VISTAREIT, INC.
(formerly, Vista One, Inc.)
MANUAL ON CORPORATE GOVERNANCE

The Board of Directors, Management, officers and staff of **Vista One, Inc.** (the "**Corporation**") hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance (the "**Manual**") and acknowledge that the same shall guide the attainment of their corporate goals.

1. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors and Management, employees and shareholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization as soon as possible.

2. BOARD GOVERNANCE

The Board of Directors (the "**Board**") shall be primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The term "Management" as used herein shall refer to the body given the authority by the Board to implement the policies it has laid down in the conduct of the business of the Corporation.

A) Composition of the Board

The Board shall be composed of at least seven (7), but not more than fifteen (15), members who are elected by the stockholders and shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By- Laws. The Board shall be composed of directors with collective working knowledge, experience or expertise that is relevant to the Corporation's industry or 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 organization based on the evolving business environment and strategic direction.

At least 1/3, or at least two (2) directors, whichever is higher, of the Board, shall be independent directors.

The membership of the Board may be a combination of executive and non-executive directors (which include independent directors) in order that no director or small group of directors can dominate the decision-making process. The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

The Board shall set a policy on board diversity in order to avoid groupthink and to ensure that optimal decision-making is achieved. The Corporation is committed to the following principles:

a. To recognize and embrace the benefits of having a diverse Board and increase diversity at Board level as an essential element in the attainment of its strategic objectives and maintaining a prudent corporate governance.

b. All Board appointments are made on merit, in context of the skills, experience, independence and knowledge, and candidates will be considered against objective criteria, which the Board as a whole requires to be effective.

B) Multiple Board Seats

The Board may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. For this purpose, a director should notify the Board where he is an incumbent director before accepting a directorship in another company.

Other than directorships in the Corporation's subsidiaries and affiliates, the executive directors of the Board shall limit their directorships in other publicly listed companies to no more than five (5).

A similar limit may apply to independent or non-executive directors who, at the same time, serve as full-time executives in other publicly listed companies. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

C) The Chair and Chief Executive Officer

The roles of Chair and Chief Executive Officer ("**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 Chair and CEO upon their election.

In the event the positions of Chair and CEO are unified, the proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chair in relation to the Board may include, among others, the following:

1. Ensure that the meetings of the Board are held in accordance with the by-laws or as the Chair may deem necessary;

2. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and

3. Maintain qualitative and timely lines of communication and information between the Board and Management.

4. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

5. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;

6. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;

7. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

8. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and

9. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

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

1. Determines the Corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;

2. Communicates and implements the Corporation's vision, mission, values, and overall strategy and promote any organization or stakeholder change in relation to the same;

3. Oversees the operations of the Corporation and manages human and financial resources in accordance with the strategic plan;

4. Has a good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose;

5. Directs, evaluates, and guides the work of the key officers of the Corporation;

6. Manages the Corporation's resources prudently and ensures a proper balance of the same;

7. Provides the Board with timely information and interfaces between the Board and the employees;

8. Builds the corporate culture and motivates the employees of the Compay; and

9. Serves as the link between internal operations and external stakeholders.

D) Responsibilities, Duties & Functions of the Board

1. General Responsibility

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

The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

The Board must likewise oversee the development of and approve the Corporation's business objectives and strategy and monitor their implementation in order to sustain the Corporation's long-term viability and strength. The Board should formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

2. Duties and Functions

To ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities:

a) The Board shall oversee the development of and approve the Corporation's business objectives and strategy, and monitor their implementation, in order to sustain the Corporation's long-term viability and strength.

b) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly motivated management officers. Adopt an effective succession planning program for Management.

c) Provide sound strategic policies and guidelines to the corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.

d) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices.

e) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.

f) Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.

g) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.

h) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operational and financial viability.

i) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.

j) Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.

k) Establish and maintain an alternative dispute resolution system in the corporation that can amicably settle conflicts or differences between the corporation and its stockholders, and the corporation and third parties, including the regulatory authorities.

l) Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.

m) Keep the activities and decisions of the Board within its authority under the articles of incorporation and by-laws, and in accordance with existing laws, rules and regulations.

n) Appoint a Compliance Officer who shall have the rank of at least vice president.

o) The Board shall have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.

p) The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).

q) The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. The Board shall also approve the Internal Audit Charter.

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

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

3. Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director should act in the best interest of the corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the corporation towards sustained progress.

A director should observe the following norms of conduct:

a) **Conduct fair business transactions with the corporation and ensure that his personal interest does not conflict with the interests of the corporation**.

   The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position.

