COVER SHEET

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(Company's Full Name)	
SBS PHILIPPINES CORPORATION	
(FORMERLY SYTENGCO PHILIPPI	NES
CORPORATION)	
(Business Address : No. Street City / Town / Province)	
NO. 10 RESTHAVEN STREET SAN	
FRANCISCO DEL MONTE QUEZON	
CITY	
FORM TYPE Department Requiring the Report C G F D Secondary License Type, If Appl	icable
COMPANY INFORMATION	
Company's Email Address Company's Telephone Numbers Mobile ir@sbsph.com 8 3 7 1 - 1 1 1 1	Number
No. of Stockholders Annual Meeting Fiscal Y Month/Day Month/I	
11 Last Friday of June 12/3	
CONTACT PERSON INFORMATION	
The designated contact person MUST be an Officer of the Corporation	
Name of Contact Person Email Address Telephone	
	371-1111
Contact Person's Address 10 Resthaven Street, San Francisco del Monte, Quezon City	



REVISED MANUAL ON CORPORATE GOVERNANCE

PREAMBLE:

The trust of our stakeholders (which includes among others our shareholders, customers, employees, creditors, suppliers, business partners, government and communities where we operate) is the source of success and growth of the Company. We are committed to preserving this relationship of trust by promoting a strong corporate governance culture in the Company that is anchored on transparency, integrity, competent leadership, effective internal controls, and prudent risk management.

This Corporate Governance Manual ("CG Manual") of the Company supplements the Articles and By-Laws of the Company in setting the standards for the corporate governance process, structures, principles, policies and practices that govern the performance of the duties and responsibilities of the board of directors (the Board), management (Management) and employees (Employees) for the effective and prudent management of Company in a manner consistent with the long-term best interests of its stakeholders.

A. Guiding Principles

The Company's corporate governance framework is anchored on the core values of honesty, integrity, hard work, perseverance, productivity and excellence.

In line with the Company's objectives to create a legacy of sustainable growth and be the preferred partner in value creation for all its stakeholders, the Board, Management and Employees of the Company are committed to follow best practices of corporate governance contained in this Manual which in turn are guided by the following principles: .

- Leadership. The Company shall be headed by a competent, working board which will foster the long-term success of the Company, sustain its competitiveness and profitability in a manner consistent with its corporate objectives and support the long-term best interests of its stakeholders.
- Effectiveness. The Board and its committees shall have the appropriate balance of skills, experience, independence and knowledge of the Company and the industry in which the Company operates.

- Accountability. The Board shall act in the best interests of the Company and all stakeholders on a fully informed basis with due diligence and care. It shall ensure that sound risk management and internal controls are in place.
- *Disclosure and Transparency*. The Board shall ensure that its corporate policies and procedures are consistent with all regulatory requirements and best practices regarding disclosure.

B. Corporate Governance Framework

1. Board of Directors

All corporate powers of the Company shall be exercised by the Board unless otherwise provided under the law. The Board is the governing body elected by the shareholders that shall have responsibility for the conduct of the business and control of all assets of the Company.

As the principal governing body of the Company, the Board is tasked to cultivate a strong good corporate governance culture in the Company that is anchored on transparency, competent leadership, effective internal controls, and prudent risk management. The Board of Directors shall have nine (9) members, with the number of independent directors to constitute at least one-third of the members of the Board, but in no case less than three (3).

It shall endeavor to foster the long term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its stakeholders.

1.1 Composition of the Board

The membership of the Board shall be a combination of executive and non-executive directors (including independent directors) who shall be elected individually by the shareholders in accordance with the Company's By-Laws.

The Company shall endeavor that majority of the Board shall consist of non-executive directors, with the number of independent directors to constitute at least one third of its members but in no case less than three (3).

The Board shall at all times encourage inclusivity and diversity in its composition as to age, gender, culture, skills, competence and knowledge. In this regard, the Board shall develop a diversity policy to ensure that it has an appropriate mix of expertise, experience, independence, knowledge of industry and skills that would encourage critical discussion and promote a balanced decision in the attainment of the Company's strategic objectives and sustainable development. Attached herein as Annex A is the Amended Board Diversity Policy of the Company.

The directors should likewise be all persons of proven integrity. Each of them shall endeavour to exercise objective and independent judgment in the performance of their duties and responsibilities.

1.2 Process and Criteria for Nominations and Election of Directors to the Board

The following procedure and criteria shall be observed in the review and screening of persons nominated for election to the Board of Directors:

- a. Written nominations by the stockholders shall be received by the corporation at least 60 days before the date of the Annual General Meeting of the Stockholders:
- b. The Nomination & Remuneration Committee ("NRC") shall assess and determine if the person nominated for election to the Board of Directors meet the following qualification standards for directorship as defined in sections 1.3, 1.4 and 1.5 of this CG Manual;
- c. The NRC may also consider the following matters in their evaluation:
 - I. Directorships in other corporations;
 - II. Any possible conflict of interest.
- d. The NRC shall pre-screen and identify the individual nominees who possess all the qualifications and none of the disqualifications for directorship set for directors, including independent directors, under the Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations;
- e. Thereafter, the NRC shall identify and recommend a list of qualified nominees for Board approval for endorsement for election at the Annual Meeting of the Stockholders:
- f. The directors shall be elected by plurality of votes using the cumulative voting method;
- g. In case of a vacancy in the Board other than removal of a director or expiration of term, the NRC shall identify and recommend, for approval of the Board, nominees to fill Board vacancies as and when they arise. In identifying suitable candidates, the Committee may make use of professional search firms or the services of external advisers to facilitate the search for qualified candidates to the Board.

1.3 Qualifications of a Director

In addition to the qualifications provided in the Revised Corporation Code, the Securities Regulation Code and other relevant laws, a Director shall also possess the following qualifications:

a. Must be at least twenty one (21) years old and owner of at least one (1) share of the capital stock of the Company;

- b. Possess a college degree or its equivalent or shall have been engaged or exposed to the general business of the Company for at least five (5) years;
- c. Possess relevant experience and credentials such as previous business experience in a corporation, membership in good standing in relevant industry, business or professional organizations and practical understanding of the business of the Company and its subsidiaries;
- d. Exhibit high standards of integrity, probity and assiduousness; and
- e. Have none of the director disqualifications prescribed under the By-Laws, Revised Corporation Code, Securities Regulations Code and its implementing rules, SEC Code of Corporate Governance and such other applicable laws and regulations.

1.4 Permanent and Temporary Disqualifications of a Director

In addition to the disqualifications provided in the By-Laws, Revised Corporation Code, Securities Regulation Code and other relevant laws, the following persons shall be permanently disqualified for election to the Board:

- a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (ii) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
- b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the SEC or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Revised Corporate Code, Securities Regulation Code or any other law administered by the SEC or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the SEC or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization;

- c) Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- d) Any person who has been adjudged by final judgment or order of the SEC, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Revised Corporation Code, Securities Regulation Code or any other law administered by the SEC or BSP, or any of its rule, regulation or order;
- e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the Corporation;
- f) Any person judicially declared as insolvent;
- g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (a) to (d) above;
- h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment;
- i) Any person who is engaged in any business which competes with or is antagonistic or harmful to the business of the Corporation, its subsidiaries and affiliates, or where such person is serving as a director, will suffer a serious conflict of interest which adversely affects the business of the Corporation, its subsidiaries and affiliates;
- j) An independent director who has served the maximum cumulative term of nine (9) years as independent director shall be disqualified from being reelected as independent director of the Company; and
- k) Any other ground as the Securities and Exchange Commission may hereafter provided.

Unless otherwise decided by the Board, a director may be temporarily disqualified for any of the following reasons:

- a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disgualification shall be in effect as long as the refusal persists.
- b) Absence in more than fifty (50) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- c) Dismissal or termination for cause as director of any public or listed corporation. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
- d) If the beneficial equity ownership of an independent director in the Corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with. However, the disqualified independent director may run for election as a regular director provided there is a vacancy in the Board.
- e) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
- f) Violation of the provisions of this CG Manual (and/or the Company's Code of Ethics and Conduct

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. Failure to do so for unjustified reasons shall cause the disqualification to become permanent unless otherwise decided by the Board.

1.5 Additional Qualifications of Independent Directors

An Independent Director is one who, apart from his/her fees and shareholdings, is independent of management and 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 in the Company and includes, among others, any person who:

a) Is not a director or officer of the Company or any of its related companies or any of its substantial shareholders except when said directors is an independent director thereof;

- b) Has not been employed in any executive capacity by the Company or any of its related companies or any of its substantial shareholders within the last five (5) years;
- c) Has not been appointed in the Company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- d) Is not an owner of more than two percent (2%) of the outstanding shares of the Company or of its related companies or any of its substantial shareholders;
- e) Is not related to any 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;
- f) Is not acting as a nominee or representative of any director or substantial shareholder of the Company or any of its related companies or its substantial shareholders pursuant to a Deed of Trust or under any contract or arrangement;
- g) Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer:
- h) Is not retained, either in his personal capacity or through a firm, or similar entity as a professional adviser by the Company, or any of its related companies or any of its substantial shareholders within the last five (5) years;
- i) Has not engaged and does not engage whether by himself or with other persons or through a firm of which he is a partner, or a company of which he is a director or substantial shareholder, in any transaction with the Company or any of its related companies or substantial shareholders, other than such transactions which are conducted at arm's length and are immaterial or insignificant;

A related company shall mean another company which is its holding company and/ or its subsidiary and/or subsidiary of its holding company.

