholders as provided in the Revised Corporation Code, namely:

i. Voting Right

- Shareholders shall have the right to elect, remove, and replace Directors and vote on certain corporate acts in accordance with the Revised Corporation Code.
- Cumulative voting shall be used in the election of Directors.
- A Director shall not be removed without cause if it will deny minority shareholders representation in the Board.

ii. Power of Inspection

Subject to reasonable restrictions in accordance with the Revised Corporation Code and jurisprudence, 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 (SEC Form 17-A), including financial statements.

iii. Right to Information

- The shareholders shall be provided, upon request, periodic reports which disclose personal and professional information about the Directors and officers, and certain other matters such as their holdings of the Company's shares, dealing with the Company, relationships among Directors and key officers, and the aggregate compensation of Directors and officers.

The Information Statement where these are stated must be distributed to the shareholders before the annual meeting of the shareholders.

- The minority shareholders shall be granted 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.
- The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of shareholders' meeting provided always that this right of access is conditioned upon the requesting shareholder's having a legitimate purpose for such access.

iv. Right to Dividends

- Shareholders shall have the right to receive dividends in accordance with law.
- The Company shall distribute annually a total of at least ninety percent (90%) of its distributable income as dividends to its shareholders, not later than the last working day of the fifth (5<sup>th</sup>) month following the close of the fiscal year of the Company in accordance with the REIT Act.

The Company, by at least a majority of the Board, including the unanimous vote of all Independent Directors, may restrict the retained earnings and not distribute the same in case of circumstances enumerated under Section 42 of the Revised Corporation Code. Once the purpose of the restriction is accomplished, the Company shall immediately cancel the restriction and distribute the corresponding retained earnings upon majority vote of the members of the Board.

- The Company may declare either cash, property, or stock dividends. Provided that, in addition to the requirements of the Revised Corporation Code, the declaration of stock dividends must be approved by at least a majority of the entire membership of the Board, including the unanimous vote of all Independent Directors of the Company and subject to the approval of the SEC within five (5) working days from receipt of the request for approval.

v. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 80 of the Revised Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any shareholders or class of shares, or of authorizing preferences in any respect superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Revised Corporation Code;
- In case of merger or consolidation; and
- In case of investment of corporate funds for any purpose other than the primary purpose of the corporation.

vi. Promotion and Enhancement of Rights

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

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



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

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

- b. The Board shall encourage active shareholder participation by sending the notice of annual and special shareholders' meeting with sufficient and relevant information at least twenty-one (21) days and seven (7) days, respectively, before the meeting.

Required information in the notice include, among others, the date, location, meeting agenda and the purpose or purposes for which the meeting is called.

- c. The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent annual or special shareholders' meeting publicly available the next working day. In addition, the minutes of the annual and special shareholders' meeting shall be available on the Company's website within five (5) business days from the end of the meeting.
- d. The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.
- e. The Board shall establish an Investor Relations Office ("IRO") to ensure constant engagement with its shareholders. The IRO shall be present at every shareholders' meeting.

## **X. DUTIES TO STAKEHOLDERS**

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

*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 shall have the opportunity to obtain prompt effective redress for the violation of their rights.*

- a. The Board shall identify the Company's various Stakeholders and promote cooperation between them and the Company in creating wealth, growth, and sustainability.
- b. The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders.
- c. The Board shall adopt a transparent framework and process that allow Stakeholders to communicate with the Company and to obtain redress for the violation of their rights.

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

*A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Company's goals, and participate in its Corporate Governance processes.*

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

The establishment of policies and programs covering, among others, the following: (1) health, safety and welfare; (2) training and development; and (3) reward/compensation for employees, encourages employees to perform better and motivates them to take a more dynamic role in the Company.

- b. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Business Conduct and Ethics. Further, the Board shall disseminate the policy and program to employees across the organization through trainings to embed them in the Company's culture.
- c. The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an Independent Director or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

#### **16. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

*The Company shall be socially responsible in all its dealings with the communities where it operates. It shall 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.*

The Company shall recognize and place 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 and community where it operates.

### **XI. COMMITMENT TO GOOD CORPORATE GOVERNANCE**

The Company shall strictly implement its Corporate Governance rules in accordance with this Manual, which will be used as reference by all the Directors and members of Management. If necessary, funds shall be allocated by the CFO for the purpose of conducting an orientation program or workshop to operationalize this Manual.

A Director shall, before assuming as such, be required to attend a seminar on Corporate Governance, which shall be conducted, by a duly recognized private or government institute.

This Manual shall be available for inspection by any shareholder of the Company at reasonable hours on business days.

All Directors, executives, division and department heads are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

An adequate number of printed copies of this Manual must be reproduced under the supervision of Human Resources Department, with a minimum of at least one (1) hard copy of this Manual per department.

### **XII. MONITORING AND ASSESSMENT**

Each committee shall report regularly to the Board. The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under this Manual.

The establishment of such evaluation system, including the features thereof, shall be disclosed in the Company's Annual Report (SEC Form 17-A) or in such form of report that is applicable to the Company. The adoption of such performance evaluation system must be approved by the Board.

This Manual shall be subject to an annual review by the Board unless the Board determines that it shall be reviewed more frequently.

All business processes and practices being performed within any department or business unit of the Company that are not consistent with any portion of this Manual shall be discontinued unless they are changed to the extent necessary to be compliant with this Manual.

### **XIII. PENALTIES FOR NON-COMPLIANCE WITH THIS MANUAL**

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 of the provision of this Manual:

- In case of first violation, the subject person shall be reprimanded.
- Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation.
- 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 Company 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 the imposable penalty for such violation, for further review and approval of the Board.

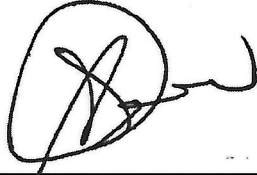
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#### **XIV. EFFECTIVITY**

This Manual on Corporate Governance shall be effective upon submission to the SEC. It was adopted by the Board of Directors of the Company on July 26, 2021.

Signed this July 26, 2021 in San Juan City, Philippines.



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**EDGAR B. SAAVEDRA**  
*Chairman of the Board*



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**RAYMUND JAY S. GOMEZ**  
*Compliance Officer*

## CHARTER OF THE BOARD OF DIRECTORS

In compliance with the Revised Corporation Code of the Philippines, the Securities Regulation Code, other applicable laws, and the rules and regulations of the Securities and Exchange Commission (“SEC”), and in order to achieve, promote and maintain a culture of outstanding corporate governance and accountability in the pursuit of Citicore Energy REIT Corp.’s (the “Company”) corporate purposes, its By-Laws, vision, mission, and values as further articulated in its Manual on Corporate Governance (“Manual”), the Board of Directors (the “Board”) of the Company hereby adopts this **CHARTER OF THE BOARD OF DIRECTORS** (“Charter”).

### ARTICLE I THE BOARD OF DIRECTORS

**SECTION 1. *Establishing a Competent Board of Directors.*** The Company aims to maintain a Board comprised of talented and dedicated Directors with a diverse mix of expertise, experience, skills and background which shall reflect the diverse nature of the business environment in which the Company operates. This diversity widens the Company’s opportunity to benefit from all available talent and wisdom.

Accordingly, the Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company’s industry/sector. The Board shall 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 Company based on the evolving business environment and its strategic direction.

**SECTION 2. *Composition.*** The Board shall be composed of eight (8) members who are elected by the shareholders during the annual stockholders’ meeting.

**SECTION 3. *Executive and Non-Executive Directors.*** The membership of the Board shall be a combination of Executive Directors and Non-Executive Directors, a majority of whom shall be Non-Executive Directors, including Independent Directors, in order that no Director or small group of Directors can control or dominate the decision-making process.

**SECTION 4. *Independent Directors.*** At least one third (1/3) or two (2), whichever is higher, of the Board, or such number as may be required under the REIT Act and its Implementing Rules and Regulations, shall be Independent Directors.

**SECTION 5. *Chairman.*** Without prejudice to the provision of Section 2 of Article V of this Charter, the Board shall be headed by a Chairman who shall be elected by a majority of its members at its organizational meeting.

### ARTICLE II QUALIFICATIONS AND DISQUALIFICATIONS OF DIRECTORS

**SECTION 1. *Qualifications of Directors.***

- (a) 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 the capital stock of the Company shall *ipso facto* cease to be a Director.
- (b) Every Director must be a person of proven honesty, integrity, and competence.

In addition to the qualifications for membership in the Board provided for in the Revised Corporation Code, Securities Regulation Code, and other relevant laws, the Board may provide for additional qualifications which include, among others, the following: (i) college education or equivalent academic degree; (ii) practical understanding of the business of the Company; (iii) membership in good standing in relevant industry, business, or professional organizations; and (iv) previous business experience.

**SECTION 2. *Special Qualifications of Non-Executive Directors.*** The Non-Executive Directors shall possess the necessary qualifications and stature that would enable them to effectively participate and help secure objective and independent judgment on corporate affairs, and substantiate proper checks and balances. They may concurrently serve as Directors in a maximum of five (5) publicly-listed corporations 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.

**SECTION 3. *Additional Special Qualifications for Independent Directors.*** The Independent Directors shall possess the necessary qualifications and none of the disqualifications for an Independent Director. The Board's Independent Director may 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. Thereafter, he shall no longer be eligible for election as Independent Director; however, he may be nominated for and elected as a non-independent Director, as may be recommended by the Board on the basis of strong and meritorious justifications or reasons made known to the shareholders during the annual stockholders' meeting.

