

CHARTER OF THE BOARD OF DIRECTORS

This Charter establishes the purpose, composition, authority, responsibilities, and operations of the Board of Directors.

The Board of Directors (the “**Board**”) is primarily responsible for the governance of the Corporation. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management. The Board of Directors shall have all such powers as may be exercised by the Corporation, subject to the provisions of the statutes, the Articles of Incorporation and By-Laws.

A. Board Structure and Membership

A.1. Composition

The Board of Directors is the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

In accordance with the Amended Articles of Incorporation of the Corporation, the number of directors of the Corporation shall be eleven (11).

The Corporation shall have at least three (3) independent directors.

The Corporation shall observe diversity among the members of its Board to promote open, fruitful discussions and ensure that optimal-decision-making is achieved.

Majority of the Board shall be comprised of non-executive directors and independent directors, who possess the necessary qualifications to effectively participate and help secure objective, independent judgement on corporate affairs and to substantiate proper checks and balances.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

The Board shall regularly review its composition, taking to account the evolving requirements of the Corporation and best practices in corporate governance.

A.2 Qualification of Directors

The Board shall be composed of members who possess the necessary knowledge, skills and experience required to properly perform the duties of the Board.

- No person shall qualify or be eligible for nomination or election as director if such person is connected with or engaged in any business or activity or holds positions or

interests which are antagonistic to those of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so connected or engaged:

- If he is a director, officer, manager, or controlling person of, or the owner (either of record or beneficially) of 10% or more of any outstanding class of shares of any corporation (other than one in which the Corporation owns at least 30% of the capital stock) or partnership engaged in a business which is antagonistic or hostile to that of the Corporation;
 - If he is a participant to any enterprise or is holding or pursuing an interest which the Board of Directors determines to be antagonistic or hostile to that of the Corporation; or
 - If he is an agent, trustee, partner, nominee, director, officer or employee of, or if he is a spouse or a relative within the fourth civil degree, either of consanguinity or affinity of, or a person controlling, controlled by or under common control with, any person set forth above.
- He shall be at least a college graduate or have sufficient knowledge, skills, and experience, (and independence of mind in case of non-executive directors) in managing the business to substitute for such formal education.
 - He shall be at least twenty-one (21) years old.
 - He shall have proven to possess integrity and probity.
 - He shall have the ability to promote smooth interaction between board members.
 - He shall be assiduous.
 - He shall have sufficient time to carry out his responsibility.

A.3 Qualification of Independent Directors

Independent Director is a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could reasonably be perceived to, materially interfere with his exercise of independent judgement in carrying out his responsibilities as a director in the Corporation.

Independent Director also refers to a person, who ideally:

- is not, or has not been a senior officer or employee of the Corporation unless there has been a change in the controlling ownership of the Corporation;
- is not, and has not been in the three years immediately preceding his election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Corporation's substantial stockholders and its related companies, except if he also serves as an independent director of the Corporation's subsidiaries, associates, affiliates or related companies;
- is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates or related companies;
- is not a relative of a director, officer, or substantial stockholder of the Corporation or any of its related companies or of any of its substantial stockholders. For this purpose,

relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;

- is not acting as a nominee or representative of any director of the Corporation or any of its related companies;
- 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;
- is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial stockholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;
- does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial stockholder, in any transaction with the Corporation or any of its related companies or substantial stockholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;
- is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial stockholders; and
- is not employed as an executive officer of another company where any of the Corporation's executives serve as directors.

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

A.4 Election, Term of Office and Vacancies

The Directors shall be elected by the Corporation's stockholders entitled to vote at the annual meeting in accordance with the By-laws and the Rules of Procedure for Annual Stockholders' Meeting.

A.4.1. Nomination - Each stockholder shall have the right to nominate any director who possesses all of the qualifications and none of the disqualifications pursuant to the Corporation's By-Laws, Manual on Corporate Governance, and applicable laws, rules and regulations.

The nomination of independent directors shall be conducted by the Corporate Governance Committee prior to the stockholders' meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees.

For purposes of election to the Board of Directors, any and all nomination shall be

submitted to and received at the principal office of the Corporation at least thirty (30) days prior to the scheduled date of the Annual Stockholders' Meeting and addressed to the attention of the Corporate Secretary.

A.4.2. Required Vote - The nominees for directors receiving the highest number of votes shall be declared elected.

A.4.3. Ownership of Corporations Shares - In accordance with the Amended By-Laws of the Corporation, any stockholder having at least one thousand (1,000) shares of stock of the Corporation may be elected director.

A.4.4. Term of Office - Directors shall hold office for a term of one (1) year.