1.6 Onboarding of new directors

Newly elected directors shall be properly oriented and briefed by management on the strategy, operations as well as the corporate governance policies and practices of the company. They are further enjoined to visit the company's various locations for a deeper appreciation of the company's operations. If they have not undergone a seminar on corporate governance within the last three years prior to appointment, they should enroll in a corporate governance orientation program or its equivalent before taking their seats on the Board.

Attached herein as Annex B is the Directors' Orientation Policy of the Company.

1.7. Board Commitment

The directors shall devote the necessary time and attention for the proper and effective performance of their duties and responsibilities.

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

The non-executive directors of the Board shall concurrently serve in other directorships up to a maximum of five (5) publicly listed companies to demonstrate their commitment and availability to attend to the affairs of the Company and carry out their duties adequately. All directors with director appointments in other non-listed non-group companies must ensure to have adequate time to attend to the demand of their respective directorships.

In the event that a director is appointed to the board of another company, s/he will advise the Board of such appointment. Should the Board decide that such appointment will conflict with the director's responsibilities to the Company, it may ask him/her to choose between remaining on the Board or resigning.

1.8 General Responsibilities of the Board

The Board shall:

a. Foster the long-term success of the Company, and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stakeholders;

- b. Always act in a manner characterized by fairness, transparency, integrity, and accountability; and
- c. Formulate the Corporation's vision, mission, strategic objectives, policies and procedures and the means to effectively monitor management's performance.

The Board shall be assisted in its duties by the Corporate Secretary and the Compliance Officer, which position shall be held by separate individuals who are not members of the Board.

1.9. Specific Duties and Functions of the Board

The Board shall adhere to best practices in the performance of its functions as set out in the Company's By-Laws and additionally as follows:

- a. Implement a judicious process for the selection of directors and officers who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. In this regard, it will adopt an effective succession planning program for its directors, officers and key managers to promote growth and dynamism in the Company;
- b. Develop sound business and strategic plans, policies and programs such as but not limited to corporate strategies, major plans of action, risk management policies, annual budgets and business plans, major capital expenditures, acquisitions and divestitures. It shall periodically evaluate and monitor the implementation of such plans, policies and programs. It shall likewise create a remuneration policy for its Directors, Management and Employees that are aligned with the long-term best interests of the Company and will help ensure the business sustainability of the Company;
- c. Ensure of a strong compliance culture in the Company by faithful adherence to all relevant laws, rules and regulations, internal charters and polices;
- d. Establish and maintain an investor relations program that will keep stakeholders informed on a timely and regular basis of the important developments with regards to the Company and also serve as its feedback channel. It shall also ensure that appropriate corporate disclosure policies and procedures are in place to provide for accurate, reliable and timely disclosures that are disseminated in a non-exclusionary and non-selective way. It should also strive to fairly present Company's financial condition, results and business operations to its stakeholders;
- e. Promote a mutually beneficial, positive and progressive relationship with the Company's stakeholders and the communities in which it operates or are directly affected by its operations, and promulgate clear policies and programs for the effective communication and engagement of the Company's

- stakeholders for their fair treatment and protection, including redress of rights violated;
- f. Ensure the adoption, adequacy and effectiveness of sound organizational and operational internal controls and systems (including those for conflict of interest situations) for good governance through regular review and monitoring;
- g. Ensure that a sound enterprise risk management framework is in place to effectively identify, monitor, assess and manage key risks of the Company and establish its risk strategies and approach;
- h. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Company 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;
- i. Constitute an Audit and Risk Oversight Committee ("ARO Committee"), Related Party Transaction Committee ('RPT Committee"), Corporate Governance Committee ("CG Committee") Executive Committee ("Execom"), Nomination and Remuneration Committee ("NRC"), Finance and Investment Committee ("FIC") and such other committees it may deem necessary to assist the Board in the performance of its duties and responsibilities;
- j. Establish and maintain an alternative dispute resolution system to amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities. The Company's Alternative Dispute Resolution Policy is provided herein as Annex C.
- k. Provide stockholders with a balanced and comprehensible assessment of the Company's performance, position and prospects on an annual and quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law;
- Conduct an annual self-assessment of the performance and the effectiveness
 of the Board, its committees, and each member with the assessment criteria
 and process based on the mandates, functions, roles and responsibilities
 provided in its charters and have the assessment supported by an external
 facilitator every three (3) years;

- m. Ensure that all newly appointed Directors shall go through an orientation process whereby they are briefed on their fiduciary responsibilities as directors, the Company's governance policies and processes, and the regulatory requirements and industry developments affecting the Company's business and operations, and provide for the continuing development program for the members of the Board;
- n. Adopt a comprehensive set of policies (i.e., Code of Business Conduct and Ethics) that sets out the personal and professional conduct expected from members of the Company to ensure that directors, officers and employees shall uphold the best interests of the Company and work under a culture of integrity and excellence and with a sense of accountability, transparency and urgency. It shall monitor and ensure compliance and disseminate copies thereof to the Board, senior management and employees and made available in the Company's website;
- o. Meet 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;
- p. Keep the activities and decisions of the Board within its authority under the Company's Articles of Incorporation and By-Laws, and in accordance with existing laws, rules and regulations; and
- q. Approve the selection and appointment to the Chief Compliance Officer who shall have the rank of at least senior vice president, the Chief Risk Officer and Chief Audit Executive and monitor their performance.

1.10 Specific Responsibilities of a Director

A director shall observe the following norms of conduct:

- a. Conduct fair business transactions with the Company, and ensure that his personal interest does not conflict with the interests of the Company.
 - i. A director shall not use his position to profit or gain some benefit or advantage for himself and/or his related interests.
 - ii. He shall avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he shall fully and immediately disclose it and shall not participate in the decision-making process. A director who has a continuing material conflict of interest shall seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.

- iii. A director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations for the same. All material related party transactions by the directors with the company are disclosed and brought to the attention of the Board for prior review and approval. The company adheres strictly to the definition and treatment of related party transactions as provided by the SEC rules and regulations.
- b. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities.
 - A director shall devote sufficient time to familiarize himself with the Company's business. He shall be constantly aware of and knowledgeable with the Company's operations to enable him to meaningfully contribute to the Board's work.
 - He shall 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 shall carefully evaluate the issues and, if necessary, make inquiries and request clarification.

d. Exercise independent judgment.

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

e. Have a working knowledge of the statutory and regulatory requirements that affect the Company, 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 shall also keep abreast with industry developments and business trends in order to promote the Company's competitiveness.

f. Observe confidentiality.

A director shall keep secure and confidential all non-public information he may acquire or learn by reason of his position as director. He shall not reveal

confidential information to unauthorized persons without the authority of the Board.

g. Observe compliance with the laws, polices, rules of the Philippines and other regulatory agencies.

This shall include reporting to the public of any dealings in the Company's shares within three business day.

2.0 Board Committees

To assist the Board in discharging its responsibilities and ensure the effective performance of the function of the Board with respect to audit, risk management, related party transactions, nominations and remuneration and other key corporate governance concerns, the Board has constitute the following Board Committees as its principal standing committees: (a) Audit and Risk Oversight Committee, (b) Related Party Transaction Committee, (c) Corporate Governance Committee, (d) Nomination and Remuneration Committee, (e) Finance and Investment Committee, and (f) Executive Committee,

The composition, functions and responsibilities, organizational, reporting and operating processes of the Board committees shall be defined by the Board in the Committee Charter which shall be posted and made publicly available in the Company website. The work and actions of these Committees shall be regularly reported to and monitored by the Board and its performance annually evaluated.

2.1 Audit and Risk Oversight Committee ("ARO Committee")

The Board shall constitute an Audit and Risk Oversight Committee to be composed of at least five (5) members, majority of whom shall be independent directors, including its Chairman. An Independent Director shall be designated as the Chairman of the Committee and preside over its meetings. As far as practicable, the Chairman of the Committee shall not be a Chairman of the Board and of any other Committee. Each member of the Committee shall have relevant background, knowledge, skills and/or experience in the areas of financial and risk management systems.

The non-executive directors of the Committee shall meet separately with external auditor and heads of internal audit, compliance and risk functions for further check and balance.