**SECTION 4. *Ideal Independent Director.*** 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 serve as Directors.

Related companies, as used in this Section, refer to (a) the Company's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

#### **SECTION 5. 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, judgment, 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 orders 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.

- (c) In addition, the following may be grounds for temporary disqualification of a director:

- i. 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;
- ii. 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 cause that gave rise to his dismissal or termination;
- iii. 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
- iv. 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.

### ARTICLE III ELECTION, TERM OF OFFICE, AND VACANCIES

**SECTION 1. *Election and Term of Directors.*** The members of the Board shall be elected during each annual regular meeting of the stockholders as provided for in the By-Laws, at an accessible venue as may be determined by the Board.

The Directors elected shall hold office for one (1) year and until their successors are duly elected and qualified.

**SECTION 2. *Election of Directors in Case of Increase in Number of Directors.*** Any directorship to be filled by reason of an increase in the number of Directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of Directors if so stated in the notice of the meeting.

**SECTION 3. *Vacancies in the Board.*** Any vacancy occurring in the Board other than by removal by the stockholders or by expiration of term, may be filled by the vote of at least a majority of the remaining Directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or at a special meeting of stockholders called for the purpose. A Director so elected to fill a vacancy shall serve only for the unexpired portion of the term of his/her predecessor.

When the vacancy is due to the expiration of a term, the election shall be held within five (5) days from the day of such expiration, at a meeting called for that purpose. When the vacancy arises as a result of removal by the stockholders, the election may be held on the same day of the meeting authorizing the removal and this fact must be so stated in the agenda and notice of said meeting. In all other cases, the election must be held no later than forty-five (45) days from the time the vacancy arose. A Director elected to fill a vacancy shall be referred to as Replacement Director and shall serve only for the unexpired portion of the term of his/her predecessor.

However, when the vacancy prevents the remaining Directors from constituting a quorum and emergency action is required to prevent grave, substantial and irreparable loss or damage to the Company, the vacancy may be temporarily filled from among the officers of the Company by unanimous vote of the remaining Directors. The action by the designated Director shall be limited to the emergency action necessary, and the tenure shall cease within a reasonable time from the termination of the emergency or upon election of the Replacement Director, whichever comes earlier. The Company must notify the SEC within three (3) days from the creation of the emergency Board, stating therein the reason or reasons for its creation.



## ARTICLE IV BOARD COMMITTEES

**SECTION 1. *Number of Board Committees.*** At its organizational meeting, immediately after the election of its members by the shareholders, the Board shall constitute and organize the following Board Committees:

- (a) The Executive Committee;
- (b) The Audit and Risk Oversight Committee (“AROC”);
- (c) Related Party Transaction Review and Compliance Committee (“RPTRCC”);
- (d) The Nomination, Compensation, and Personnel Committee (“NCPC”); and
- (e) The Environmental, Social, and Governance Committee (“ESGC”)

(collectively, the “Board Committees”),

which shall, in general, focus on Board functions to aid the Board in achieving the optimal and qualitative performance of its roles and responsibilities.

**SECTION 2. *Composition, Roles and Responsibilities of the Board Committees.***

- (a) The composition, roles, as well as the policies and procedures of the Board Committees are provided in the Manual and in the respective charters of the Board Committees; and
- (b) Each Board Committee shall be headed by a Chairman duly elected by a majority of the members of the Board at an organizational meeting.

**SECTION 3. *Board Committee Charter.*** Each Board Committee shall have a charter duly approved by the Board, which may be amended, whenever justified, for the enhancement of the Board Committee's effectiveness and efficiency.

## ARTICLE V CORPORATE OFFICERS

**SECTION 1. *The Corporate Officers.*** The following shall be the corporate officers of the Company who shall be elected by the Board at its organizational meeting:

- (a) The President and Chief Executive Officer (“CEO”), who must be a Director;
- (b) The Corporate Secretary, who must be a Filipino citizen and a resident of the Philippines;
- (c) The Treasurer or Chief Financial Officer (“CFO”), who must be a Filipino citizen and a resident of the Philippines;
- (d) A Compliance Officer.

Such other officers as may be provided in the By-Laws of the Company or as may be required under applicable laws and/or rules of the SEC, may likewise be elected.

**SECTION 2. *Election of Corporate Officers.*** Immediately after their election, the Directors of the Company shall formally organize and elect the corporate officers.

**SECTION 3. *The President and the Chairman.*** The roles of Chairman and President and CEO should, as much as practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

**SECTION 4. *Concurrent Holding of Two or More Positions.*** The same person may concurrently hold two or more positions, except that no one shall serve or act as President and Secretary or as President and Treasurer at the same time. The Corporate Secretary shall be a separate individual from the Compliance Officer.

If the positions of Chairman and President and CEO are held by the same person, as well as when the Chairman is found to be biased or partial in his/her decision-making, the Board, upon a vote of a

majority of its members may designate a “Lead Director” from among the Independent Directors, or appoint a Vice Chairman in order to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board.

## ARTICLE VI REPORTING OF ELECTION RESULTS

**SECTION 1. *Duty of Reporting.*** Within thirty (30) days after the election of the Directors and officers of the Company, the Corporate Secretary, or any other officer of the Company authorized by the Board, shall submit to the SEC, the names, nationalities/citizenship, shareholdings and residential addresses of the Directors and officers elected.

## ARTICLE VII MEETINGS, NOTICES AND QUORUM OF THE BOARD

**SECTION 1. *Regular Meetings.*** The regular meetings of the Board shall be held at least once every quarter on such dates and at such places as may be determined by the Chairman of the Board or upon request of a majority of the Directors.

**SECTION 2. *Special Meetings.*** Upon the call of the Chairman, or upon request of a majority of the Board, if it shall become necessary to hold a meeting due to occurrence of events or matters that require immediate Board action, a special meeting may be held.

**SECTION 3. *Presiding Officer.*** Subject to the provisions of the second paragraph of Section 4, Article V of this Charter, the Chairman of the Board shall preside over the meetings of the Board; in his/her absence, any Director chosen by the Board shall preside at the meeting.

**SECTION 4. *The Secretary at Every Meeting.*** The Corporate Secretary shall act as secretary in every Board meeting. In his/her absence, the Chairman or any one chosen to preside over the meeting shall appoint a temporary secretary for the meeting.

**SECTION 5. *Meetings Through Teleconferencing or Videoconferencing.*** Regular or special meeting of the Board may be held through teleconferencing, videoconferencing or through similar modes of modern communication technology.

**SECTION 6. *Notice, Agenda, and Materials of Meetings.*** Notice and agenda of regular or special meetings of the Board, including the materials, shall be communicated and/or provided by the Corporate Secretary to each Director personally, by telephone, electronic mail, or written message, as may be applicable, at least two (2) business days prior to the meetings set.

A Director may waive the notice requirement either expressly or impliedly.

**SECTION 7. *Quorum.*** A majority of the Directors as fixed in the Articles of Incorporation, or as may hereafter be increased, shall constitute a quorum for the transaction of corporate business, and every act or decision of at least a majority of the Directors present at a meeting in which there is a quorum shall be valid and effective as a corporate act or decision, except for (a) the election of Board Committee members and corporate officers which shall require the vote of a majority of the members of the Board; and (b) related party transactions defined under the REIT Act, declaration of stock dividends, and restriction of retained earnings from distribution due to circumstances under Section 42 of the Revised Corporation Code, which shall require the vote of a majority of all the members of the Board and the unanimous vote of all the independent directors.

**SECTION 8. *Meetings of the Board Committees.*** The Board Committees may hold meetings as follows:

- (a) Four (4) times a year for the AROC, RPTRCC, NCPC, ESGC; and



- (b) Every month for the Executive Committee.

Each Committee shall decide on the dates, time and venue of its meetings.

**SECTION 9. *Notice of Board Committee Meetings.*** Notice of Board Committee meetings shall be done in the same manner as notice of Board meetings.

**SECTION 10. *Quorum in Board Committee Meetings.*** A majority of the members of a Board Committee shall constitute a quorum in its meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the Board Committee; provided, that in the case of the RPTRCC, the unanimous vote of all members shall be necessary in approving any related-party transaction.

**SECTION 11. *Meetings of the Non-Executive Directors.*** The Non-Executive Directors may have separate periodic meetings with the external auditor and heads of the internal audit, as part of their compliance and risks functions, without any Executive Director present to ensure that proper checks and balance are in place in the Company. If a Lead Director is appointed, such periodic meetings shall be chaired by him; if none has been appointed, the Chairman of the AROC shall preside over the meeting.

## **ARTICLE VII POWERS OF THE BOARD OF DIRECTORS**

**SECTION 1. *In General.*** Unless otherwise provided by applicable laws of the Republic of the Philippines, the Board shall (a) exercise all the corporate powers, (b) conduct business and affairs, and (c) control all properties of the Company.