   A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation or stands to acquire or gain financial advantage at the expense of the corporation.

b) **Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.**

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

c) **Act judiciously.**

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

d) **Exercise independent judgment.**

   A director should view each problem or situation objectively. If a disagreement with other directors arises, he should carefully evaluate and explain his position. He should not be afraid to take an unpopular position. Corollary, he should support plans and ideas that he thinks are beneficial to the corporation.

e) **Have a working knowledge of the statutory and regulatory requirements that affect the corporation, including its articles of incorporation and by-laws, the rules and regulations of the Commission and, where applicable, the requirements of relevant regulatory agencies**.

   A director should also keep abreast with industry developments and business trends in order to promote the corporation's competitiveness.

f) **Observe confidentiality.**

A director should keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He should not reveal confidential information to unauthorized persons without the authority of the Board.

4. Internal Control Responsibilities of the Board.

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

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

a) Definition of the duties and responsibilities of the CEO who is ultimately accountable for the Corporation's organizational and operational controls;

b) Selection of the person who possesses the ability, integrity and expertise essential for the position of CEO;

c) Evaluation of proposed senior management appointments;

d) Selection and appointment of qualified and competent management officers; and

e) Review of the corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

E) Board Meetings and Quorum Requirement

To show full commitment to the Corporation, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the Corporation's business. The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Securities & Exchange Commission (the "**SEC**").

Independent directors should 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.

F) Remuneration of Directors and Officers

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

The Corporation shall establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers. No director shall participate in deciding on his remuneration. The Board should align the remuneration of key officers and Board members with the long-term interests of the Corporation. In doing so, it should formulate and adopt a policy specifying the relationship between remuneration and performance.

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

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

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

3. BOARD COMMITTEES

The Board shall establish board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities. The following shall be established: the Audit Committee and the Corporate Governance Committee.

All established committees shall be required to have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. The Charters shall provide the standards for evaluating the performance of the Committees. Committee Charters shall be publicly available and posted on the Corporation website.

A) The Audit Committee

The Board should establish an Audit Committee to enhance its oversight capability over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The committee should be composed of at least three (3) appropriately qualified non-executive directors, the majority of whom, including the Chairman, should be independent. All of the members of the committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the chairman of the Board or of any other committees.

The Committee shall have the following functions:

1. Recommend for approval the Internal Audit Charter ("**IA Charter**"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;

2. Through the Internal Audit ("**IA**") Department, monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the Corporation's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Corporation's financial data, and (d) ensure compliance with applicable laws and regulations;

3. Oversee the IA Department, and recommend the appointment and/or grounds for approval of an internal audit head. The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;

4. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;

5. Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations;

6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Corporation's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;

8. Review and approve the Interim and Annual Financial Statements before their submission to the Board with particular focus on the following matters:

    - any change/s in accounting policies and practices
    - areas where a significant amount of judgment has been exercised
    - significant adjustments resulting from the audit
    - going concern assumptions
    - compliance with accounting standards
    - compliance with tax, legal and regulatory requirements;

9. Review the disposition of the recommendations in the External Auditor's management letter;

10. Perform oversight functions over the Corporation’s Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

11. Coordinate, monitor, and facilitate compliance with laws, rules and regulations;

12. Recommend to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of the Corporation, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders; and

13. Meet with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meet with the head of the internal audit.

The Audit Committee shall ensure that, in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

B) The Corporate Governance Committee

The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including functions of a nomination and remuneration committee. It should be composed of at least three (3) members, all of whom should be independent directors, including the Chairman.

The Corporate Governance Committee shall be tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It shall have the following duties and functions, among others:

1. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;

2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;

3. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

4. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the Board members and senior officers, and remuneration packages for corporate and individual performance;

5. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

6. Propose and plan relevant trainings for the members of the Board;

7. Determine the nomination and election process for the Corporation's directors and has the special duty of defining the general profile of Board members that the Corporation may need and ensuring appropriate knowledge, competencies, and expertise that complement the existing skills of the Board; and

8. Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.

C) Board Risk Oversight Committee

Subject to the Corporation's size, risk profile, and complexity of operations, the Board may establish a separate Board Risk Oversight Committee that shall be responsible for the oversight of the Corporation's Enterprise Risk Management system to ensure its functionality and effectiveness. The Committee shall be composed of at least three (3) members, with qualifications as may be prescribed by the Board of Directors.

The Committee shall have the following duties and responsibilities, among others:

1. Develop a formal enterprise risk management plan which contains the following elements: (i) common language or register of risks, (ii) well-defined risk management goals, objectives and oversight, (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks, (iv) designing and implementing risk management strategies, and (v) continuing assessments to improve risk strategies, processes and measures;

2. Oversee the implementation of the enterprise risk management plan. The Committee shall conduct regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;

3. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Committee shall revisit defined risk management strategies, looks for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;

4. Advise the Board on its risk appetite levels and risk tolerance limits;

5. Review at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;

6. Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of

concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;

7. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function shall include regularly receiving information on risk exposures and risk management activities from Management; and

8. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

D) Related Party Transaction Committee

Subject to the Corporation's size, risk profile, and complexity of operations, the Board may also establish a Related Party Transaction Committee, which shall be tasked with reviewing all material related party transactions of the Corporation and should be composed of at least three (3) directors, with qualifications as may be prescribed by the Board of Directors.