The duties and responsibilities of the ARO Committee are as follows:

a. Assist the Board in the performance of its oversight responsibility for the financial reporting process, enterprise risk management and system of

- internal control, the audit process, and the company's process for monitoring of compliance with applicable laws, rules and regulations;
- b. Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include regular receipt from Management of information on risk exposures and risk management activities;
- c. Recommend the appointment and removal of the Internal Auditor and External Auditor who shall be accredited with the Securities and Exchange Commission. It should ensure that the internal and external auditors act independently from each other, free form interference from other parties, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- d. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget necessary to implement it;
- e. Prior to the commencement of the external audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- f. Establish an internal audit function, adopt an Internal Audit Charter and consider the appointment of an independent internal auditor and the terms and conditions of his engagement and removal;
- g. Monitor and evaluate the adequacy and effectiveness of the Company's internal control system, including financial reporting control and information technology security;
- h. Review the reports submitted by the internal and external auditors;
- i. Review the quarterly, half-year 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
 - Major judgmental areas
 - Significant adjustments resulting from the audit
 - Going concern assumptions
 - Compliance with accounting standards
 - Compliance with tax, legal and regulatory requirements
- j. Coordinate, monitor and facilitate compliance with laws, rules and regulations;

- k. 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 corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to their independence. The non-audit work, if allowed, should be disclosed in the Company's annual report;
- I. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. 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; and
- m. Monitor and review risk exposures and risk management plans of the Company.

2.2 Related Party Transactions Committee ("RPT Committee")

The Related Party Transactions Committee shall be composed of at least three (3) members, all of whom shall be independent directors, including its Chairman. The RPT Committee assist the Board in fulfilling its oversight responsibility in the implementation and review of the RPT policy of the Company for internal control purposes and in compliance with laws and regulations.

The duties and responsibilities of the RPT Committee are as follows:

2.2.1 Related Party Transactions (RPT)

- a. Review and endorse to the Board the Related Party Transactions Policy and Guidelines of the Company. The Company's Policy on related party transactions is attached herein as Annex D.
- b. Review and endorse for approval the Related Party Transactions of the Company as defined in the approved RPT Policy and Guidelines, whether they are in the best interest of the Company and shareholders and ensure that all RPTs are conducted in fair and at arm's length basis. In evaluation these transactions, the Committee shall take into account, among others, the following:
 - i. The related party's relationship to the Company and interest in the transaction;

- ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
- iii. The benefits to the Company and the shareholders 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 no less favorable than the terms generally available to an unrelated party under similar circumstances. The Company shall have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- c. Ensure appropriate disclosures of related party transactions to the Board and regulators and periodic review of RPT policies and procedures in accordance with regulations.
- d. All approvals made by the Committee will require a majority vote of its members.

2.2.2 Compliance

- a. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of investigation and follow-up of any instances of non-compliance;
- b. Obtain regular updates from Management regarding any auditor observations.

2.3 Corporate Governance Committee ("CG Committee")

The Corporate Governance Committee assists the Board in the performance of its corporate governance responsibilities. The committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It shall be composed of five (5) regular members, three (3) whom shall be independent directors. An Independent Director shall be designated as the Chairman of the Committee and preside over its meetings.

The duties and responsibilities of the Corporate Governance Committee are as follows:

- a) The Committee shall review the size, structure and composition of the Board having regard of the strategic plans of the Company, the prevailing market conditions and scale and complexity of the business and make recommendations to the Board regarding any adjustments necessary to ensure compliance with the Corporation's Articles and By-Laws, Manual for Corporate Governance and applicable legal, regulatory and listing requirements.
- b) It shall conduct an annual evaluation of the Board's performance as well as the Board Chairman's performance and ensure that the results of the said evaluation are shared and discussed among its members. It will see to it that concrete action plans for improvement are developed and implemented. It will ensure that its evaluation will externally facilitated once every three years.
- c) The Committee shall oversee the implementation of the corporate governance framework and periodically review its adequacy and effectiveness. It shall develop and recommend to the Board the corporate governance policies, and keep the Board abreast on the best practices developments on corporate governance.
- d) It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.
- e) It shall review and recommend to the Board for approval the Corporate Governance report for inclusion in the Annual Report to the Shareholders.
- f) It shall make available to new members of the Board a suitable orientation process and for existing members on going trainings (See Annexes B1 and B2).
- g) It shall be responsible for the onboarding of new directors as well as proposing and planning a relevant continuing education program for the members of the Board to ensure their continued effectiveness (See Annexes B1 and B2).
- h) It shall oversee the development of a Data Privacy Policy in order to safeguard data privacy matters, and shall be reflected in the Company's Operations Manual. A copy on the Policy shall be attached herein as Annex F

2.4 Nomination and Remuneration Committee ("NRC")

The Nomination and Remuneration Committee supports and advises the Board in ensuring that it is comprised of individuals who are best able to discharge the duties and responsibilities of Directors. It shall also see to it that the Company has the appropriate nomination and remuneration standards and practices in place. It shall be composed of at least (3) regular members including the lead independent director.

A non-executive director shall be designated as the Chairman of the Committee and preside over its meetings.

The duties and responsibilities of the NRC are as follows:

- a) The Committee shall lead the screening process for nominations for election to the Board of Directors. It shall review and evaluate the qualifications of all persons nominated for election to the Board of Directors in accordance with the requirements of the Corporation's By-Laws, Manual of Corporate Governance and applicable legal, regulatory and listing requirements. It shall identify, approve and recommend to the Board of Directors the list of eligible nominees to be elected as members of the Board of Directors.
- b) The Committee shall consider and determine if nominees for election as independent directors are qualified according to the criteria set under the Listing rules, Revised Code of Corporate Governance of 2016, and other applicable laws and regulations.
- c) The Committee shall oversee the annual performance evaluation of each director, including its executive directors. It shall develop an action plan addressing the results.
- d) The Committee shall assess effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director.
- e) The Committee shall establish a policy for fixing the remuneration packages of the Directors, Management and Employees to ensure that the compensation is consistent with the Company's culture, strategy industry, and business environment. It shall also undertake an annual review of the performance of Directors and key executives. A policy on remuneration and performance with specific metrics shall be developed and attached herein as Annex F.
- f) Review the structure and competitiveness of the Corporation's executive officer compensation programs considering the following factors: (i) to the attraction and retention of executive officers; (ii) the motivation of executive officers to achieve the Corporation's business objectives; (iii) industry benchmarks and (iv) the alignment of the interests of executive officers with the long-term interests of the Corporation's shareholders and other stakeholders.
- g) Recommend a succession plan for the Board and senior officers. A policy on succession planning shall be developed and attached herein as Annex G.

2.5 Finance and Investment Committee ("FIC")

The Finance and Investment Committee assists the Board in the performance of its oversight function to ensure that: a) all projects and investment proposals and their funding requirements are consistent with the business strategy of the Corporation; b) are within approved policies and budgets for said projects; and c) major financing initiatives and proposals are reviewed prior to submission to the Board for securing Board approval and subsequently monitored on behalf of the Board. It shall be composed of (5) regular board members, two (2) of whom shall be independent directors. There should be present at least one regular member-independent director for a valid quorum with majority of members present.

The duties and responsibilities of the FIC are as follows:

- a) The Committee shall define policy and review all major capital expenditures and investments, including fixed income securities, of the Company.
- b) The Committee shall review and recommend capital or debt raising options or activities which may be undertaken by the Company; and
- c) The Committee shall review the capital structure of the Company and recommend to the Board measures to address any and all issues relative to the capital structure and shares of the Company.

2.6 Executive Committee ("Execom")

The Execom shall assist the Board by taking responsibility when the Board is not in session for day-to-day operational matters that require Board approval for compliance purpose by counter-parties. The Execom shall be composed of at least five executive members of the Board and shall have the authority to act on day-to-day operational corporate matters which are within the authority of the Board. In no case shall the Execom be authorized to undertake the following actions which are especially reserved for the Board:

- a) approval of any action of which shareholder approval is also required;
- b) amendment or repeal of By-Laws or adoption of new By-Laws;
- c) approval of the annual report and accounts;
- d) exercise of powers delegated by the Board to other committees;
- e) board appointments and removals;

- f) selection of the Chairman and President & Chief Executive Officer and appointments for Board membership following recommendations from the Nomination Committee:
- g) appointment or removal of the Corporate Secretary and Treasurer;
- h) appointment, reappointment or removal of the external auditor; and
- i) distribution of property and cash dividends to shareholders.

The Execom shall regularly report to the Board of its actions for Board's review and ratification.

3.0 Principal Officers

3.1 Chairman of the Board

The Board shall be headed by a competent and qualified Chairman who shall not concurrently hold the position of Chief Executive Officer of the Company. In addition to his/her duties and responsibilities under the By-Laws, the Chairman of the Board, shall have the following roles and responsibilities, among others:

- a. Make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the 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;
- 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.
- f. Make sure that performance of the Board is evaluated at least once a year and discussed/followed up on; and
- g. Maintain qualitative and timely lines of communication and information between the Board and Management.

3.2 Chief Executive Officer

In addition to his duties and responsibilities under the By-Laws, the Chief Executive Officer shall have the following responsibilities:

- a) Provide general supervision of the business, affairs, and property of the Company and over its employees and officers;
- b) see that all orders and resolutions of the Board of Directors are carried into effect;
- c) Submit to the Board as soon as possible after the close of each fiscal year, and to the stockholders at the annual meeting, a complete report of the operations of the Company for the preceding year, and the state of its affairs; and
- d) Report to the Board from time to time all matters within his knowledge which will have a bearing on the interest of the Company and may require to be brought to the Board's attention.