**SECTION 2. *In Particular.*** Without prejudice to such powers as may be granted by law, the Board shall also have the following powers:

- (a) From time to time, to make and change rules and regulations not inconsistent with the By-Laws for the management of the Company’s business and affairs;
- (b) To purchase, receive, take or otherwise acquire for and in the name of the Company, any and all properties, rights, or privileges, including securities and conditions as the Board may deem proper or convenient;
- (c) To invest the funds of the Company in other corporations or for purposes other than those for which the Company was organized, subject to such stockholders’ approval as may be required by law;
- (d) To incur such indebtedness as the Board may deem necessary, to issue evidence of indebtedness including without limitation, notes, deeds of trust, bonds, debentures, or securities, subject to such stockholders’ approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties of the Company;
- (e) To extend corporate guarantees to its subsidiaries and affiliates for business purposes;
- (f) To establish pension, retirement, bonus, or other types of incentives or compensation plans for the employees, including officers and Directors of the Company;
- (g) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the Company or its officer are either plaintiffs or defendants in connection with the business of the Company;
- (h) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business of the Company to any standing or special committee or to any officer or agent and to appoint any person to be agent of the Company with such powers and upon such terms as may be deemed fit; and



- (i) To implement the By-Laws and to act on any matter not covered by the By-Laws, provided such matter does not require the approval or consent of the stockholders under the Revised Corporation Code of the Philippines.

## ARTICLE VIII ROLES AND RESPONSIBILITIES OF THE BOARD

**SECTION 1.** *Ensuring the High Standard of Best Practices.* To ensure a high standard of best practices for the Company and its stakeholders, the Board shall conduct itself with honesty and integrity in the performance of the following duties and functions, among others:

- (a) Implement a process for the selection of competent Directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.

The Board, through its NCPC, shall have a formal and transparent Board nomination and election policy that will include how it accepts nominations from minority shareholders. Such policy shall also include an assessment of the effectiveness of the Board’s processes and procedures for nominations, election, or replacement of a Director;

- (b) Determine the Company’s purpose, its vision and mission, values and strategies to carry out its objectives; and oversee the development of and approve the Company’s business objectives and strategy, and monitor their implementation, to sustain the Company’s long-term viability and strength;
- (c) Identify the Company’s stakeholders and formulate a clear policy on accurate, timely, and effective communication with them through an effective investor relations program; and ensure an effective and constructive communication between the Company’s senior Management and external stakeholders (including shareholders and media, when appropriate or relevant), particularly on the business direction and work progress and any stakeholders’ concern, consistent with good governance practices and avoiding any possible damage to the image and/or financial value of the business. If feasible, oversight responsibility over this policy will be exercised by the CEO or the Chief Financial Officer (“CFO”) of the Company;
- (d) Appoint competent, professional, honest and highly-motivated Management officers, and take a direct interest in leadership succession, including the appointment of the CEO in particular, and other key senior management positions in general, and ensure that appropriate processes are effectively adopted to avoid a leadership gap;
- (e) Provide sound strategic policies and guidelines to the Company on major capital expenditures, periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets, and Management’s overall performance;
- (f) Establish programs that can sustain the Company’s long-term viability and strength in accordance with its objectives;
- (g) Ensure the Company’s faithful compliance with all applicable laws, regulations and best business practices;
- (h) Appoint/Elect a Compliance Officer to assist the Board in monitoring, reviewing, evaluating, and ensuring compliance by the Company, Directors, and officers with the applicable laws, rules and regulations, the Manual, the Code of Business Conduct and Ethics, and all other governance issuances of regulatory agencies;
- (i) Establish and maintain an investor relations program that will keep the shareholders informed of important developments in the Company. If feasible, the Company’s CEO or CFO shall exercise oversight responsibility over this program;

- (j) Identify the sectors 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;
- (k) Adopt a system of internal checks and balances within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision-making and reporting process at all times. There shall be a continuing review of the Company’s internal control system in order to maintain its adequacy and effectiveness;
- (l) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability;
- (m) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions (“RPTs”) between and among the Company and its parent company, joint ventures, subsidiaries, associates, affiliates, shareholders, officers and Directors, including their spouses, children, dependent siblings and parents, and of interlocking Director relationships by members of the Board;
- (n) Constitute the Executive Committee, the AROC, the RPTRCC, the NCPC, the ESGC, and such other committees it deems necessary to assist it in the performance of its duties, roles, and responsibilities;
- (o) Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its shareholders, and the Company and third parties, including the regulatory authorities;
- (p) Properly discharge Board functions by meeting at such times or frequency as may be needed. The minutes of such meeting shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration. The members of the Board shall attend its regular and special meetings in person, or through teleconferencing, videoconferencing, or other technological devices, conducted in accordance with the rules and regulations of the SEC. Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings;
- (q) Approve the selection and assess the performance of senior Management led by the CEO, and control functions led by their respective heads (Chief Risk Officer, Compliance Officer, and Chief Audit Executive);
- (r) Ensure that a sound enterprise risk management framework is in place to effectively identify, monitor, assess, and manage key business risks;
- (s) Ensure that appropriate compensation policies are in place, especially for senior Management, and that the compensation is at an appropriate level and commensurate to the contribution made to the business;
- (t) Determine the remunerations of Directors and Management in accordance with applicable laws, taking into consideration the long-term interests of the Company. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. No Director shall participate in discussions or deliberations involving his/her own remuneration.

The Directors’ compensation shall be in accordance with the By-Laws and/or as approved by the shareholders during the annual shareholders’ meeting. The Board will, from time to time, approve reasonable per diem that a Director may receive for attendance in the Board and Board Committee meetings;



- (u) Ensure that the Company’s senior Management progress reports on the execution of strategic plans, financial performance of the business, and in general, other matters related to the roles and responsibilities of the Board, are received and properly evaluated;
- (v) Ensure the proper and orderly conduct of annual shareholders’ meetings, and such special shareholders’ meetings that may be called;
- (w) Adopt a Code of Business Conduct and Ethics to provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings including anti-corruption practices, and ensure that such Code of Business Conduct and Ethics is properly disseminated to, and implemented by the Board, senior Management, and employees;
- (x) Ensure proper disclosure on all relevant and material information on Directors and officers to enable stakeholders to evaluate their experience and qualifications, and assess any potential conflict of interests that might affect their judgment;
- (y) Establish policies, program and procedures to encourage employees to actively participate in the realization of the Company’s goals and in its governance;
- (z) Provide appropriate technology to account for available resources to ensure a position of a strong and meaningful competitor;
- (aa) Adopt and implement an effective succession program for Directors and Management to ensure growth and continued increase in shareholders’ value. This will include adopting a policy on the retirement age of Directors and key officers as part of the Company’s Management succession;
- (bb) Ensure that there is a policy and system governing RPTs. This policy shall include the appropriate review and approval of significant RPTs that will guarantee fairness and transparency of the Company’s transactions; and
- (cc) Ensure that a policy and system is in place to maintain the Company’s ESG general strategy material, current, and relevant to the Company’s businesses, operations, performance, and public image; and
- (dd) Ensure that an internal control is in place, including setting up a mechanism for monitoring and managing potential conflicts within the Board and the Company.

## ARTICLE IX DUTIES AND RESPONSIBILITIES OF THE CHAIRMAN AND LEAD DIRECTOR

**SECTION 1. *Primary Duties and Responsibilities.*** The duties and responsibilities of the Chairman (in case of his/her absence or necessary replacement, the Vice Chairman) are the following, among others:

- (a) Make certain that every meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- (b) Guarantee that the Board receives accurate, timely relevant, insightful, concise, and clear information to enable it to make sound decisions;
- (c) Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors;
- (d) Ensure that the Board sufficiently challenges and inquires on reports submitted and



representations made by Management;

- (e) Assure the availability of proper orientation for first time Directors and continuing training opportunities for all Directors; and
- (f) Make sure that the performance of the Board is evaluated at least once a year.

**SECTION 2. *Functions of the Lead Director.*** Whenever applicable, the functions of the Lead Director are the following, among others:

- (a) Serve as an intermediary between the Chairman and the other Directors when necessary;
- (b) Convene and chair meetings of the Non-Executive Directors; and
- (c) Contribute to the performance and evaluation of the Chairman whenever required.

## **ARTICLE X STRENGTHENING BOARD ETHICS, COMPETENCE AND COMMITMENT**

**SECTION 1. *Strengthening Board Ethics.*** The Board shall adopt a Code of Business Conduct and Ethics, which will provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in external dealings. The said code shall be properly disseminated to the Board, Management, and employees. It shall also be disclosed and made available to the public through the Company’s website.

The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics, including all internal policies. The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process.

**SECTION 2. *Training.*** It is the policy of the Company to provide relevant training to its Directors, which shall include an orientation programs for first-time Directors as continuing annual training for all Directors. The trainings and orientation cover topics or subjects mandated by the SEC on corporate governance and conducted by a government institution, or a private institution duly accredited by the SEC.

**SECTION 3. *Fostering Commitment.*** The Directors shall attend and actively participate in all meetings of the Board, Board Committees, and of the stockholders, in person or through teleconferencing, or videoconferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Board Committee meetings, Directors shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

The directors should devote sufficient time to familiarize himself with the Company’s business. The directors should be constantly aware of and knowledgeable with the corporation’s operations to enable him to meaningfully contribute to the Board’s work. He should attend and actively participate in Board and committee meetings, review meeting materials and, if called for, ask questions or seek explanation.

**SECTION 4. *Notice to the Board of Possible Election as Director in Other Companies.*** It shall be the duty of an incumbent Director of the Board to notify the Board that he/she is being nominated or about to be elected as a Director of another company. Such notice may be made during a Board meeting or in writing well in advance of the nomination and/or election.