A.4.5. Term Limits for Independent Directors - Independent Directors are allowed to serve for a maximum cumulative term of nine (9) years. After which, the independent director is perpetually barred for re-election as such.

A.4.6. Re-election of Independent Directors - In the event that the Corporation wants to retain the independent director after serving nine (9) years, the Board should provide meritorious justification/s and seek the approval of the stockholders in the Annual Stockholders' Meeting.

A.4.7. Vacancy and Disqualification – Vacancies occurring in the Board of Directors, through death, resignation or any other cause, may be filled by the vote of a majority of the remaining Directors consulting a quorum; Provided, that should one or more Directors object thereto, the vacancies shall be filled by the vote of the stockholders at a special meeting called for that purpose.

A member shall be disqualified from continuing to be such during the remainder of his tenure if, upon determination by the Board or its Corporate Governance Committee, a member ceases to meet any of the independence criteria set forth in the Manual on Corporate Governance, or any of the qualifications set forth by the Corporation, or he becomes disqualified from directorship based on any grounds for disqualification pursuant to the Corporation's By-Laws, Manual on Corporate Governance, and applicable laws, rules and regulations. (See "ANNEX A")

B. Powers of the Board

The Board of Directors shall have all such powers as may be exercised by the Corporation, subject to the provisions of the statutes, the Articles of Incorporation and the By-Laws and shall also have the following specific powers:

- To oversee the development of and adopt the Corporation's business objectives, strategy and performance objectives;
- To review and monitor the implementation of corporate strategy, major plans of action, risk

- management policies and procedures, annual budgets and business plans;
- To purchase or otherwise acquire for the Corporation any property, rights, interests, options or privileges which the Corporation is authorized to acquire, hold or enjoy, pursuant to its primary and/or secondary purposes, at such prices and on such terms and conditions and for consideration as the Board of Directors may deem fit or proper;
 - At its discretion, to pay in whole or in part for any property, rights, interests, options or privileges so acquired with money, stocks, bonds, debentures or other securities of the Corporation, or by delivery of the property, real or personal, of the Corporation;
 - To acquire, hold and convey such property, real or personal, as shall have been mortgaged to the Corporation in good faith by way of securities for debts and such as shall be conveyed to the Corporation in satisfaction of debts previously contracted in the course of its dealings;
 - To invest any portion of the surplus funds of the Corporation in high-grade bonds, marketable securities and other evidences of indebtedness or obligations;
 - To extend loans to mining corporations and/or associations for mineral surveys, lease surveys, exploration, development and exploitation under such terms and conditions as the Board may warrant;
 - To create, make and issue mortgage bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgages or otherwise and to do every act and thing necessary to effectuate the same;
 - To appoint any person or persons to act and hold in trust any property belonging to the Corporation, or in which it is interested, or for any other legitimate purposes, and to execute and do all such duties and things as may be requisite in relation to any such trust; and
 - From time to time, to make and change the rules and regulations not inconsistent with the By-Laws for the management of the Corporation's business and affairs.

The Board shall establish a performance management framework that will measure the performance of management and personnel and ensure that the same is at par with the standards set by the Board.

The Board shall also be responsible for developing and overseeing an appropriate internal control system to identify, monitor and manage potential conflicts of interest of management, Board members and stockholders. There shall be a regular review of the effectiveness of the Corporation's internal control system in order to maintain its adequacy and effectiveness.

The Board shall develop and implement a sound enterprise risk management framework to identify, monitor and manage key business risk. The framework shall help the Board to identify risk exposures for the Corporation.

C. Meetings, Notices and Quorum of the Board

C.1. Meeting Frequency

The Board shall meet at least five (5) times each calendar year presided over by the Chairman of the Board.

After each meeting of stockholders at which a Board of Directors shall have been elected, the Board of Directors so elected shall meet as soon as practicable for the purpose of organization and the transaction of other business. In the event the Directors are unable to agree as to the day and hour and place of their organization meeting, the said Board of Directors shall meet at such time and place as the majority of the Directors may designate.

In addition to the first regular meeting, regular meetings of the Board of Directors shall be held on such dates and such places as may be fixed, from time to time, by said Board.

Special Meetings of the Board of Directors shall be held whenever called by the Chairman of the Board, or by the President, or by any three (3) Directors in writing, and such meetings may be held at any place designated in the notice.

C.2. Quorum

A quorum at any meeting of the Board of Directors shall consist of a majority of the Directors and every decision of a majority of such quorum duly assembled as a Board shall be valid as a corporate act.

C.3. Attendance

The members of the Board shall attend regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent Directors shall endeavor to always attend Board meetings. The Corporation's Amended By-Laws does not provide that the absence of independent directors shall affect the quorum requirement. The Board promotes transparency by seeking the presence of at least one Independent Director in all its meetings.