3.3 Chief Operating Officer

The Chief Operating Officer oversees the day-to-day administrative and operational functions of the Company and shall be responsible for the following:

- a) Directs internal operations covering warehouse and logistics, quality systems, health and safety, and regulatory compliance to ensure an affective and efficient operation level of the Company.
- b) Participates in the development of short-term and long-range plans and budgets based upon broad organization goals and objectives of the Company.
- c) Ensures that all Company activities and operations are performed in compliance with local and national regulations and laws governing business operations.
- d) Oversees the installation of the necessary action plan, operating guidelines and policies, and resources to achieve Good Warehousing Practices (GWP) in all storage sites, increase productivity rate of operations, and meet customers expectations of the Company's services.
- e) Continuous progress in term of Safety, Environment, Quality, Product Stewardship of the products and services.

3.4 Chief Financial Officer

The Chief Finance Officer may also be the Treasurer of the Company and shall be responsible for the following:

- i. Provide management with accurate, relevant, and timely operating and financial reports;
- ii. Monitor the financial condition of the Company, including analysis of financial strengths and weaknesses and propose actions.
- iii. Conduct financial planning and tracking of cash flow for optimal utilization of the financial resources of the Company
- iv. Establishing and developing relations with senior management and external partners and stakeholders
- v. Maintain the integrity of accounting records as the basis of financial statements; and
- vi. Strengthen internal controls by monitoring compliance with policies; recommend to Management appropriate actions and changes in systems and procedures as circumstances may require

3.5 Corporate Secretary

A Corporate Secretary shall be appointed to assist the Board in the performance of its duties and responsibilities.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines and shall possess organizational and interpersonal skills as well as a legal, financial and accounting knowledge. As far as practicable, he/she shall not be appointed as a member of the Board nor as Compliance Officer on a concurrent basis.

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

- i. Serve as adviser to the directors on their responsibilities and obligations;
- ii. Assist the Board and its Committees in the conduct of their meetings, including preparation of an annual schedule of meetings and assist the Chairman of the Board and Committee Chairman to set the agenda for the meeting;
- iii. 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 Company;

- iv. Provide advice and assistance in connection with the establishment of board committees and their terms of reference:
- v. Be loyal to the mission, vision and objectives of the Company;
- vi. Work fairly and objectively with the Board, Management, stockholders and other stakeholders;
- vii. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Company; advises the Board and the Chairman on all relevant issues as they arise;
- viii. Have a working knowledge of the operations of the Company;
 - ix. Inform the members of the Board, in accordance with the By-laws, 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;
 - x. Attend all Board meetings, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent him from doing so;
 - xi. Performs required administrative functions;
- xii. Oversees the drafting of the By-laws and ensures that they conform with regulatory requirements;
- xiii. Ensure that all Board procedures, rules and regulations are strictly followed by the members:
- xiv. Attend a training in corporate governance on an annual basis; and
- xv. Such other responsibilities as may be required by the Board of Directors.

3.6 Chief Audit Executive

The Chief Audit Executive shall be appointed to head the Internal Audit function of the Company and shall have the following responsibilities:

a) Provides Leadership in the strategic planning and execution of the Internal Audit Department activities

- b) Ensures that annual risk-based internal audit plan is developed and submitted for Audit & Risk Oversight Committee review and approval
- c) Formulates and coordinates control implementation strategies with the Board, through the Audit & Risk Oversight Committee, and Senior Management
- d) Communicate the results of audit and risk assessment activities with the Board, through the Audit & Risk Oversight Committee, and the Senior Management

3.7 Chief Risk Officer

The Chief Risk Officer shall be appointed to oversee and supervise the entire enterprise risk management process and shall have the following responsibilities:

- a) Oversees the design and implementation of the company's risk management policies and ensures that it is embedded in the organization's plans, structure and activities
- b) Documents the risk management processes and activities in accordance with the risk management policies
- c) Ensures the development of risk related plans and formulation of strategies to identify and mitigate risks and monitor its progress
- d) Ensures that the process of identification and evaluation of potential threats/risk on business processes, data protection, operations and EHS, and financial stability of the company are implemented.
- e) Provides advise and monitors management responses in mitigating risks
- f) Promotes risk management culture throughout the organization.

3.8 Chief Compliance Officer

The Board shall be assisted in the performance of its duties by a Chief Compliance Officer shall have a rank of a Senior Vice President or its equivalent having adequate stature and authority in the Company and shall have direct reporting responsibilities to the Chairman of the Board. The Chief Compliance Officer shall not be a member of the Board as far as practicable and shall annually attend a training on corporate governance.

The Chief Compliance Officer shall perform the following duties:

i. Ensure that all directors appointed to the Board have gone through an orientation process whereby they were briefed by the Corporate Secretary, Chief Compliance Officer and Management on their fiduciary responsibilities as directors, the Company's governance policies and processes, and the regulatory and industry developments affecting Company's business and operations, and attend and participate in the continuing development program for the members of the Board:

- ii. Monitor, review, evaluate and ensure the compliance by the Company, its officers and directors with the relevant laws, rules and regulations and all governance issuances of regulatory agencies, this CG Manual and the Code of Ethics and Conduct;
- iii. Report violations to the Board and recommend to the Board the imposition of appropriate disciplinary action on the parties responsible and the adoption of measures to prevent a repetition of the violation thereof;
- iv. Appear before the Commission when summoned in relation to compliances with the requirements of the Corporate Governance Code for Publicly Listed Companies;
- v. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- vi. Ensure fulfilment of reportorial and disclosure obligations of the Company to the Securities and Exchange Commission and the Philippine Stock Exchange;
- vii. Identify and monitor compliance risks and possible issues and works towards the resolution or control of the same; and
- viii. Performs such other duties and responsibilities as may be provided by the Commission.

4.0 Employees

The Company is committed to promoting the safety, well-being and professional development of its employees and maintaining a work environment that fosters harmonious, productive working relationships and encourages mutual employee respect. There is zero tolerance for sexual harassment and other actions that violate the basic safety or dignity of an employee.

The Company promotes a culture of learning and employee involvement and values diversity of opinion and open debate. Conflicts or disputes are addressed through discussion, negotiation, mediation, arbitration and lastly resort to judicial processes. For conflicts of interest, the Conflict of Interests Policy provides for the framework for conflict avoidance and management.

Subject to the grievance procedure and requirements prescribed by law, the Company imposes disciplinary measures on directors, officers and employees whose conduct deviates from those prescribed under the Company policies and guidelines such as but not limited to those provided under the Company's Manual of Corporate Governance, Code of Conduct and Ethics, Anti-Corruption Policy, Whistleblowing policy, Employee Handbook, Conflict of Interests Policy, Insider Trading Policy, and By-Laws. Copies of all these documents are made available during their orientation program and can also be found on the Company's website.

The Company shall also develop policies on health, safety, and welfare of employees, training and development of employees to ensure their continued wellbeing and professional development while on the job.

5.0 Audit and Compliance

5.1 Internal Audit

The Internal Audit function shall be headed by a Chief Audit Executive who shall preferably be a Certified Public Accountant and/or a Certified Internal Auditor and shall report functionally to the Audit and Risk Oversight Committee of the Board of Directors and administratively to the Chief Executive Officer.

The scope of internal audit encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and internal controls as well as the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. When appropriate, it shall also evaluate and monitor risk exposures relating to achievement of the organization's strategic objectives.

To execute their mandate, internal audit develops an annual audit plan for approval of the Audit & Risk Oversight Committee, which is based on a prioritization of the audit universe using risk-based methodology and also taking into consideration past audit results, inputs from the Audit & Risk Oversight Committee, the CEO, CRO and the external auditors. Internal Audit is authorized unrestricted access to any and all of SBS Philippines Corporation's records, physical properties, and personnel pertinent to carrying out any engagement approved by the Board through the Audit & Risk Oversight Committee.

5.2. External Auditor

In the selection of the external auditor, the Company shall consider among others, the suitability and adequacy of the experience, competence and resources of the external auditor as well as their independence and objectively. The external auditor should have a good understanding of the Company's business, risk management and operational issues.

An SEC accredited external auditor shall be appointed by the stockholders upon recommendation by the Board, after consultations with the Audit and Risk Oversight Committee. It shall have for its principal function to conduct an independent audit and provide an objective assurance on the manner in which the financial statements shall have been prepared and presented.

The reason/s for the resignation, dismissal or cessation from service of an external auditor and the effective date thereof shall be reported in the Company's annual and current report. Such report shall include a discussion of any disagreement regarding accounting principles or practices, financial disclosures or auditing scope or procedure which the former auditor of the Company failed to resolve satisfactorily.

The Company shall ensure that the external auditor's independence will not be compromised by any non-audit services to be provided and the amount of non-audit fees to be paid. The external auditor of the Company shall not at the same time provide the services of an internal auditor to the same client.

The Company's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier or the signing partner of the external auditing firm assigned to the Company, shall be changed with the same frequency.

6.0 Risk Management

The Company shall promote a risk-aware culture by making risk management a responsibility of every employee and an integral part of the Company's strategic and operational planning, and day-to-day management and decision making.

The Company shall manage and minimize risks by identifying, analyzing, evaluating and treating exposures that may impact on the achieving its objectives and the continued efficiency and effectiveness of its operations.