The following shall be the functions of the RPT Committee, among others:

1. 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. Related parties, RPTs and changes in relationships shall be reflected in the relevant reports to the Board and regulators/supervisors;

2. 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 Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:

   - the related party's relationship to the Corporation and interest in the transaction;
   - the material facts of the proposed RPT, including the proposed aggregate value of such transaction;
   - the benefits to the Corporation of the proposed RPT;
   - the availability of other sources of comparable products or services; and
   - an assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;

3. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's RPT exposures and policies on conflicts of interest or potential conflicts of interest. The disclosure shall include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other related parties;

4. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;

5. Ensure that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process; and

6. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

4. ASSESSING BOARD PERFORMANCE

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, individual members, and committees. Every three (3) years, the assessment shall be supported by an external facilitator.

The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders. In establishing the criteria, attention is given to the values, principles and skills required for the Corporation. The Corporate Governance Committee shall oversee the evaluation process.

5. STRENGTHENING BOARD ETHICS

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

The Board shall adopt a Code of Business Conduct and Ethics, which shall provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Senior Management, and employees. It shall also be disclosed and made available to the public through the Corporation's website.

The Board shall ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. The Board has the primary duty to make sure that the internal controls are in place to ensure the Corporation's compliance with the Code of Business Conduct and Ethics and its internal policies and procedures. Hence, it needs to ensure the implementation of said internal controls to support, promote and guarantee compliance. This includes efficient communication channels, which aid and encourage employees, customers, suppliers, and creditors to raise concerns on potential unethical/unlawful behavior without fear of retribution.

6. THE CORPORATE SECRETARY

The Corporate Secretary, who should be a Filipino citizen and a resident of the Philippines, is an officer of the corporation. The Corporate Secretary shall be a separate individual from the Compliance Officer. The Corporate Secretary should not be a member of the Board of Directors and should annually attend a training on corporate governance.

The Corporate Secretary should -

a) Assists the Board and the Board Committees in the conduct of their meetings, including preparing an annual schedule of Board and Committee meetings and the annual board calendar;

b) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation;

c) Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments, and operations of the Corporation, and advise the Board and the Chairperson on all relevant issues as they arise;

d) Be loyal to the mission, vision and objectives of the Corporation;

e) Work fairly and objectively with the Board, Management stockholders and other stakeholders;

f) Have appropriate administrative and interpersonal skills;

g) Have a working knowledge of the operations of the Corporation;

h) Inform the members of the Board and the Board Committees, in accordance with the bylaws, of the agenda of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;

i) Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;

j) Advises on the of Board Committees and their terms of reference; and

k) Perform such other duties and responsibilities as may be provided by the SEC.

7. THE COMPLIANCE OFFICER

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He shall have direct reporting responsibilities to the Chairman of the Board. The Compliance Office should not be a member of the Board of Directors and should annually attend a training in corporate governance.

The Compliance Officer shall perform the following duties:

a) Monitor compliance with the provisions and requirements of this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;

b) Report the matter to the Board if violations are found and recommend the imposition of appropriate disciplinary action;

c) Ensure the integrity and accuracy of all documentary submissions to regulators;

d) Appear before the Securities and Exchange Commission when summoned in relation to compliance with this Manual;

e) Ensure proper onboarding of new directors (i.e., orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);

f) Collaborate with other departments to properly address compliance issues, which may be subject to investigation;

g) Identify possible areas of compliance issues and works towards the resolution of the same;

h) Ensure the attendance of Board members and key officers to relevant trainings; and

i) Perform such other duties and responsibilities as may be provided by the SEC.

The appointment of the compliance officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17C. All correspondence relative to his functions as such shall be addressed to such Officer.

8. THE EXTERNAL AUDITOR

An external auditor shall enable an environment of good corporate governance as reflected in the financial records and reports of the Corporation, an external auditor shall be selected and appointed by the stockholders upon recommendation of the Audit Committee.

The reason/s for the resignation, dismissal or cessation from service and the date thereof of an external auditor shall be reported in the Corporation's annual and current reports. Said report shall include a discussion of any disagreement with said former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

The external auditor of the Corporation shall not at the same time provide the services of an internal auditor to the same client. The Corporation shall ensure that other non-audit work shall not be in conflict with the functions of the external auditor.