**ARTICLE XI  
ASSESSING BOARD PERFORMANCE**

**SECTION 1. *Annual Self-Assessment.*** The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, all the Directors, and the Board Committees. If the need arises, every three (3) years, such assessment will be supported by an external facilitator.

**SECTION 2. *Criteria and Process.*** The Board shall have a system that provides, at least, a criteria and process to determine the performance of the Board, its individual members, and Board Committees, with a mechanism that allows feedback from the shareholders.

**ARTICLE XII  
COMPENSATION**

**SECTION 1. *Fixing of Compensation.*** By resolution of the Board, each Director shall receive a reasonable per diem allowance for his/her attendance at each meeting of the Board and of the Board Committee of which he/she is a member. As compensation, the Board shall receive and allocate an amount of not more than ten percent (10%) of the net income of the Company before income tax during the preceding year, and such compensation shall be determined and apportioned among the Directors in such manner as the Board may deem proper, subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.

**ARTICLE XIII  
AMENDMENTS**

**SECTION 1. *Amendments.*** The provisions of this Charter may be modified or amended, to the extent necessary, in order to comply with the Revised Corporation Code of the Philippines, the Securities Regulation Code and related laws, as well as with the SEC implementing rules, regulations, and circulars, and other applicable local and foreign laws.

**ARTICLE XIV  
EFFECTIVITY**

**SECTION 1. *Effectivity.*** This Charter of the Board of Directors of the Company shall take full force and effect immediately upon its approval by the Board.

**APPROVED BY THE BOARD OF DIRECTORS ON  
26 JULY 2021**

## CHARTER OF THE EXECUTIVE COMMITTEE

### 1.0. RATIONALE

The Board of Directors (the “Board”) of Citicore Energy REIT Corp. (the “Company”), in pursuit of good corporate governance, hereby constitutes an Executive Committee (the “ExCom”) and adopts this ExCom Charter (this “Charter”) to direct the ExCom’s functions and responsibilities over the business and affairs of the Company.

### 2.0. COMPOSITION OF THE EXCOM

#### 2.1. Membership

The ExCom shall have four (4) members, composed of the Chairman of the Board and the other Executive Directors appointed by the Board on an annual basis.

The Chairman of the Board shall be the Chairman of the ExCom while the Vice-Chairman of the ExCom shall be appointed by the Board. Furthermore, the Corporate Secretary of the Company or his/her designated assistant/s shall act as the Secretary of the ExCom’s meetings.

The members of the ExCom shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the ExCom may be removed, with or without cause, by the action of the Board.

#### 2.2. Role of the Chairman

The Chairman shall provide leadership in the ExCom and ensure that it is properly performing its duties and responsibilities. The Chairman shall, among others:

- a. preside over meetings;
- b. approve the agenda of each meeting;
- c. convene or cancel meetings when, in his/her reasonable opinion, the same is warranted;
- d. ensure that sound decisions are being made, which are in accordance with the direction of the Board and the policies of the Company;
- e. encourage and promote open dialogue during meetings, where dissenting views may be expressed and discussed; and
- f. ensure that members of the ExCom receive accurate, timely, and relevant information necessary to carry out its functions.

#### 2.3. Role of the Vice-Chairman

In the absence or inability of the Chairman to perform his/her role, the Vice-Chairman shall act in his/her stead, and shall have the authority to exercise the powers and fulfill the duties of the Chairman.

The Vice-Chairman shall also perform any tasks or responsibilities delegated to him/her by the Chairman or the Board.



**2.4. Role of the Secretary**

The Corporate Secretary of the Company or his/her designated assistant/s shall serve as the Secretary of the ExCom. The following are the key responsibilities of the Secretary:

- a. draft the agenda for each meeting and have the same reviewed by the Chairman or, in his/her absence, the Vice-Chairman;
- b. send notices and agendas of the meetings at least five (5) calendar days before the actual date of the meetings;
- c. take the minutes of the meetings and keep in his/her custody any and all documents and records pertaining to the ExCom and its meetings; and
- d. perform other tasks and duties as assigned by the Chairman.

**3.0. POWERS AND RESPONSIBILITIES OF THE EXCOM****3.1. Powers and Functions**

The ExCom shall exercise all the fiduciary powers of the Board to be able to act upon any matter which cannot be postponed until the next regularly scheduled Board meeting, as well as oversee, to the extent allowed by the By-Laws of the Company and this Charter, the management of the Company’s business and other affairs, particularly during the periods when the Board has no scheduled meetings, or is unavailable or unable to meet. The ExCom’s role is particularly important in emergency or crisis situations when the President or Chief Executive Officer needs a focus group to deliberate on issues requiring immediate and critical decisions.

Moreover, the Board of the Company has delegated to the ExCom the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the Charter.

**3.2. Roles and Responsibilities**

Pursuant to the powers and functions of the ExCom, its key roles and responsibilities, shall include, but not be limited to, the following:

- a. ensure that the interests of the Company’s stakeholders, such as its shareholders, business partners, employees, clients, regulators, and the public at large, are protected and balanced;
- b. determine the overall operating strategies and direction of the Company, which includes the approval of the annual operating plan (“AOP”) and the business goals of the Company;
- c. review and approve budget reallocation, major capital expenditures, disposals and write-offs, and applications for credit facilities from banks and other financial institutions;
- d. review and approve major projects, proposals, and other transactions within the Board’s authorized limits of thresholds;
- e. monitor the operational, business, commercial, financial, and organizational performance of the Company, to make certain that the short, medium, and long-term strategic plans, targeted results, and key performance indicators are met; and

- f. guide the Company in its day-to-day business activities by providing strategic support, and recommend the issuance of resolutions by the Board, whenever required. This includes delegating its authority, or creating subordinate and/or ad hoc committees, for the supervision and management of the usual and ordinary business affairs of the departments and/or business units within the Company.

#### 4.0. POLICIES AND PROCEDURES OF THE EXCOM

##### 4.1. Meetings

- a. **Schedule.** The ExCom shall meet at least once a month and at such dates, times, and places, as deemed appropriate by the Chairman or upon the request of a majority of its members.
- b. **Attendance.** All members are expected to attend the meetings of the ExCom. They are required to attend in person, but in special circumstances are allowed to be present by means of videoconference, teleconference, or other electronic means. Should any member, advisor, or observer participate in a meeting through teleconference or videoconference, all persons participating in the meeting should be able to hear each other clearly.
- c. **Quorum.** The quorum for any meeting of the ExCom shall be at least a majority of the members present throughout the meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the ExCom. However, in no case shall a meeting proceed without the presence of the Chairman or, in his/her absence, the Vice-Chairman.
- d. **Notices and Agendas.** The Secretary shall send notice of each meeting to the members of the ExCom at least five (5) calendar days before any such meeting, specifying the place, date and time, and the agenda thereof.

The agenda of the ExCom’s meetings shall be prepared by the Secretary and approved by the Chairman or, in his/her absence, the Vice-Chairman. The agenda shall include, among others, the following: (a) updates on the previous action items or deliverables from the previous meeting of the ExCom; (b) review of strategic initiatives; (c) core matters for discussion by the ExCom; and (d) any other items, as determined by the ExCom and/or the Chairman or the Vice-Chairman, as the case may be, of the ExCom.

- e. **Other Invitees.** The ExCom may invite officers, employees, or any members of the departments or teams of the Company to attend or report during its meetings.
- f. **Minutes and Records.** The Secretary shall prepare the minutes of the meetings and take custody of its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. The minutes of any meeting shall be signed by the ExCom’s Chairman and the members present during the said meeting.

##### 4.2. External Advisors and Access to Information

- a. **Engagement of External Advisors.** In carrying out its duties and responsibilities, the ExCom may directly engage external advisors, such as, but not limited to, legal, accounting, and audit. The Company shall provide the necessary funding therefor, as recommended by the ExCom. The advisors may be required by the ExCom to submit written opinions or to attend any part of its meetings. Any member of the ExCom may, however, ask for the exclusion of any advisor from its meetings.

- b. **Access to Information and Employees.** The ExCom is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.

**4.3. Performance Evaluation**

The ExCom shall review its performance annually with respect to the fulfillment of its duties, functions, and responsibilities, as mandated by this Charter.

**4.4. Review of this Charter**

This Charter shall be reviewed at least annually by the Board to ensure its continuing adequacy and consistency with its direction or initiatives, including the Company’s policies and programs. Furthermore, the provisions of this Charter will be modified, to the extent necessary, to comply with the Revised Corporation Code of the Philippines, or any amendments thereto, its implementing rules and regulations, and circulars, as well as other applicable local and foreign laws.

**4.5. Approval and Effectivity**

This Charter was approved by the Board on 26 July 2021 and shall take effect immediately upon such approval.



## CHARTER OF THE AUDIT AND RISK OVERSIGHT COMMITTEE

### 1.0. RATIONALE

The Board of Directors (the “Board”) of Citicore Energy REIT Corp. (the “Company”), in pursuit of good corporate governance, hereby constitutes an Audit and Risk Oversight Committee (the “AROC”) and adopts this AROC Charter (the “Charter”) to enhance its oversight capability over the Company's (1) financial reporting, internal control system, internal and external audit processes; and (2) Enterprise Risk Management (“ERM”) system, which includes, among others:

- a. overall guidance and oversight on the establishment and implementation of the ERM system, manuals, programs, and procedures for the effective management of all risks relating to the strategic, financial, operational, security, human capital, and compliance activities of the Company (collectively, the “ERM Framework”);
- b. oversight on the risk appetite and limits of the Company;
- c. oversight on the risk management functions of the Chief Executive Officer (“CEO”);
- d. exercise of regular finance functions, including asset management, and review of bidding activities.