The Company shall appoint a Chief Risk Officer who shall oversee and supervise entire enterprise risk management process and recommend improvement of ERM processes and documentation. These activities are reviewed and monitored by supervising committees of the Board such as the Executive Committee and the Audit and Risk Oversight Committee.

The Company shall adopt a bottom-up approach in its risk management process, with line management primarily responsible for the identification of risks and the implementation of its control strategies. Training programs to explain the value of risk management and understand the risk responsibilities of personnel in the different organization levels shall be held periodically to ensure that sound risk management and safety practices are implemented in the day-to-day operations.

7.0 Disclosure and Transparency

The trust of the shareholders and other stakeholders is fundamental to the business of the Company and thus the Company adheres to the principles of transparency, fairness and integrity.

To promote trust and confidence in the integrity of the Company, it is the policy of the Company to fully and timely disclose material information and dealings and to disseminate such information in a non-exclusionary and non-selective way. Shareholders and the investing public shall be regularly, timely and clearly informed of the developments involving the Company, its strategies and prospects to promote greater understanding of the Company.

Company disclosures pertaining to the Company, its operation, employees, directors or officers shall be reviewed and approved by Management and/or the Board for public dissemination. Corporate financial disclosures are reviewed by the ARO Committee and endorsed to the Board for its public release.

The Company shall employ the following modes of communication for disseminating Company information and results on a regular basis to its stakeholders:

- a. Company website
- b. Press releases
- c. Structured and unstructured corporate disclosures
- d. Meetings between Company officers and analysts/institutional investors
- e. Annual report
- f. Local participation in industry-oriented exhibits and conferences
- g. Stockholders' meeting
- h. Email alerts

The Company shall have an Investor's Relations Officer who shall primarily responsible for communicating developments involving the Company, and serve as a feedback channel for shareholders and other stakeholders.

8.0 Stockholders' Rights and Protection of Minority Stockholders

The Company shall attach considerable importance to shareholder rights and interests. In line with this, the Company shall:

a. Facilitate the exercise of the shareholders of their rights by ensuring that they can participate effectively in and vote at the Shareholders' Meetings, either in person or by proxy.

- b. Encourage shareholder participation at shareholders meetings by ensuring that the venue for meeting is centrally located and easily accessible by public transportation and the voting procedures explained in advance. The notice of meetings shall be communicated to shareholders also through the Company website and the PSE Edge Disclosure System. Shareholders shall be provided with sufficient information in the Information Statement provided to them to enable them to make informed decisions on matters submitted for their consideration. Resolutions on each agenda item shall be tabled separately to enable shareholders to vote for each item and the results of the votes taken are reported during the meeting and make publicly available in the Company's website the day following the meeting. Shareholders shall be given the opportunity to communicate their views and direct questions to Directors and Senior Management regarding the Company during shareholder meetings and by communicating through the Company's Investor's Relations Office.
- c. Respect the following rights of the stockholders:
 - i. Right to vote on all matters that require their consent or approval;
 - ii. Right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
 - iii. Exercise cumulative voting in the election of directors.
 - iv. No director shall not be removed without cause if it will deny minority shareholders representation in the Board.
 - v. Right to inspect corporate books and records;
 - vi. Right to information;
- vii. Right of minority shareholders 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 purpose;
- viii. Right to receive dividends that may be declared by the Board;
- ix. Appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided under Section 82 of the Corporation Code of the Philippines.

9.0 Approach to Sustainability

The Company is committed to ensure business sustainability by promoting a culture of responsibility in managing the environmental, social and governance effects of its strategies and operations. Its approach to sustainability involves giving importance to customer experience and workplace safety, promoting trade and industry and a risk-focused organization, supporting the development of the communities in which it operates and managing its environmental impact.

10. 0 Effectivity

This Revised Manual of Corporate Governance was adopted by the Board of Directors on November 9, 2021 with immediate effect.

The Company shall align its Corporate Governance structures, policies and procedures in accordance with the requirements of this Manual within a period of one hundred twenty (120) days from effectivity of this Revised Corporate Governance Manual.

This Manual shall be available for inspection by any stockholder 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 this Manual, both in printed or electronic form, must be reproduced and disseminated, with a minimum of at least one (1) hard copy of the Manual per Department.

Signed this 9th day of November 2021 in Quezon City.

By order of the Board of Directors:

Chairman of the Board

Chief Compliance Officer

ANNEX A



AMENDED BOARD DIVERSITY POLICY

I. PURPOSE

In line with SBS Philippines Corporation's ("SBS" or the "Company") commitment to adhere to the principles of good corporate governance, the SBS Board Diversity Policy (the "Policy") is hereby established to ensure that the Board of Directors of the Company has an appropriate mix of expertise, experience, independence, knowledge and skills that will encourage critical discussion and promote sound decision making in the attainment of the Company's strategic objectives and sustainable development.

II. POLICY STATEMENT AND PRINCIPLES

- The Company recognizes the benefits of having a board that possesses a
 diversity of functional expertise, professional experience, qualifications and
 skills regardless of age and gender, in order to achieve a balance of
 perspectives appropriate to the requirements of the businesses of the
 Company and for the effective discharge of the duties and responsibilities of
 the Board.
- 2. The Board shall aim to have at least two (2) female directors as members. The Company is not averse to having more than two female directors at any given time.

III. MEASURABLE OBJECTIVES

The members of the Board of Directors shall be selected from a broad pool of qualified nominees. In order to achieve a diverse board, varied aspects are to be considered, including, but not limited to variety in terms of: academic, professional and business background, age, gender, and other regulatory requirements. The final composition of the board shall be grounded on merit and potential contribution of the selected directors to the Company.

IV. MONITORING AND REPORT

The Corporate Governance Committee shall conduct, from time to time, a review of this Policy, and other Corporate Governance policies as often as necessary to ensure that the provisions remain applicable to the Company. The Committee shall also recommend any practicable amendments to the Policy.

V. DISCLOSURE

- This Policy, as well as the final composition of the Board, shall be published on the Corporate Governance section of Company's website for public information.
- 2. A summary of this Policy will be disclosed in the Integrated Annual Corporate Governance Report (I-ACGR).

VI. EFFECTIVITY

The Board Diversity Policy was approved by the Board of Directors upon endorsement of the Corporate Governance Committee effective November 9, 2021.

ANNEX B1



DIRECTORS' ORIENTATION POLICY

SBS PHILIPPINES CORPORATION ("SBS" or the "Company") hereby formalizes this Directors' Orientation Policy (the "Policy").

As a rule, the Chairman of the Corporate Governance Committee and the Corporate Secretary shall ensure that each new Director shall comply with the requirements set out in this Policy on the orientation programs for first time newly-elected Directors ("New Directors")

1. ORIENTATION PROGRAM FOR NEWDIRECTORS

1.1. Rationale

This Policy aims to provide New Directors of the Company with the necessary knowledge of and familiarity with the Company's day-to-day operations in order to be able to make a more meaningful contribution to the Company. This can be achieved through a comprehensive orientation program for all new directors upon their appointment to the Board.

1.2. Orientation of the New Directors

The Orientation Program of the New Directors will provide an overview of the overall operations of the Company and will allow them to interact with the key decision makers of the Company.

The New Directors should meet with the Chairman of the Board, the Chief Executive Officer, the Corporate Secretary as well as all C-suite managers. Other managers may be called to meet with them if required.

- 1.2.1 An overview of the Company including the introduction of the Company's business and brief discussion of Charter documents;
- 1.2.2 The Company's latest audited financial results together with Management's Discussion and Analysis;
- 1.2.3 Corporate Governance Structure and Policies, including the duties and responsibilities of a director;
- 1.2.4 Present Business Strategy and Plans;
- 1.2.5 Company's Data Privacy Policy
- 1.2.6 Director remuneration and benefits

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The orientation program for New Directors shall be completed ideally within the first 30 days of the Director's tenure, and if possible, before the Director's first Board meeting.

1.3. Visit and Inspection of Sites

New Directors are encouraged to visit the Company's sites of operations within the same period provided in item 1.2 above or as soon as practicable. Management will make the necessary arrangements for this visit.

The objective is to help the New Directors gain familiarity with the business environment and the actual operations of the Company. In addition, this will be an opportunity for New Directors to interact with the middle management and the other employees of the Company.

2. EFFECTIVITY

This Policy shall be effective immediately.

3. APPROVAL

Endorsed For Board Approval By: Endorsed For Board Approval By:

Endorsed For Board Approval By:

hief Compliance Officer

Gerry D. Tan

President & Chief Executive Chairman, Corporate

Officer (CEO)

Roberto F Anonas, Jr

Governance Committee

APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 9, 2021

ANNEX B2



DIRECTORS' CONTINUING EDUCATION PROGRAM

SBS PHILIPPINES CORPORATION ("SBS" or the "Company") hereby formalizes this Directors' Program (the "Program").

As a rule, the Chairman of the Corporate Governance Committee and the Corporate Secretary shall ensure that each Director shall comply with the requirements set out in this Program.