The Corporation's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier.

If an external auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement filed during his engagement is incorrect or incomplete, he shall present his views in said reports.

9. THE INTERNAL AUDITOR

The Corporation shall have in place an independent internal audit function which shall be performed by an Internal Auditor or a group of Internal Auditors, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.

The Internal Auditor shall report to the Audit Committee.

The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, being ultimately accountable for the Corporation's organizational and procedural controls.

The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.

10. INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT

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

The Corporation should have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Corporation's operations. The following are the functions of the internal audit, among others:

1. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (i) promoting the right values and ethics, (ii) ensuring effective performance management and accounting in the organization, (iii) communicating risk and control information, and (iv) coordinating the activities and information among the Board, external and internal auditors, and Management;

2. Performs regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment;

3. Performs consulting and advisory services related to governance and control as appropriate for the organization;

4. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;

5. Reviews, audits, and assesses the efficiency and effectiveness of the internal control system of all areas of the Corporation;

6. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

7. Evaluates specific operations at the request of the Board or Management, as appropriate; and

8. Monitors and evaluates governance processes.

Likewise subject to its size, risk profile, and complexity of operations, the Corporation should have a separate risk management function to identify, assess, and monitor key risk exposures. The risk management function involves the following activities, among others:

1. Defining a risk management strategy;

2. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;

3. Evaluating and categorizing each identified risk using the Corporation's predefined risk categories and parameters;

4. Establishing a risk register with clearly defined, prioritized and residual risks;

5. Developing a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy;

6. Communicating and reporting significant risk exposures including business risks (*i.e.*, strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and

7. Monitoring and evaluating the effectiveness of the Corporation's risk management processes.

11. <u>ADEQUATE AND TIMELY INFORMATION</u>

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

Reliance on information volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities. Hence, the members should be given independent access to Management and the Corporate Secretary.

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

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

12. <u>STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS</u>

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

1. Right to vote on all matters that require their consent or Approval

   - 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.

2. Pre-emptive right to all stock issuances of the Corporation unless denied in the Articles of Incorporation

   All stockholders shall have pre-emptive rights, unless the same is denied in the articles of incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the Corporation. The Articles of Incorporation shall lay down the specific rights and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Revised Corporation Code.

3. Right to inspect corporate books and records

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

4. Right to information

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

   - 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 stockholders' meeting, being within the definition of "legitimate purposes".

5. Right to dividends

- Shareholders shall have the right to receive dividends subject to the discretion of the Board.

- The Corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or programs approved by the Board or b) when the corporation is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

6. 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 stockholders 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; and

- In case of merger or consolidation.

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

It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights. The Board should make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.

The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. The Board should encourage active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information, in accordance with the By-Laws of the Corporation and the Securities Regulation Code.

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

The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available as soon as practicable. In addition, the draft minutes of the Annual and Special Shareholders' Meeting shall be made available on the Corporation's website as soon as available.

The Board shall establish an Investor Relations Office ("**IRO"**) to ensure constant engagement with its shareholders. The IRO should be present at every shareholders' meeting. The IRO shall have a designated investor relations officer, email address, and telephone number. Further, creating an Investor Relations Program will ensure that all information regarding the activities of the Corporation are properly and timely communicated to shareholders.

13. COMMUNICATION PROCESS

This Manual shall be available for inspection by any stockholder of the Corporation 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 Resource Department, with a minimum of at least one (1) hard copy of the Manual per department.

14. MONITORING AND ASSESSMENT

a) Each Committee shall report regularly to the Board of Directors.

b) 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 Part 20 of this Manual.

c) The establishment of such evaluation system, including the features thereof, shall be disclosed in the Corporation's annual report (SEC Form 17-A) or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be covered by a Board approval.

d) This Manual shall be subject to quarterly review unless the same frequency is amended by the Board.

e) All business processes and practices being performed within any department or business unit of Model Corporation that are not consistent with any portion of this manual shall be revoked unless upgraded to the compliant extent.

15. GOVERNANCE SELF RATING SYSTEM

The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Manual.

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

16. DISCLOSURE AND TRANSPARENCY

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

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

The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders. The Corporation shall have a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the Corporation's shares within three (3) business days.

The Board shall fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

The Corporation shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.

The material or significant RPTs reviewed and approved during the year should be disclosed in its Annual Corporate Governance Report.

The Corporation's corporate governance policies, programs, and procedures shall be submitted to the regulators and posted on the Corporation's website.

17. ENCOURAGING SUSTAINABILITY AND SOCIAL RESPONSIBILITY

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

20. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation'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 Board shall nevertheless have the discretion either to impose additional penalties or lessen the above penalties based on the presence of aggravating or mitigating circumstances accompanying the violation of this Manual.

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

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