Directors are encouraged to attend all annual meetings of shareholders.

C.4. Notice of Meeting

No notice of regular meetings of the Board need be given. Notice of place, day and hour of every special meeting shall be given to each director at least three (3) days before the meeting by delivering the same to him personally or by sending it to him by email or electronic communication, or by leaving the same at his residence or usual place of business, or in the alternative, upon ten (10) days' notice, by mailing it, postage prepaid and addressed to him at his last known mailing address, according to the records of the Corporation. It shall not be requisite to the validity of any meeting of the Board of Directors that notice thereof shall have been given to any Director who waives such notice, whether before or after the meeting. No notice of adjourned meetings of the Board of Directors need be given. No failure or irregularity of notice of any meeting, called by the officials authorized to do so, shall invalidate any said

meeting or proceeding, thereat, provided a quorum of the Board is present.

C.5. Minutes of Meeting

The Corporate Secretary shall prepare the minutes of the meeting of the Board. Minutes of its meetings will be approved by the Board and maintained on behalf of the Board. Such records shall be open for inspection by any Member upon reasonable prior notice during usual office hours of the Corporation.

D. Responsibilities, Duties and Functions of the Board

D.1. General Responsibility

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

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

Compliance with the principles of good corporate governance shall start with the Board of Directors.

Duties and Functions

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

1. Install a process of selection to ensure a mix of competent directors and officers;
2. Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance;
3. Ensure the Corporation's faithful compliance with all applicable laws, regulations and best business practices;
4. Identify the Corporation's major and other stakeholders, and formulate a clear policy on communicating or relating with them through an effective investor relations program;
5. Identify the Corporation's stakeholders in the community in which the Corporation operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
6. Adopt a system of internal checks and balances;
7. Identify key risk areas and performance indicators and monitor these factors with due

- diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability;
8. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its 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;
 9. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
 10. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities;
 11. Meet at such times or frequency as may be needed, in line with the Amended By-laws. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration;
 12. Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-laws, and in accordance with existing laws, rules and regulations;
 13. Appoint a Compliance Officer who shall have the rank of Vice-President or an equivalent position.

D.2. Specific Duties and Responsibilities of a Director

A Director's office is one of trust and confidence. A Director shall act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in helping direct the Corporation towards sustained progress.

A Director shall observe the following norms of conduct:

- 1. Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.***

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

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

- 2. Devote the time and attention necessary to properly and effectively perform his duties***

and responsibilities.

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

3. *Act judiciously.*

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

4. *Exercise independent judgment.*

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

5. *Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its Articles of Incorporation and By-laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies.*

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

6. *Observe confidentiality.*

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

D.3. Internal Control Responsibilities of the Board

The control environment of the Corporation consists of:

- a. the **Board** which ensures that the Corporation is properly and effectively managed and supervised;
- b. **Management** that actively manages and operates the Corporation in a sound and prudent manner;
- c. the **organizational and procedural controls** supported by an effective management information and risk management reporting systems; and
- d. an **Independent Audit** mechanism to monitor the adequacy and effectiveness of the

Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

Some internal control mechanisms for the performance of the Board's oversight responsibility include:

- a. Review or definition of the duties and responsibilities of the President who is ultimately accountable for the Corporation's organizational and operational controls;
- b. Selection of the person who possesses the ability, integrity and expertise essential for the position of President;
- c. Evaluation of proposed senior management appointments;
- d. Selection and appointment of qualified and competent management officers; and
- e. Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan;

E. The Chairman of the Board and Chief Executive Officer

The Chairman shall be elected by the Board of Directors from their own number. He shall preside at all meetings of the stockholders and of the Board of Directors and shall perform all such other duties as are incident to his office, or are properly required of him by the Board. He shall likewise be the Chief Executive Officer of the Corporation. As such, the following are his powers and functions:

- a. He shall be responsible for the general supervision, administration and management of the business of the Corporation;
- b. He shall provide general guidance to the Corporation;
- c. He shall lead, in conjunction with the Board, the development of the Corporation's strategy;
- d. He shall lead and oversee the implementation of the Corporation's long and short term plans in accordance with its strategy;
- e. He shall sit on committees of the Board where appropriate as determined by the Board; and
- f. He shall exercise such other powers as may be vested in him by the Board.

F. Lead Independent Director

The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.

The functions of the lead independent director include, among others, the following:

- a. Serves as an intermediary between the Chairman and the other directors when necessary;
- b. Convenes and chairs meetings of the non-executive directors; and
- c. Contributes to the performance evaluation of the Chairman, as required.

The lead independent director will chair separate periodic meetings with the non-executive directors, external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present, to ensure that proper checks and balances are in place within the Corporation.