- Rationale. This Program aims to ensure that the members of the Board and Company's principal officers ("Officers") are provided with the necessary, relevant and appropriate training and/or development programs annually. The annual training of the members of the Board and Officers ensures that they are informed of the developments in the business and regulatory landscapes of the industry to enhance their effectiveness and competency in addressing the needs of the Company.
- II. The Program. The Corporate Governance Committee and the office of the Chief Compliance Officer are responsible for arranging and facilitating the relevant and/or required training and/or development programs or courses for the members of the Board and Officers. A reasonable annual budget for the trainings and development programs shall be made available by the Company.
- III. Coverage. All Directors and Officers of the Company are required to comply with the Program.
- IV. All Directors and Officers are required to complete at least a total* of 4 hours of accredited seminar, workshop or program annually, whether sponsored by the Company or by external accredited service provider/s, whether in or outside the Philippines. Directors may also choose to pursue a director certification program, if available. (*Note: minimum 4 hours required by SEC for compliance purposes)
- V. Continuing education programs for the members of the Board and Officers may include but are not be limited to the following:
 - Business Operations of SBS;
 - ii. Revised Code of Corporate Governance
 - iii. ASEAN Corporate Governance Scorecard and SEC Annual Corporate Governance Report;
 - iv. Board Responsibilities
 - v. Illegal activities of corporations/directors/officers;
 - vi. Insider trading:

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- vii. Protection of minority shareholders;
- viii. Short Swing Transactions;
- ix. Liabilities of Directors;
- x. Confidentiality;
- xi. Conflict of Interest;
- xii. Related Party Transactions;
- xiii. Case studies; and
- xiv. Financial Reporting and Audit.

The following activities shall likewise be made available:

- Management shall provide Directors and Officers updates on items of interest regarding the Company and its business, along with pertinent articles and reports published regarding the Company and its business;
- Presentation by the Chief Finance Officer and/or Chief Compliance Officer on new accounting, legal, regulatory requirements, rules and/or policies affecting the Company;
- iii. Site visits from time to time.

The Corporate Secretary shall keep records of the details of attendance at seminars and participation in directors' and officers' training courses of each director and officer.

VI. Effectivity. This Program shall be effective immediately.

VII. Approval

Endorsed For Board Approval By: Endorsed For Board Approval By: Endorsed For Board Approval By:

Jose Fidel R. Acuña

Chief Compliance Officer

Gerry D. Tan

President & Chief Executive

Officer (CEO)

Roberto F. Anonas, Jr

Chairman, Corporate
Governance Committee

APPROVED BY THE BOARD OF DIRECTORS ON NOVEMBER 9, 2021

ANNEX C



ALTERNATIVE DISPUTE RESOLUTION POLICY

As part of its commitment to good corporate governance, SBS Philippines Corporation ("SBS" or the "Company") aims to maintain a harmonious relationship with all its stakeholders. Part of these involves having an effective dispute resolution process to manage disagreements with stakeholders. In this regard, SBS is adopting this policy which encourages all sides to seek alternatives to legal interventions that seek judicial relief.

COVERAGE

The Company's Alternative Dispute Resolution ("ADR") System shall cover disputes between the Company and its stockholders, and the Company and third parties as herein provided. A dispute shall mean a conflict of claim or rights, or an assertion of claim or demand by a stockholder or a third party, including regulatory authorities, met by contrary claim or assertion on the part of SBS and vice versa (hereinafter, "Dispute")

The ADR System shall not cover mere complaints. A complaint shall mean a statement of some grievance or dissatisfaction by a stockholder or a third party. As far as practicable, and when the parties so agree, SBS shall aim to seek ADR in all grievances and disputes.

PROCESS:

The Company's management through its Executive Committee shall determine the materiality of the case based on the Company's risk appetite as approved by the Board in its Risk Management Policy.

For non-material disputes, Management shall handle the ADR process.

For material disputes, Management shall endorse the dispute to an ad hoc committee to be formed as follows:

- Disputes with shareholders shall be handled by an ad hoc committee composed of the Corporate Secretary, a representative from the Executive Committee, and the lead Independent Director;
- Disputes with external parties shall be handled by an ad hoc committee composed of the Legal Counsel, a representative from the Executive Committee, and the lead Independent Director;

MONITORING AND REPORTING

All dispute referred to the ADR process shall be monitored as follows:

- a. Non material disputes shall be monitored and reported by the Company's President.
- b. Material disputes with the Company's stockholders shall be monitored and reported by the Office of the Corporate Secretary
- c. Material disputes between with third parties shall be monitored and reported by the Company's Counsel;

All Disputes referred to the ADR process shall be reported to the Corporate Governance Committee.

SETTLEMENT

Any settlement during negotiation or mediation shall be submitted by the Executive Committee to the Corporate Governance Committee which shall in turn endorse it to the Board of Directors for approval or other appropriate action.

SBS Alternative Dispute Resolution Policy was approved by the Corporate Governance Committee on November 5, 2021 and by the Board of Directors on November 9, 2021

ANNEX D

SBS PHILIPPINES CORPORATION

REVISED POLICY ON RELATED PARTY TRANSACTIONS

I. Policy Statement:

It is the policy of the Company that transactions between the Company and/or its subsidiaries and affiliates and with any of its directors, officers, significant shareholders (beneficial share ownership of more than 10%), persons with significant influence(participate in the financial and operating policy decisions of an entity or control over policies), or certain entities or persons related to them as defined by relevant rules of the Securities and Exchange Commission ("Related Parties") will be on terms no less favorable to the Company than those entered into with unrelated parties under same or similar circumstances and will not be prejudicial to the Company and its minority shareholders.

II. Purpose:

This policy aims to establish the procedure for the proper reporting, review and approval of transactions between the Company and/or its subsidiaries and affiliates and with any of its directors, officers, significant shareholders (beneficial share ownership of more than 10%), or certain entities or persons related to them ("Related Parties")

III. Coverage (see parties identified in Policy Statement above):

This policy governs related party transactions between the Company and its subsidiaries (the "Group") and its related parties involving the transfer of resources, services or obligations, regardless of whether a price is charged.

IV. General Criteria for the Review of Related Party Transactions (RPTs):

The following factors, among others, shall be considered in the review and evaluation of related party transactions:

- a. All RPTs entered into by the Company or to be entered into by any unit of the Company (including subsidiaries) shall be transacted on an arm's length basis.
- b. The transaction terms should be no less favorable to the Company or Group than those entered into with unrelated parties under same or similar circumstances;
- c. The transaction will not be prejudicial to the Company and its minority shareholders.
- d. The Company shall endeavor to exercise due diligence in determining a fair price for the RPTs.

V. Review and Approval of RPTs

a. Management shall ensure that each RPT is reviewed and documented following the general criteria mentioned above.

- b. Related party transactions, either individually or part of a series of transactions, other than recurring related party transactions of revenue or trading nature or those necessary for the Company's day-to-day operations, which exceeds Three Million Pesos (PhP3,000,000.00) in value <u>per year</u> shall be subject to the review and approval of the Related Party Transaction Committee.
- c. For internal control purposes, if the value of an RPT, other than recurrent related party transactions of revenue or trading nature or those necessary for its day-to-day operations, exceeds Ten Million Pesos (PhP 10,000,000.00) but less than the Material RPT limit defined in item "d" below, the same shall be reviewed by the Related Party Transaction Committee, that shall have at least two independent directors who have no interest in the transaction, for their evaluation and endorsement to the Board, for final approval.
- d. For Material RPT transactions, which shall refer to RPT transactions, either individually or part of a series of transactions over a 12 month period, equal to or higher than 10%, of the Company's total assets based on the latest audited financial statements, the specific approval and disclosure requirement for these shall be in accordance with SEC memorandum circular no. 10, Series of 2019.
- e. Management shall report on status and aggregate exposures of each related party to the Related Party Transactions Committee on a quarterly basis.
- f. The Related Party Transaction Committee shall review any internal audit report on RPTs on a quarterly basis and report them to the Board.

VI. Exempt RPTs

The following are considered Exempt Related Party Transactions, which shall not require review and approval by the Related Party Transaction Committee, but may require regular reporting to the Board of Directors:

- a. *De minimis* transactions, which are unusual and non-recurring and the aggregate transaction value of which over a twelve month period is below Three Million Pesos (PhP3,000,000.00)
- b. Recurring related party transactions of revenue or trading nature or those necessary for the Company's day-to-day operations, which does not exceed Three Million Pesos (PhP3,000,000.00) in value per year.
- c. Compensation of directors and chief executive officer and other benefits which may be offered by the Company to officers that forms part of their remuneration which are approved and endorsed by the Remuneration Committee.

Presented by:

GEOCEL D. OLANDAY

Chairman Related Party Transaction Committee

Noted by:

NECISTO U. SYTENGCO

Chairman

GERRY D. TAN

Acting Compliance Officer¹

 $^{^{\}mathbf{1}}$ As authorized to act as such in the absence of the Compliance Officer

ANNEX E



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1.0 OBJECTIVES

This Privacy Manual is hereby adopted in compliance with Republic Act No. 10173 or the Data Privacy Act of 2012 (DPA), its Implementing Rules and Regulations, and other relevant policies, including issuances of the National Privacy Commission (NPC). SBS Philippines Corporation (SBS) respects and values data privacy rights and makes sure that all personal data collected from its clients, customers, employees, and other third parties are processed in adherence to the general principles of transparency, legitimate purpose, and proportionality.

