

# **SBS PHILIPPINES CORPORATION**

## **AMENDED TERMS OF REFERENCE OF CORPORATE GOVERNANCE & ETHICS COMMITTEE**

The Board of Directors of SBS Philippine Corporation (the "Company") hereby constitutes a Corporate Governance & Ethics Committee (the "Committee") and adopts this Committee Charter:

### **1. Purpose**

The role of the Committee is to assist the Board in the performance of its corporate governance responsibilities. The committee is tasked to assess the effectiveness of the Company's governance and ethics policies and its compliance thereto.

### **2. Membership**

- 2.1 The members of the Committee shall be appointed by the Board of Directors and 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.
- 2.2 The members of the Committee shall be appointed by the Board of Directors during its annual organizational meeting and each shall hold office for one year and until their successors are elected and qualified, unless sooner replaced or removed by the Board.
- 2.3 Any vacancy in the Committee shall be filled by the Board of Directors. The member elected to fill a vacancy in the Committee shall serve only the unexpired term of his predecessor in office.
- 2.4 There should be present at least two regular members-independent directors for valid quorum.

### **3. Powers, Duties and Responsibilities of the Committee**

- 3.1 The Committee shall review the size, structure and composition of the Board with regard to 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 Company's Articles and By-Laws, Manual for Corporate Governance and applicable legal, regulatory and listing requirements.

- 3.2 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.
- 3.3 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.
- 3.4 It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance.
- 3.5 It shall review and recommend to the Board for approval the Corporate Governance report for inclusion in the Annual Report to the Shareholders.
- 3.6 It shall make available to new members of the Board a suitable orientation process and for existing members on going trainings.
- 3.7 It shall periodically review the Company's policies, procedures and practices regarding ethical responsibilities and conduct.
- 3.8 It shall review the adequacy of the Company's Code of Business Conduct and Ethics and approve any request for waivers of any provisions of the Company's Code of Conduct made by or on behalf of any member of the Company.
- 3.9 It shall review such environmental, social and governance issues that may significantly impact the Company's business operations, reputation or relations with the employees, customers, shareholders and other Company stakeholders.
- 3.10 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.

#### 4. Committee Performance Assessment

The Committee shall conduct an annual evaluation of its performance to ensure that the same is in compliance with its Charter, the best corporate practices, and other pertinent regulations promulgated by the Securities and Exchange Commission (SEC). Relative thereto, it shall cause members of the Committee to complete a self-assessment questionnaire to align its practices with the requirements and mandates of the previously mentioned government agency. Based on the results of its self-rating assessment, the Committee shall prepare plans for the continuous improvement of its performance which may include programs and trainings that will elevate and enhance effectiveness of its functions as the corporate governance committee.

## 5. Meetings and Recommendations

- 5.1 The Committee shall meet at least twice a year as often as it determines as appropriate to carry out its responsibilities under this Charter at the time and place to be determined by its Chairman. The actions of the Committee may also be taken by written consent by majority of the members when deemed necessary by the Committee or its Chairman.
- 5.2 The Committee may invite such member of Management to its meetings as it deems desirable or appropriate.
- 5.3 Minutes of the Committee meeting will be recorded and maintained by the secretary of the meeting and presented to the Committee at the next Committee meeting for approval. The Corporate Secretary or his designated representative shall act as secretary for the meetings.
- 5.4 The Chairman of the Committee or the designated representative shall report to the Board all actions of the Committee at the meeting of the Board following such actions.

## 6. Access to Information and Technical Assistance

- 6.1. The Committee shall have full access to all relevant information, data, records, properties and personnel of the Company.
- 6.2. The Corporate Secretary, management and personnel of the Company shall provide technical assistance and support to the Committee.

## 7. Other Matters

- 7.1. Annual Review - This Charter shall be reviewed by the Committee annually. Any proposed changes shall be approved by the Board.
- 7.2. Adoption and Effectivity - This Charter, as amended, shall take effect when approved by the Board.

Approved by Resolution of the Board on December 21, 2022.