### 2.0. COMPOSITION OF THE AROC

#### 2.1. Membership

The AROC shall have at least three (3) members, composed of Directors who shall be appointed by the Board on an annual basis and who shall preferably have accounting and finance backgrounds. The AROC shall be composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent.

The Board shall appoint the Chairman and Vice-Chairman of the AROC and ensure that the Chairman of the AROC shall not be the Chairman of the Board or of any other committees. Further, the Corporate Secretary of the Company or his/her designated assistant/s shall act as the Secretary of the AROC's meetings.

The members of the AROC shall serve at the pleasure of the Board and under such terms as the Board may determine. The members of the AROC may be removed, with or without cause, by the action of the Board.

#### 2.2. Role of the Chairman

The Chairman shall provide leadership in the AROC and ensure that it is properly performing its duties and responsibilities. The Chairman shall, among others:

- g. preside over meetings;
- h. approve the agenda of each meeting;
- i. convene or cancel meetings when, in his/her reasonable opinion, the same is warranted;
- j. ensure that sound decisions are being made, which are in accordance with the direction of the Board and the policies of the Company;
- k. encourage and promote open dialogue during meetings, where dissenting views may be expressed and discussed; and

- l. ensure that members of the AROC receive accurate, timely, and relevant information necessary to carry out its functions.

### **2.3. Role of the Vice-Chairman**

In the absence or inability of the Chairman to perform his/her role, the Vice-Chairman shall act in his/her stead, and shall have the authority to exercise the powers and fulfill the duties of the Chairman.

The Vice-Chairman shall perform any tasks or responsibilities delegated to him/her by the Chairman or the Board.

### **2.4. Role of the Secretary**

The Corporate Secretary of the Company or his/her designated assistant/s shall serve as the Secretary of the AROC. The following are the key responsibilities of the Secretary:

- e. draft the agenda for each meeting and have the same reviewed by the Chairman or, in his/her absence, the Vice-Chairman;
- f. send notices and agendas of the meetings at least five (5) calendar days before the actual date of the meetings;
- g. take the minutes of the meetings and keep in his/her custody any and all documents and records pertaining to the AROC and its meetings; and
- h. perform other tasks and duties as assigned by the Chairman.

## **3.0. POWERS AND RESPONSIBILITIES OF THE AROC**

### **3.1. Powers and Functions**

The AROC shall have the explicit authority to investigate any matter in the performance of its duties and responsibilities as established in this Charter, including gaining full access to any Company files and information, as well as the complete cooperation of management, with full discretion to invite any Director or executive officer to attend its meetings. The AROC may form and delegate authority to sub-committees, as it may deem necessary or appropriate.

Moreover, the Board of the Company has delegated to the AROC the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the Charter.

### **3.2. Roles and Responsibilities in relation to Audit**

The key roles and responsibilities of the AROC in relation to its audit function, shall include, but not be limited to, the following:

- a. monitor and evaluate the adequacy and effectiveness of the Company's financial reporting procedure, system of internal control, and audit process;
- b. perform oversight activities over the Company's internal and external auditors. The AROC shall ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to objectively perform their respective audit functions. The AROC shall further guarantee that the internal and external

auditors shall be free from interference by outside parties in carrying out their work and duties;

- c. recommend and approve the appointment, reappointment, removal, and fees of the external auditor which shall be approved by the Board and ratified by the shareholders;
- d. assess, oversee, review, and monitor the external auditor’s independence, integrity, and objectivity and shall ensure that the external auditor has adequate quality control procedures. The AROC shall review the external auditor’s suitability and effectiveness on an annual basis and shall implement a policy of rotating the external auditor’s lead audit partner every five (5) years;
- e. prior to the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of the audit, and ensure coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts;
- f. review the quarterly, semi-annual, and annual financial statements before their submission to the Board, with particular focus on the following matters:
  - a. any change/s in accounting policies and practices;
  - b. major judgmental areas;
  - c. significant adjustments resulting from the audit;
  - d. going concern assumptions;
  - e. compliance with accounting standards; and
  - f. compliance with tax, legal, and regulatory requirements;
- g. evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company’s overall consultancy expenses. The AROC shall disallow any non-audit work that will conflict with the external auditor’s duties or may pose a threat to his/her independence. The non-audit work, if allowed, should be disclosed in the annual report of the Company;
- h. the AROC shall also approve the terms and conditions for outsourcing internal audit services;
- i. periodically review the risk-based annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, and the resources and budget necessary to implement the same;
- j. review the reports submitted by the internal and external auditors. Evaluate and monitor management’s responsiveness to the internal and external auditors’ findings and recommendations;
- k. coordinate, monitor, and facilitate the Company’s compliance with applicable laws, rules and regulations; and
- l. perform such other functions as may be delegated or authorized by the Board.



**3.3. Duties and Responsibilities in Relation to ERM**

The duties and responsibilities of the AROC in relation to ERM shall be as follows:

- a. provide guidance and ensure that the CEO of the Company, who shall be the ERM Head, or in his absence, the Company’s Chief Financial Officer, has established an effective and sustainable ERM Framework;
- b. develop methodologies, and define the boundaries and limits that clearly exclude behaviors and actions that are unacceptable from a risk-reward perspective;
- c. evaluate the risk appetite and risk tolerance levels of the Company and its operating units, to ensure that these levels are commensurate to a well-founded risk-reward strategy;
- d. oversee the effectiveness and sustainability of the Company’s ERM Framework as a whole, taking into consideration the critical, imminent, and emerging risks in the Company’s internal and external operating environments;
- e. periodically review (at least annually) the ERM Framework and its implementation to make sure that the ERM Framework is communicated throughout the Company so that this will be embedded as part of the Company’s corporate culture;
- f. encourage growth and innovation without creating unacceptable exposure to risks, and ensure that performance measures and targets do not encourage excessively risky behavior;
- g. promote an enterprise-wide view of risks, rather than a narrow unit or functional view, when selecting strategies to optimize risk and reward for the enterprise as a whole;
- h. oversee the development, maintenance, and continuous improvement of the policies, procedures, and systems intended to manage security risks, which include both physical assets and information technology systems risks, and shall cover disaster recovery and business continuity capabilities against such security risks;
- i. obtain assurance from the CEO that effective internal controls and checks and balances are in place in high-risk areas;
- j. delegate to management certain authorities in the interest of instituting an efficient and responsive risk management infrastructure; and
- k. perform other roles and responsibilities as the Board may deem appropriate in order to comply with existing and future laws, rules, and regulations issued by the national and local government units and agencies.

**3.4. Duties and Responsibilities in Relation to Finance**

The duties and responsibilities of the AROC in relation to finance shall be as follows:

- a. overview of management discussion and analysis;

The AROC shall ensure that the Company shall prepare timely and accurate management reports that will assist the Board in its oversight functions, and help boost decision-making and strategy execution by the management and senior officers of the Company.

Aside from the accuracy of the financial data, management reports must present valuable insight to the Board and management on driving operating performance and providing early warning signals for significant business risk exposures.

- b. evaluation of major capital expenditures and projects;

The AROC shall play a key role in overseeing the planning and execution of major capital projects, ensuring, for example, that the projects are on schedule at all times, within budget, and do not pose any potential business risk exposures to the organization. The top-level review and evaluation prior to the Board approval shall be performed by the AROC.

- c. share capital structuring and restructuring exercises;

Share capital transactions may include increase or decrease in issued and paid-up capital, recapitalization, or share buy-back. Shareholdings are subject to change for a variety of reasons, such as (i) invitation of prospective investors; (ii) creation of group structures; (iii) tax and succession planning; (iv) necessity of raising capital funds for expansion and other purposes; (v) transfer of controlling interests, and; (vi) amending stockholders’ rights and interests. Prior to Board approval, the AROC shall have the final review of all share capital transactions focusing on sensitive areas such as conflict of interest, insider trading, and other irregularities.

- d. management of the Company’s working capital funds and long-term investments;

The AROC shall monitor management’s policies and procedures on the proper sources and uses of corporate funds and other liquid resources. Its functions shall cover the review of management’s plans and strategies and all intercompany activities relating to the maintenance of cash and bank balances, investment portfolios, and intercompany loan transactions. The AROC shall also ensure that all long-term investments are decided upon based on established investment guidelines and limits.

- e. debt and equity financing;

The AROC’s financing policy will greatly influence the Company’s market value. Thus, searching for a financing mix with optimum benefits will always be a serious challenge to the Board and management. Equity financing may be less costly but would redound to diminution of equity interest. Conversely, debt financing results in additional costs (interest), and a high debt-equity ratio could send a wrong signal that the Company is in a highly leveraged situation that could lead to bankruptcy. On a regular basis, the AROC must monitor how management determines the right debt-equity mix for the Company that would result in high market valuation of its shares.

- f. foreign exchange transactions;

The AROC shall ascertain that there are Board approved plans and strategies to manage the foreign currency exchange transactions and other exposure to economic risks of the Company and its business units.