This Manual shall inform about SBS' data protection and security measures and may serve as a guide in exercising one's rights under the DPA.

2.0 SCOPE

All personnel of SBS, regardless of the type of employment or contractual arrangement, must comply with the terms set out in this Privacy Policy.

3.0 DEFINTION OF TERMS

- 3.1 **Data Subject** refers to an individual whose personal, sensitive personal or privileged information is processed by SBS. It may refer to customers, suppliers, officers, employees, job applicants, consultants, and shareholders of this organization
- 3.2 Personal Information refers to any information whether recorded in a material form or not, from which the identity of an individual is apparent or can be reasonably and directly ascertained by the entity holding the information, or when put together with other information would directly and certainly identify an individual.
- 3.3 Processing refers to any operation or any set of operations performed upon personal information including, but not limited to, the collection, recording, organization, storage, updating or modification, retrieval, consultation, use, consolidation, blocking, erasure or destruction of data.

4.0 PROCESSING OF PERSONAL DATA

4.1 **COLLECTION**

SBS collects the basic contact information of customers, including their full name, address, email address and contact number together with the products that they would like to purchase. The sales representative attending to customers will collect such information through accomplished order forms.



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In the course of supplier accreditation, SBS also collects the basic information of suppliers, including their full name, tax identification numbers, contact number, address and email addresses. The purchasing assistant gathers these data through the supplier accreditation form and required documents.

The Human Resource department collects information of employees and job candidates through the employee information sheet and job application form.

SBS may also collect information from shareholders and other parties for documentation and reporting purposes.

4.2 **USE**

Personal data collected shall be used by SBS for documentation and reporting purposes, for warranty tracking vis-à-vis purchased items, and for the inventory of products.

4.3 STORAGE, RETENTION AND DESTRUCTION

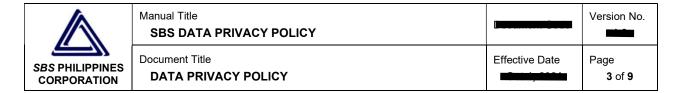
SBS will ensure that personal data under its custody are protected against any accidental or unlawful destruction, alteration and disclosure as well as against any other unlawful processing. SBS will implement appropriate security measures in storing collected personal information, depending on the nature of the information. As a general rule, personal information gathered shall not be retained for a period longer than two (2) years if the information is not in active use. After two (2) years of inactivity, all hard and soft copies of personal information shall be disposed and destroyed, through secured means. This general retention guideline shall not apply to transactional documents and information whose retention are prescribed by other laws and regulation. Such exemption includes, but are not limited to, sales and purchases records, contracts and tax documents.

4.4 ACCESS

Due to the sensitive and confidential nature of the personal data under the custody of SBS, only the customer and the authorized representative of SBS shall be allowed to access such personal data, for any purpose, except for those contrary to law, public policy, public order or morals.

4.5 **DISCLOSURE AND SHARING**

All employees and personnel of SBS shall maintain the confidentiality and secrecy of all personal data that come to their knowledge and possession, even after resignation, termination of contract, or other contractual relations. Personal data under the custody of SBS shall be disclosed only pursuant to a lawful purpose, and to authorized recipients of such data.



5.0 SECURITY MEASURES

5.1 ORGANIZATION SECURITY MEASURES

5.1.1 **Data Protection Officer (DPO)**

SBS shall designate a Data Protection Officer (DPO) who will be accountable for compliance with the DPA, its IRR, and other issuances by the NPC. The DPO designation is further described in Appendix A..

5.1.2 Functions of the DPO

The DPO shall oversee the compliance of SBS with the DPA, its IRR, and other related policies, including the conduct of a Privacy Impact Assessment, implementation of security measures, security incident and data breach protocol, and the inquiry and complaints procedure.

5.1.3 Conduct of trainings or seminars to keep personnel, especially the DPO updated vis-à-vis developments in data privacy and security

SBS shall sponsor a mandatory training on data privacy and security at least once a year for personnel directly involved in the processing of personal data. Management shall ensure their attendance and participation in relevant trainings and orientations as often as necessary.

5.1.4 Conduct of Privacy Impact Assessment (PIA)

SBS shall conduct a PIA relative to all activities, projects and systems involving the processing of personal data. SBS may choose to outsource the conduct of a PIA to a third party.

5.1.5 **Duty of Confidentiality**

All employees will be asked to sign a Non-Disclosure Agreement. All employees with access to personal data shall operate and hold personal data under strict confidentiality if the same is not intended for public disclosure.

5.1.6 Review of Privacy Manual

This Manual shall be reviewed and evaluated annually. Privacy and security policies and practices within SBS shall be updated to remain consistent with current data privacy best practices.



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5.2 PHYSICAL SECURITY MEASURES

5.2.1 Format of data to be collected

Personal data in the custody of SBS may be in digital/electronic format and paper-based/physical format.

5.2.2 Storage type and location

All personal data being processed by SBS shall be stored in a data room, where paper-based documents are kept in locked filing cabinets while the digital/electronic files are stored in computers provided and installed by SBS. Access to working files that are currently stored in the departmental storage cabinets shall be strictly limited to the process owners.

5.2.3 Access procedure of agency personnel

Only authorized personnel shall be allowed inside the data room. For this purpose, they shall each be given a duplicate of the key to the room. Other personnel may be granted access to the room upon filing of an access request form with the DPO and the latter's approval thereof.

5.2.4 Monitoring and limitation of access to room or facility

All personnel authorized to enter and access the data room or facility must fill out and register with the online registration platform of SBS, and a logbook placed at the entrance of the room. They shall indicate the date, time, duration and purpose of each access.

5.2.5 **Design of office space/workstation**

The computers are positioned with considerable spaces between them to maintain privacy and protect the processing of personal data.

5.2.6 Persons involved in processing, and their duties and responsibilities

Persons involved in processing shall always maintain confidentiality and integrity of personal data. They are not allowed to bring their own gadgets or storage device of any form when entering the data storage room.

5.2.7 Modes of transfer of personal data within SBS, or to third parties

Transfers of personal data via electronic mail shall use a secure email facility with encryption of the data, including any or all attachments. Facsimile technology shall not be used for transmitting documents containing personal data.



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5.2.8 Retention and disposal procedure

Except for the Human Resource department, which shall retain the personal data of a data subject for a period of five (5) years from the date of inactivity, SBS shall generally retain the personal data of a data subject for two (2) years from the date of last transaction or activity. Upon expiration of such period, all physical and electronic copies of the personal data shall be destroyed and disposed of using secure technology.

5.2.9 Request for data correction/deletion

Any request for data correction or deletion by the data subject shall be in writing and addressed or forwarded to the appropriate department concerned. The head of the concerned department shall evaluate such request and cause the necessary correction or deletion. After successful data correction or deletion, the concerned department shall issue a certification to such effect, stating the action or procedure undertaken, and if the data was completely deleted or wiped out, a statement to that effect.

5.3 TECHNICAL SECURITY MEASURES

5.3.1 Monitoring of security breaches

SBS shall use an intrusion detection system to monitor security breaches and alert SBS of any attempt to interrupt or disturb the system.

5.3.2 Security features of the software/s and application/s used

The IT Manager shall first review and evaluate software applications before the installation thereof in computers and devices of SBS to ensure the compatibility of security features with overall operations.

5.3.3 Process for regularly testing, assessment and evaluation of effectiveness of security measures

The IT Manager shall review security policies, conduct vulnerability assessments and perform penetration testing within SBS on regular schedule to be prescribed by the appropriate department or unit.

5.3.4 Encryption, authentication process, and other technical security measures that control and limit access to personal data

Each personnel with access to personal data shall verify his or her identity using a secure encrypted link and multi-level authentication.



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5.4 BREACH AND SECURITY INCIDENTS

5.4.1 Creation of a Data Breach Response Team

A Data Breach Response Team (DBRT) comprising of five (5) officers shall be responsible for ensuring immediate action in the event of a security incident or personal data breach. It shall also execute measures to mitigate the adverse effects of the incident or breach. Members of the DBRT are detailed in Appendix B.

5.4.2 Measures to prevent and minimize occurrence of breach and security incidents

SBS shall regularly conduct a Privacy Impact Assessment to identify risks in the processing system and monitor for security breaches and vulnerability scanning of computer networks. Personnel directly involved in the processing of personal data must attend trainings and seminars for capacity building. There must also be a periodic review of policies and procedures being implemented in SBS.

5.4.3 Procedure for recovery and restoration of personal data

SBS shall always maintain a backup file for all personal data under its custody. In the event of a security incident or data breach, it shall always compare the backup with the affected file to determine the presence of any inconsistencies or alterations resulting from the incident or breach.

5.4.4 Notification protocol

The DPO and the Head of the Data Breach Response Team shall inform the management of the need to notify the NPC and the data subjects affected by the incident or breach within the period prescribed by law. Management may decide to delegate the actual notification to the head of the Data Breach Response Team. Below is the Security Incident flow:

5.4.4.1 Security Incident Flow



5.4.5 Documentation and reporting procedure of security incidents or a personal data breach

The Data Breach Response Team shall prepare a detailed documentation of every incident or breach encountered, as well as an annual report, to be submitted to management and the Audit and Risk Oversight Committee of the Board of Directors.