G. Board Committees

To aid in complying with the principles of good corporate governance, the Board shall constitute committees as may be necessary.

G.1. Creations and Power

The Board of Directors may create and appoint as many committees as it may consider necessary or advisable for the proper conduct and operation of the affairs of the Corporation and prescribe their respective powers and duties. Said Committees shall be composed of such members and shall be of such number as the Board of Directors may determine. The members of any committee created and appointed by the Board of Directors may be removed at any time by the Board of Directors and any vacancies in any such committee shall be filled by the Directors.

G.2. Validity of Actions

Any action or resolution of any of the committees in order to be binding on the Corporation shall first be submitted to the Board of Directors for confirmation or approval.

G.3. The Committees

The Board shall constitute the following Committees:

- a. Corporate Governance Committee
- b. Audit Committee
- c. Related Party Committee
- d. Compensation Committee
- e. Investment Committee
- f. Risk Management Committee
- g. Mining Committee

G.4. Committee Charters

The Charters shall indicate the roles and responsibilities of the committee, its composition and how it should perform its duties. It will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and committee reporting to the Board.

H. Compensation of Board Members

In accordance with the Amended By-laws, the Board of Directors shall determine a level of remuneration for Directors that shall be sufficient to attract and retain qualified and competent Directors and officers. For every regular or special meeting actually attended, each Director shall be paid per diems in such amount as may be determined by the Board of Directors.

The members of the Board of Directors shall receive as additional compensation an amount not to exceed five per centum (5%) of the net profit of the Corporation before payment of income tax for each year, to be divided in such manner and proportion as they may deem fit and equitable.

The Compensation Committee shall establish formal and transparent procedures for the development of policies on executive remuneration or determination of remuneration levels for individual directors and officers, taking into account the particular needs of the Corporation.

I. Orientation and Continuing Training of Directors

As necessary, funds shall be allocated by the President for the purpose of conducting an orientation program or workshop, and relevant annual four-hour continuing training to enable those concerned to carry out this Charter. The matters to be discussed are:

- a. Developments in the business environment;
- b. Developments in the rules and regulations of concerned regulatory agencies;
- c. Corporate governance matters such as, but not limited to, audit, internal controls, risk management, sustainability, and strategy.

All directors shall be required to attend a four-hour Annual Continuing Training Program on Corporate Governance, which shall be conducted by a duly recognized private or government institution.

All first-time directors shall undergo an eight (8) hour orientation program on the following matters:

- a. Duties and responsibilities of a Director;
- b. Roles of a Director;
- c. Accountabilities of a Director;
- d. Code of Conduct of Directors;
- e. Background on the business and industry of the Corporation;
- f. Articles of Incorporation and By-Laws of the Corporation; and
- g. SEC-mandated topics on corporate governance.

J. Monitoring and Assessment

1. The Board Committees shall report regularly or as may be necessary to the Board of Directors.

2. The Compliance Officer shall establish an evaluation system or self-rating system to determine and measure compliance with this Charter.

The establishment of such evaluation system or a self-rating system may be disclosed in the Corporation's annual report or in such form of a report that is applicable to the Corporation.

3. The Board may create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Charter.
4. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and committees. Every three years, the assessment shall be supported by an external facilitator.
5. The Board Committees shall conduct an annual self-assessment of its performance, including the performance of the Chairman and its individual members.
6. The Corporation shall periodically review this Charter to ensure its relevance to the business conditions and corporate objectives.
7. All business processes and practices being performed within any department or business unit of the Corporation that are not consistent with any portion of this Charter shall be revoked, unless upgraded to be compliant with the provisions of this Charter.

K. Effectivity

This Charter shall be effective upon approval by the Board of Directors of the Corporation.

ANNEX A: Disqualification of Directors

A. Permanent Disqualification

The following shall be grounds for the permanent disqualification of a Director:

- (i) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:
 - (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code;
 - (b) 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
 - (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

- (ii) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC, Bangko Sentral ng Pilipinas (BSP) or any court or administrative body of competent jurisdiction from:
 - (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;
 - (b) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;
 - (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) 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, BSP or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation 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 such person 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;

- (iii) 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;

- (iv) Any person who has been adjudged by final judgment or order of the SEC, BSP, court, or competent administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the SEC or the BSP;
- (v) Any person judicially declared as insolvent;
- (vi) 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 sub-paragraphs (i) to (v) above;
- (vii) 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;
- (viii) Other grounds as the SEC may provide.

B. Temporary Disqualification

The Board may temporarily disqualify a Director for any of the following reasons:

- (i) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists;
- (ii) Absence in more than fifty percent (50%) 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;
- (iii) Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- (iv) 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 from being elected as an independent director shall be lifted if the limit is later complied with; and
- (v) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

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