- g. capital budgeting, allocation, and forecasting;

The AROC shall oversee the Company’s annual budgeting process. It shall review and give recommendations, if necessary, on the annual budgets submitted to the Company’s CEO.

- h. asset management; and

Asset management refers to a proactive, systematic and holistic approach to safeguard the assets and other resources of a company and deriving maximum economic value from their use. The AROC must ensure that each business unit has an established asset management plan that is aligned with the Company’s overall strategic objectives. The said asset management plan shall be subject to annual review and possible revisions.

- i. other functions as may be delegated or authorized by the board.

The AROC may be given further oversight responsibilities by the Board relating to financial matters.



The AROC shall also be responsible in developing the Company’s overall short-term, mid-term, and long-term strategic financial plans for Board consideration, and providing strategic oversight monitoring and guidance over their implementation.

#### 4.0. POLICIES AND PROCEDURES OF THE AROCC

##### 4.1. Meetings

- a. **Schedule.** The AROC shall meet at least once every calendar quarter and at such dates, times, and places, as deemed appropriate by the Chairman, or upon the request of a majority of its members.
- b. **Attendance.** All members are expected to attend the meetings of the AROC. They are required to attend in person, but in special circumstances are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member or advisor participate in the meeting through teleconference or video conference, all persons personally participating in the meeting should be able to hear each other clearly.
- c. **Quorum.** The quorum for any meeting of the AROC shall be at least a majority of the members present throughout the meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the AROC. However, in no case shall a meeting proceed without the presence of the Chairman or, in his/her absence, the Vice-Chairman.
- d. **Notices and Agendas.** The Secretary shall send notice of each meeting to the members of the AROC at least five (5) calendar days before any meeting, specifying the place, date and time, and the agenda thereof.

The agenda of the AROC’s meetings shall be prepared by the Secretary and approved by the Chairman or, in his/her absence, the Vice-Chairman. The agenda shall include, among others, the following: (i) updates on the previous action items or deliverables from the previous meeting of the AROC; (ii) review of strategic initiatives; (iii) core matters for discussion by the AROC; and (iv) any other items, as determined by the AROC and/or the Chairman or the Vice-Chairman, as the case may be, of the AROC.

- e. **Other Invitees.** The AROC may invite officers, employees, or any members of the departments or teams of the Company to attend or report during its meetings.
- f. **Minutes and Records.** The Secretary shall prepare the minutes of the meetings and take custody of its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. The minutes of any meeting shall be signed by the AROC’s Chairman and the members present during the meeting.

##### 4.2. External Advisors and Access to Information

- a. **Engagement of External Advisors.** In carrying out its duties or responsibilities, the AROC may directly engage external advisors, such as, but not limited to, legal, accounting, and audit. The Company shall provide the necessary funding therefor, as recommended by the AROC. The advisors may be required by the AROC to submit written opinions or to attend any part of its meetings. Any member of the AROC may, however, ask for the exclusion of any advisor from its meetings.
- b. **Access to Information and Employees.** The AROC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.



**4.3. Performance Evaluation**

The AROC shall review its performance annually with respect to the fulfillment of its duties, functions, and responsibilities, as mandated by this Charter.

**4.4. Review of this Charter**

This Charter shall be reviewed at least annually by the Board to ensure its continuing adequacy and consistency with its direction or initiatives, including the Company’s policies and programs. Furthermore, the provisions of this Charter will be modified, to the extent necessary, to comply with the Revised Corporation Code of the Philippines, or any amendments thereto, its implementing rules and regulations, and circulars, as well as other applicable local and foreign laws.

**4.5. Approval and Effectivity**

This Charter was approved by the Board on 26 July 2021 and shall take effect immediately upon such approval.

## CHARTER OF THE RELATED PARTY TRANSACTION REVIEW AND COMPLIANCE COMMITTEE

### 1.0. RATIONALE

The Board of Directors (the “Board”) of Citicore Energy REIT Corp. (the “Company”), in pursuit of good corporate governance, hereby constitutes a Related Party Transaction Review & Compliance Committee (the “RPTRCC”) and adopts this RPTCC Charter (the “Charter”) to enhance its oversight capability over the Company's material related party transactions and compliance with applicable laws, rules, and regulations.

### 2.0. COMPOSITION OF THE RPTRCC

#### 2.1. Membership

The RPTCC shall have three (3) members, composed of non-executive directors, majority of whom shall be independent directors, including the Chairman.

The Board shall appoint the Chairman and Vice-Chairman of the RPTRCC and ensure that the Chairman of the RPTRCC shall not be the Chairman of the Board or of any other committees. Further, the Corporate Secretary of the Company or his/her designated assistant/s shall act as the Secretary of the RPTRCC's meetings.

The members of the RPTRCC shall serve at the pleasure of the Board and under such terms as the Board may determine. The members of the RPTRCC may be removed, with or without cause, by the action of the Board.

#### 2.2. Role of the Chairman

The Chairman shall provide leadership in the RPTRCC and ensure that it is properly performing its duties and responsibilities. The Chairman shall, among others:

- m. preside over meetings;
- n. approve the agenda of each meeting;
- o. convene or cancel meetings when, in his/her reasonable opinion, the same is warranted;
- p. ensure that sound decisions are being made, which are in accordance with the direction of the Board and the policies of the Company;
- q. encourage and promote open dialogue during meetings, where dissenting views may be expressed and discussed; and
- r. ensure that members of the RPTRCC receive accurate, timely, and relevant information necessary to carry out its functions.

#### 2.3. Role of the Vice-Chairman

In the absence or inability of the Chairman to perform his/her role, the Vice-Chairman shall act in his/her stead, and shall have the authority to exercise the powers and fulfill the duties of the Chairman.

The Vice-Chairman shall perform any tasks or responsibilities delegated to him/her by the Chairman or the Board.

**2.4. Role of the Secretary**

The Corporate Secretary of the Company or his/her designated assistant/s shall serve as the Secretary of the RPTCC. The following are the key responsibilities of the Secretary:

- i. draft the agenda for each meeting and have the same reviewed by the Chairman or, in his/her absence, the Vice-Chairman;
- j. send notices and agendas of the meetings at least five (5) calendar days before the actual date of the meetings;
- k. take the minutes of the meetings and keep in his/her custody any and all documents and records pertaining to the RPTRCC and its meetings; and
- l. perform other tasks and duties as assigned by the Chairman.

**3.0. POWERS AND RESPONSIBILITIES OF THE RPTRCC****3.1. Powers and Functions**

The RPTRCC shall have the explicit authority to investigate any matter in the performance of its duties and responsibilities as established in this Charter, including gaining full access to any Company files and information, as well as the complete cooperation of management, with full discretion to invite any Director or executive officer to attend its meetings. The RPTRCC may form and delegate authority to sub-committees, as it may deem necessary or appropriate.

Moreover, the Board of the Company has delegated to the RPTRCC the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the Charter.

**3.2. Roles and Responsibilities**

Pursuant to the powers and functions of the RPTRCC, its key roles and responsibilities, shall include, but not be limited to, the following:

- a. Formulate and implement policies and procedures that would guarantee the integrity and transparency of related-party transactions (“RPT”);
- b. Evaluate 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;
- c. Evaluate 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 RPTCC shall take into account, among others, the following:
  - i. The related party’s relationship to the company and interest in transaction;



- ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- iii. The benefits to the Company of the proposed RPT;
- iv. The availability of other sources of comparable products or services; and
- v. 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;

Pursuant to the REIT Act and its IRR, related parties refer to the Company’s parent company, subsidiary or affiliate; the Company’s Fund Manager, Property Manager, and their parent company, subsidiary or affiliate; the Company’s Sponsor; the director, principal officer, principal stockholder or associate of such persons of the Company, its Sponsor, Fund Manager or Property Manager; and lawyer, accountant, auditor, financial or business consultant, and such other persons rendering professional advisory services to the Company.

- d. Ensure 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;
- e. Report to the Board 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;
- f. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- g. Ensure that any acquisition or disposition of real estate assets and property or share swaps or similar transactions is accompanied by a fairness opinion by an independent appraiser done in accordance with the valuation methodology prescribed by the SEC;
- h. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures
- i. Coordinates, monitors, and facilitates compliance with laws, rules, and regulations; and
- j. Perform such other functions as may be delegated or authorized by the Board.

#### 4.0. POLICIES AND PROCEDURES OF THE RPTRCC

##### 4.1. Meetings

- a. **Schedule.** The RPTRCC shall meet at least once every calendar quarter and at such dates, times, and places, as deemed appropriate to by the Chairman, or upon the request of a majority of its members.
- b. **Attendance.** All members are expected to attend the meetings of the RPTRCC. They are required to attend in person, but in special circumstances are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member or advisor participate in the meeting through teleconference or video conference, all persons personally participating in the meeting should be able to hear each other clearly.

- c. **Quorum.** The quorum for any meeting of the RPTRCC shall be at least a majority of the members present throughout the meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the RPTRCC; provided, that the unanimous vote of all members shall be necessary in approving any related-party transaction. In no case shall a meeting proceed without the presence of the Chairman or, in his/her absence, the Vice-Chairman.
- d. **Notices and Agendas.** The Secretary shall send notice of each meeting to the members of the RPTRCC at least five (5) calendar days before any meeting, specifying the place, date and time, and the agenda thereof.  
  