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5.4.6 Mandatory notification to the NPC and the affected data subject/s

The Data Breach Response Team shall notify the NPC and the affected data subject/s within seventy-two (72) hours upon knowledge of, or when there is reasonable belief, that a personal breach data has occurred, provided, the following circumstances are present:

- There is a breach of sensitive personal information or other information that may, under the circumstances, be used to enable identity fraud;
- The data is reasonably believed to have been acquired by an unauthorized person;
 and
- Either the management or the NPC believes that the data breach is likely to give rise to a real risk of serious harm to the affected data subject.

If there is doubt as to whether notification is indeed necessary, consider:

- 1. The likelihood of harm or negative consequences on the affected data subject/s;
- 2. How notification, particularly of the data subject/s, could reduce the risks arising from the personal data breach reasonably believed to have occurred; and
- 3. If the data involves:
 - Information that would likely affect national security, public safety, public order, or public health;
 - At least one hundred (100) individuals;
 - o Information required by all applicable laws or rules to be confidential; or
 - Personal data of vulnerable groups.

The following information must be included in any Data Breach notification:

- Nature of the breach there must be, at the very least, (a) a description of the breach; (b) a chronology of events, and (c) an estimate of the number of data subject/s affected.
- Personal data involved stating the description of sensitive personal information or other information involved.
- Remedial measures there must be (a) a description of the measures taken or proposed to be taken to address the breach; (b) action/s being taken to secure or recover the personal data that were compromised; (c) action/s performed or proposed to mitigate possible harm or negative consequences, and limit the damage or distress to those affected by the incident; (d) action/s being taken to inform the data subjects affected by the incident, or reasons for any delay in the notification; and (d) measure/s being taken to prevent a recurrence of the incident.
- Name and contact details of the DPO or contact person designated by the Data Breach Response Team to provide additional information.



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6.0 INQUIRIES AND COMPLAINTS

Data subjects may inquire or request for information regarding any matter relating to the processing of their personal data under the custody of SBS, including the data privacy and security policies implemented to ensure the protection of their personal data. They may write to the DPO at dpo@sbsph.com and briefly discuss the inquiry, together with their contact details for reference.

Complaints shall be sent to dpo@sbsph.com. The DPO shall conduct an initial assessment of the incident or breach in order to ascertain the nature and extent thereof. After assessment, the DPO shall forward his recommendation/legal opinion to the Data Breach Response Team for immediate action.

7.0 EFFECTIVITY

The provisions of this Manual are effective this 1st of October, 2021 until revoked or amended by SBS.

8.0 FORMS, REPORTS, TEMPLATES AND REFERENCES

Document Code	Document Title	Distribution
	Consent Form	
	Inquiry Summary Form	
	Access Request Form	
	Privacy Notice	
	Request for Correction or Erasure	



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APPENDIX A: DESIGNATION OF THE DATA PRIVACY OFFICER (DPO)

Date of appointment:
Name of person:
Contact number:
Email address:

APPENDIX B: DATA BREACH RESPONSE TEAM

Name	Position	Email	Mobile Number
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ANNEX F

TERMS OF REFERENCE FOR THE REMUNERATION AND PERFORMANCE METRICS SBS Philippines Corporation Nomination & Remuneration Committee

I. Purpose

The Nomination and Remuneration Committee (the "Committee") has been established by the Board of Directors (the "Board") of SBS Philippines Corporation ("SBS" or the "Company") to assist the Board with ensuring that the Company has a compensation plan that is both motivational and competitive for its employees so that the Company will attract, hold and inspire performance of its employees of a quality and nature that will enhance the sustainable profitability and growth of the Company.

II. General Principles

- i. SBS shall hire skilled, professional and motivated employees to achieve its long-term growth and profitability.
- ii. Employee Remuneration is a key component in attracting, motivating, and retaining key employees.
- iii. SBS will pay a fair wage and provide benefits to all its employees.
- iv. Wages and benefits shall be based on an employee's performance. Neither age nor gender shall be considered in determining an employee's wage and benefits.
- v. SBS recognizes that giving key performers the opportunity to participate in the company's long-term growth and value creation is essential to attracting, motivating and retaining them.

III. Policies

- i. SBS will undertake to benchmark the compensation and benefits package of its employees versus similarly situated companies (same industry, similarlysized publicly listed companies, similar function) at least once every 3 years. <u>Provided that its profitability can justify the expense</u>, SBS shall offer compensation and benefits within the median range of these companies.
- ii. SBS will institute a bonus system that will encourage growth and profitability and be paid out whenever the company meets its budget targets. Bonuses shall be paid out of a pool to be created by the Board for this purpose and be allocated to key managers on the basis of their performance and annual performance evaluations as may be determined by the Committee.
- iii. SBS will create and maintain a stock options plan for critical and key employees. The stock options plan will use vesting as a means to retain these employees for the long-term.

- iv. SBS shall ensure that there is no discrimination in pay or benefits between employees on the basis of age or gender.
- v. The President, with the support of the head of Human Resources, shall be responsible for preparing compensation and benefit proposals for all key employees. These proposals will be reviewed and endorsed by the Nomination & Remuneration Committee prior to being presented to the Board for its approval. Upon receiving such approval, the Nomination & Remuneration Committee shall be responsible for monitoring compliance of these proposals.
- vi. Management is free to recommend other forms of incentives for the key employees for as long as it is based on the principles of this TOR.

Approved by the Board of Directors on November 9, 2021.

ANNEX G



MANAGEMENT SUCCESSION PLANNING OF SBS PHILIPPINES CORPORATION

1. Statement of Policy

In order to ensure that the Company is able to continue to grow in a profitable and sustainable manner over the long-term, it is the policy of the Company to ensure the availability at all times of qualified personnel for all mission-critical functions, particularly at the Executive and Middle Management levels.

2. Guiding Principles

- 2.1 Responsibility for management succession planning rests with organization managers from line executives up to the President since these operating executives are in the best position to develop the plans that influence future succession. The Human Resource Department is tasked in providing staff support and guidance to these managers in the design and implementation of their succession plans.
- 2.2 It is the Board's duty to exercise oversight functions over these plans and ensure that they are regularly updated and in line with the strategic direction of the Company.
- 2.3 The Company must ensure that the best possible candidates for senior positions are considered, hired and retained.
 - a. It will always consider both internal and external candidates for management positions. However, if an internal candidate and an external candidate are equally qualified, the internal candidate will always be given preference.
 - b. Among internal candidates, the Company shall consider loyalty and make sure that the candidate possesses the core values of the Company and embodies its culture as indicated in the Company's mission and vision statement.
 - c. The Company is responsible for developing future leaders by providing them with training and development opportunities. At the same time, however, employees should realize that they have the primary responsibility for managing their personal and professional growth during their incumbency in Company.
 - d. In line with its thrust to foster diversity, equity and inclusion within the Company's work force, it should always seek to hire the best person qualified for the job regardless of gender, creed and background.

- 3 General Guidelines
 - 3.1 This policy covers all executive, middle management and key personnel in the Company.
 - 3.2 Management succession planning follows a process consisting of 5 steps, as follows:

STEP	ACTIVITY	RESPONSIBILITY CENTER
1	Determination of KSAO (knowledge, skills, abilities and other characteristics such as attitude, cultural fit, soft skills) of the job.	HR Department
2	Identification of potential candidates (internal and external)	HR Manager
3	Evaluation of strengths and weaknesses of candidates.	HR Manager and N+1
4	Selection of the candidate of best fit and determination of developmental needs.	N+1 and N+2
5	Development and implementation of appropriate developmental experience.	HR Manager and N+1

- 3.3 The Management Succession Planning Program will be carried out as follows:
 - 3.3.1 Each concerned Executive/ Manager of a unit presents a formal Management Succession Planning Proposal for approval of the Company President and subsequent endorsement to the NomRem Committee.

The Management Succession Planning Proposal, will consist of:

- Replacement Chart This is designed to provide a pictorial representation of key management positions, their relationships, and need for and availability of replacements.
- KSAO Requirements of the Job This will help the concerned Executive/ Manager matches the qualification requirements of likely candidates.
- Summary of Evaluation and Recommendation This detailed evaluation of the candidates (based on the KSAO Requirements of the job) including their main areas of strengths and weaknesses, will guide the decision makers as they prepare the most qualified replacements to assume future positions.

- Development Plan This includes seminars, workshops, on-thejob training, cross assignments, etc. (with timeframe), will equip the candidate with the needed developmental experience to prepare him/ her for the job.
- 3.3.2 Coinciding with the performance appraisal period of each fiscal year or calendar as the case maybe and as part of the performance appraisal of the incumbent Executive/ Manager, the Company President will discuss and review with the incumbent Executive/ Manager the progress in developing his/her identified successor from the previous year's development efforts and to plan for the present year's process.
- 3.3.3 A review of the management succession plan should be undertaken by the Nomination and Remuneration Committee at least once a year. The results of the review should be reported to the Board.

4 Effectivity

This Policy shall be effective immediately.

5 Amendment

This policy shall not be amended, altered or revoked unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

APPROVED BY THE BOARD OF DIRECTORS: December 9, 2021