The agenda of the RPTRCC's meetings shall be prepared by the Secretary and approved by the Chairman or, in his/her absence, the Vice-Chairman. The agenda shall include, among others, the following: (i) updates on the previous action items or deliverables from the previous meeting of the RPTRCC; (ii) review of strategic initiatives; (iii) core matters for discussion by the RPTRCC; and (iv) any other items, as determined by the RPTRCC and/or the Chairman or the Vice-Chairman, as the case may be, of the RPTRCC.
- e. **Other Invitees.** The RPTRCC may invite officers, employees, or any members of the departments or teams of the Company to attend or report during its meetings.
- f. **Minutes and Records.** The Secretary shall prepare the minutes of the meetings and take custody of its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. The minutes of any meeting shall be signed by the RPTRCC's Chairman and the members present during the meeting.

#### **4.2. External Advisors and Access to Information**

- a. **Engagement of External Advisors.** In carrying out its duties or responsibilities, the RPTRCC may directly engage external advisors, such as, but not limited to, legal, accounting, and audit. The Company shall provide the necessary funding therefor, as recommended by the RPTRCC. The advisors may be required by the RPTRCC to submit written opinions or to attend any part of its meetings. Any member of the RPTRCC may, however, ask for the exclusion of any advisor from its meetings.
- b. **Access to Information and Employees.** The RPTRCC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.

#### **4.3. Performance Evaluation**

The RPTRCC shall review its performance annually with respect to the fulfillment of its duties, functions, and responsibilities, as mandated by this Charter.

#### **4.4. Review of this Charter**

This Charter shall be reviewed at least annually by the Board to ensure its continuing adequacy and consistency with its direction or initiatives, including the Company's policies and programs. Furthermore, the provisions of this Charter will be modified, to the extent necessary, to comply with the Revised Corporation Code of the Philippines, or any amendments thereto, its implementing rules and regulations, and circulars, as well as other applicable local and foreign laws.

**4.5. Approval and Effectivity**

This Charter was approved by the Board on 26 July 2021 and shall take effect immediately upon such approval.



## CHARTER OF THE NOMINATION, COMPENSATION, AND PERSONNEL COMMITTEE

### 1.0. RATIONALE

The Board of Directors (the “Board”) of Citicore Energy REIT Corp. (the “Company”), in pursuit of good corporate governance, hereby constitutes a Nomination, Compensation, and Personnel Committee (“NCPC”) and adopts this NCPC Charter (this “Charter”) to govern its oversight functions and activities.

### 2.0. COMPOSITION OF THE NCPC

#### 2.1. Membership

The NCPC shall have three (3) members, composed of three (3) Directors, who shall be appointed by the Board on an annual basis. At least one (1) member of the NCPC shall be an independent director.

The Board shall appoint the Chairman and Vice-Chairman of the NCPC. Further, the Corporate Secretary of the Company or any of his/her designated assistant/s shall act as the Secretary of the NCPC’s meetings.

The members of the NCPC shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the NCPC may be removed, with or without cause, by the action of the Board.

#### 2.2. Role of the Chairman

The Chairman shall provide leadership in the NCPC and ensure that it is properly performing its duties and responsibilities. The Chairman shall, among others:

- s. preside over meetings;
- t. approve the agenda of each meeting;
- u. convene or cancel meetings when, in his/her reasonable opinion, the same is warranted;
- v. ensure that sound decisions are being made, which are in accordance with the direction of the Board and the policies of the Company;
- w. encourage and promote open dialogue during meetings, where dissenting views may be expressed and discussed; and
- x. ensure that members of the NCPC receive accurate, timely, and relevant information necessary to carry out its functions.

#### 2.3. Role of the Vice-Chairman

In the absence or inability of the Chairman to perform his/her role, the Vice-Chairman shall act in his/her stead, and shall have the authority to exercise the powers and fulfill the duties of the Chairman.

The Vice-Chairman shall also perform any tasks or responsibilities delegated to him/her by the Chairman or the Board.

**2.4. Role of the Secretary**

The Corporate Secretary of the Company or his/her designated assistant/s shall serve as the Secretary of the NCPC. The following are the key responsibilities of the Secretary:

- m. draft the agenda for each meeting and have the same reviewed by the Chairman or, in his/her absence, the Vice-Chairman;
- n. send notices and agendas of the meetings at least five (5) calendar days before the actual date of the meetings;
- o. take the minutes of the meetings and keep in his/her custody any and all documents and records pertaining to the NCPC and its meetings; and
- p. perform other tasks and duties as assigned by the Chairman.

**3.0 POWERS AND RESPONSIBILITIES OF THE NCPC****3.1. Powers and Functions**

The NCPC shall exercise the following powers and functions with regard to the Board’s duties on:

- a. the nomination and election process of Directors, where the NCPC shall be tasked to implement guidelines and standards for its members that will facilitate the selection of potential nominees for Board seats, and to serve as a benchmark for the evaluation of the said nominee’s qualifications. The process shall be transparent and include a procedure for accepting nominations from minority shareholders and vetting nominated candidates;
- b. the selection and supervision of executive officers and senior managers, which allows the NCPC to identify, recommend, recruit, vet, and interview qualified and competent individual, who fit the requirements of the Company;
- c. determining the appropriate compensation of Directors, executive officers, and senior managers, where the NCPC is tasked to oversee the establishment and administration of the Company’s compensation program, and align the remuneration of its Directors, executive officers, and senior managers with its long-term interests. The NCPC shall also formulate and adopt a policy which takes into account the relationship between remuneration and performance; and
- d. providing the overall strategic direction and guidance on the human resources management of the Company, by monitoring and supervising the human resources department of the Company.

Moreover, the Board of the Company has delegated to the NCPC the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the Charter.

**3.2. Roles and Responsibilities**

Pursuant to the powers and functions of the NCPC, its key roles and responsibilities, shall include, but not be limited to, the following:

- a. recommend the continuing education or training programs for directors, assignment of tasks or projects to Board committees, and adoption of succession plan for the members of the Board;

- b. develop a criterion for identifying, selecting, and evaluating candidates for the Board, executive officers, or senior managers. The NCPC may also recruit and vet individuals for such positions by themselves or secure the assistance of an executive search firm, if necessary;
- c. receive nominations of candidates for election as directors from the Board or the Company’s stockholders either by electronic mail, regular mail, or personal delivery. Moreover, it shall review and evaluate the qualifications of all persons nominated to the Board, in relation to the criteria set forth in the Company’s By-Laws, the Revised Corporation Code of the Philippines (“RCC”), and other applicable laws, rules, and regulations;
- d. conduct a periodic review of the Board’s committee structure, including evaluation of board size, composition and activities, practices, committees and committee membership. Review and recommend to the Board concerning qualifications, appointment, removal and replacement of directors and committee members. The process shall also include monitoring the qualifications of the directors and the grounds for the disqualification of a director;
- e. oversee and evaluate the Company’s human resource planning process and succession plans for the Chief Executive Officer (“CEO”) and other senior executive positions. Recommend for Board approval short-listed candidates for these positions;
- f. evaluate the performance of the CEO, approve annual salary, bonus and other incentive awards, remuneration or executive benefits to the CEO. It shall also review and approve senior officers’ salary, bonus and awards based on the NCPC’s established criteria and oversees regulatory compliance with respect to these compensation matters. Review and approve any severance or similar termination payments proposed to be made to any current or former member of senior officers of the Company;
- g. review periodically and make recommendations to the Board concerning the level/status of the Board compensation in relation to best practices of other similarly situated companies; and
- h. monitor and oversee the execution of the following responsibilities of the human resources department of the Company:
  - i. engagement of the right talent for the organizational and manpower needs of the Company, which includes the implementation of manpower planning and talent management processes in order to review qualified internal talents and external candidates, and continuously build the talent pool and succession plans of the Company;
  - ii. conduct of regular organizational reviews to ensure that the respective job profiles and manning levels are aligned to support the achievement of the Company’s strategic objectives and priorities;
  - iii. develop a compensation and benefits programs to motivate, reward, and retain top talents and outstanding performers, as well as implement a holistic employee relations program to effectively manage labor-related issues and concerns; and
  - iv. produce or update appropriate policies in relation to human resources and ensure proper implementation and management of such policies across organization.



#### 4.0. POLICIES AND PROCEDURES OF THE NCPC

##### 4.1. Meetings

- a. **Schedule.** The NCPC shall meet at least once every calendar quarter and at such dates, times, and places, as deemed appropriate by the Chairman or upon the request of a majority of its members.
- b. **Attendance.** All members are expected to attend meetings of the NCPC. They are required to attend in person, but in special circumstances are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member, advisor, or observer participate in a meeting of the NCPC through teleconference or video conference, all persons participating in the meeting should be able to hear each other.
- c. **Quorum.** The quorum for any meeting of the NCPC shall be at least a majority of the members present throughout the meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the NCPC. However, in no case shall a meeting proceed without the presence of the Chairman or, in his/her absence, the Vice-Chairman.
- d. **Notices and Agendas.** The Secretary shall send notice of each meeting to the members of the NCPC at least five (5) calendar days before any such meeting, specifying the place, date and time, and the agenda thereof.

The agenda of the NCPC's meetings shall be prepared by the Secretary and approved by the Chairman or, in his/her absence, the Vice-Chairman. The agenda shall include, among others, the following: (i) updates on previous action items or deliverables from the previous meeting of the NCPC; (ii) review of strategic initiatives; (iii) core matters for discussion by the NCPC; and (iii) any other items, as determined by the NCPC and/or the Chairman or the Vice-Chairman, as the case may be, of the NCPC.

- e. **Other Invitees.** The NCPC may invite officers, employees, or any members of the departments or teams of the Company to attend or report during its meetings.
- f. **Minutes and Records.** The Secretary shall prepare the minutes of the NCPC meetings and take custody of its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. The minutes of any meeting shall be signed by the NCPC's Chairman and the members present during the meeting.

##### 4.2. External Advisors and Access to Information

- a. **Engagement of External Advisors.** In carrying out its duties or responsibilities, the NCPC may directly engage external advisors, such as, but not limited to, legal and accounting, and audit. The Company shall provide the necessary funding therefor, as recommended by the NCPC. The advisors may be required by the NCPC to submit written opinions or to attend any part of its meetings. Any members of the NCPC may, however, ask for the exclusion of any advisor from its meetings.
- b. **Access to Information and Employees.** The NCPC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.

**4.3. Performance Evaluation**

The NCPC shall review its performance annually with respect to the fulfillment of its duties, functions, and responsibilities, as mandated by this Charter.

**4.4. Review of this Charter**

This Charter shall be reviewed at least annually by the Board to ensure its continuing adequacy and consistency with its direction or initiatives, including the Company’s policies and programs. Furthermore, the provisions of this Charter will be modified, to the extent necessary, to comply with the Revised Corporation Code of the Philippines, or any amendments thereto, its implementing rules and regulations, and circulars, as well as other applicable local and foreign laws.

**4.5. Approval and Effectivity of this Charter**

This Charter was approved by the Board on 26 July 2021 and shall take effect immediately upon such approval.

## CHARTER OF THE ENVIRONMENTAL, SOCIAL, AND GOVERNANCE COMMITTEE

### 1.0. RATIONALE

The Board of Directors (the “Board”) of Citicore Energy REIT Corp. (the “Company”), in pursuit of good corporate governance, hereby constitutes an Environmental, Social, and Governance Committee (“ESGC”) and adopts this ESGC Charter (this “Charter”) to govern its oversight functions and activities.

### 2.0. COMPOSITION OF THE ESGC

#### 2.1. Membership

The ESGC shall have three (3) members, composed of three (3) Directors, who shall be appointed by the Board on an annual basis.

The Board shall appoint the Chairman and Vice-Chairman of the ESGC. Further, the Corporate Secretary of the Company or his/her designated assistant/s shall act as the Secretary of the ESGC’s meetings.

The members of the ESGC shall serve at the pleasure of the Board, and under such terms as the Board may determine. The members of the ESGC may be removed, with or without cause, by the action of the Board.

#### 2.2. Role of the Chairman

The Chairman shall provide leadership in the ESGC and ensure that it is properly performing its duties and responsibilities. The Chairman shall, among others:

- a. preside over meetings;
- b. approve the agenda of each meeting;
- c. convene or cancel meetings when, in his/her reasonable opinion, the same is warranted;
- d. ensure that sound decisions are being made, which are in accordance with the direction of the Board and the policies of the Company;
- e. encourage and promote open dialogue during meetings, where dissenting views may be expressed and discussed; and
- f. ensure that members of the ESGC receive accurate, timely, and relevant information necessary to carry out its functions.

#### 2.3. Role of the Vice-Chairman

In the absence or inability of the Chairman to perform his/her role, the Vice-Chairman shall act in his/her stead, and shall have the authority to exercise the powers and fulfill the duties of the Chairman.

The Vice-Chairman shall also perform any tasks or responsibilities delegated to him/her by the Chairman or the Board.

#### 2.4. Role of the Secretary



The Corporate Secretary of the Company or his/her designated assistant/s shall serve as the Secretary of the ESGC. The following are the key responsibilities of the Secretary:

- q. draft the agenda for each meeting and have the same reviewed by the Chairman or, in his/her absence, the Vice-Chairman;
- r. send notices and agendas of the meetings at least five (5) calendar days before the actual date of the meetings;
- s. take the minutes of the meetings and keep in his/her custody any and all documents and records pertaining to the ESGC and its meetings; and
- t. perform other tasks and duties as assigned by the Chairman.

### **3.0 POWERS AND RESPONSIBILITIES OF THE ESGC**

#### **3.1 Powers and Functions**

The ESGC shall exercise the following powers and functions with regard to the Board’s duties on:

- a. the development and implementation of corporate governance principles and policies; and
- b. the adoption and implementation of approaches in addressing the Company’s Environmental, Social, and Governance (“ESG”) commitments.

Moreover, the Board of the Company has delegated to the ESGC the authority to approve all transactions, policies, procedures, rules, regulations, and all other activities, which are necessary, in relation, or incidental to its powers, functions, roles, and responsibilities, as provided in the Charter.

#### **3.2 Roles and Responsibilities**

Pursuant to the powers and functions of the ESGC, its key roles and responsibilities, shall include, but not be limited to, the following:

- a. ensure that the Company adheres to good corporate governance principles and practices, as required by the Securities and Exchange Commission (“SEC”) and other relevant regulatory agencies;
- b. oversee the periodic performance evaluation of the Board and its committees and ensure that concrete action plans are developed to address identified areas for improvement;
- c. conduct a periodic review of the Board’s committee structure, including evaluation of board size, composition and activities, practices, committees and committee membership;
- d. recommend the continuing education or training programs for directors, assignment of tasks or projects to Board committees, and adoption of succession plan for the members of the Board;
- e. oversee the Company’s general strategy with respect to material, current, and emerging ESG matters material to the Company’s businesses, operations, performance, or public image;

- f. consider and recommend guidelines, policies, practices, and disclosures that conform with the Company’s ESG general strategy and assist the Board in implementing the same;
- g. review and monitor the development and implementation of targets, standards, or methodologies that the Company may establish to assess and track its ESG performance including the conduct of environmental, social, community and stakeholder’s programs and projects;
- h. oversee the Company’s reporting and disclosures on ESG-related matters in accordance with laws, rules, and regulations; and
- i. perform such other functions as may be delegated or authorized by the Board.

#### 4.0. POLICIES AND PROCEDURES OF THE ESGC

##### 4.1. Meetings

- a. **Schedule.** The ESGC shall meet at least once every calendar quarter and at such dates, times, and places, as deemed appropriate by the Chairman or upon the request of a majority of its members.
- b. **Attendance.** All members are expected to attend meetings of the ESGC. They are required to attend in person, but in special circumstances are allowed to be present by means of video conference, teleconference, or other electronic means. Should any member, advisor, or observer participate in a meeting of the ESGC through teleconference or video conference, all persons participating in the meeting should be able to hear each other.
- c. **Quorum.** The quorum for any meeting of the ESGC shall be at least a majority of the members present throughout the meeting, and every decision of a majority of those present in which there is a quorum shall constitute a valid and effective act or decision of the ESGC. However, in no case shall a meeting proceed without the presence of the Chairman or, in his/her absence, the Vice-Chairman.
- d. **Notices and Agenda.** The Secretary shall send notice of each meeting to the members of the ESGC at least five (5) calendar days before any such meeting, specifying the place, date and time, and the agenda thereof.

The agenda of the ESGC’s meetings shall be prepared by the Secretary and approved by the Chairman or, in his/her absence, the Vice-Chairman. The agenda shall include, among others, the following: (i) updates on previous action items or deliverables from the previous meeting of the ESGC; (ii) review of strategic initiatives; (iii) core matters for discussion by the ESGC; and (iii) any other items, as determined by the ESGC and/or the Chairman or the Vice-Chairman, as the case may be, of the ESGC.

- e. **Other Invitees.** The ESGC may invite officers, employees, or any members of the departments or teams of the Company to attend or report during its meetings.
- f. **Minutes and Records.** The Secretary shall prepare the minutes of the ESGC meetings and take custody of its records. Such records shall be open for inspection by any member upon reasonable prior notice and during office hours. The minutes of any meeting shall be signed by the ESGC’s Chairman and the members present during the meeting.

##### 4.2. External Advisors and Access to Information

- i. **Engagement of External Advisors.** In carrying out its duties or responsibilities, the ESGC may directly engage external advisors, such as, but not limited to, legal and accounting, and audit. The Company shall provide the necessary funding therefor, as recommended by the ESGC. The advisors may be required by the ESGC to submit written opinions or to attend any part of its meetings. Any members of the ESGC may, however, ask for the exclusion of any advisor from its meetings.
- ii. **Access to Information and Employees.** The ESGC is empowered to inquire, should it deem necessary or appropriate, any matter in relation to its purpose, duties or responsibilities and shall have full and direct access to all books, records, facilities, and personnel of the Company.

#### **4.3. Performance Evaluation**

The ESGC shall review its performance annually with respect to the fulfillment of its duties, functions, and responsibilities, as mandated by this Charter.

#### **4.4. Review of this Charter**

This Charter shall be reviewed at least annually by the Board to ensure its continuing adequacy and consistency with its direction or initiatives, including the Company’s policies and programs. Furthermore, the provisions of this Charter will be modified, to the extent necessary, to comply with the Revised Corporation Code of the Philippines, or any amendments thereto, its implementing rules and regulations, and circulars, as well as other applicable local and foreign laws.

#### **4.5. Approval and Effectivity of this Charter**

This Charter was approved by the Board on 26 July 2021 and shall take effect immediately upon such approval.