



CORPORATE GOVERNANCE COMMITTEE CHARTER

This Charter establishes the purpose, composition, responsibilities, authority, and operations of the Corporate Governance Committee (the "Committee"). The Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

A. Definition of Terms

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

Charter – refers to this "Corporate Governance Committee Charter" as may be amended from time to time.

Committee – refers to the "Corporate Governance Committee".

Corporate Governance – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with stockholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders and the nation.

Independent Director – a person who is independent of management and controlling stockholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

Management – a group of executives given the authority by the Board of Directors to implement policies it has laid down in the conduct of the business of the Corporation.

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.

The Corporation – refers to MacroAsia Corporation

B. Rules of Interpretation

All references to the masculine gender in the salient provisions of this Charter shall likewise cover the feminine gender. Unless the context otherwise requires, words in the singular include the plural, and vice versa.

All doubts or questions that may arise in the interpretation or application of this Charter shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the Corporation.

The headings in this Charter are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof.

C. Committee Structure and Membership

C.1. Composition

The Corporate Governance Committee, shall be composed of at least three (3) members, the majority of whom should be Independent Directors, including the Chairman and one (1) non-voting member in the person of the HR Director.

The members of the Corporate Governance Committee, including the Chairman of the Committee shall be appointed and may be removed from the Committee, with or without cause, by the majority vote of the Board of Directors.

C.2 Qualification and Disqualifications

The Committee Chairman and its members shall possess all the qualifications and have none of the disqualifications for membership in the Board as provided for in the Amended By-Laws and the Revised Manual on Corporate Governance, the Revised Corporation Code, the Securities Regulation Code, and other relevant laws. Moreover, the Members who are Independent Directors, must meet the qualifications of Independent Directors set out in the Revised Manual on Corporate Governance.

C.3 Vacancy

The office of a Member shall ipso facto be vacated:

1. if he resigns his office as a Member;
2. if he is removed by a resolution of the Board;
3. if he becomes of unsound mind; or
4. if he is subsequently disqualified from becoming a Member.

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 this Charter, or any of the qualifications set forth by the Corporation, or he becomes disqualified from directorship based on any grounds for disqualification set forth by the Corporation.

D. Committee Functions

The Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices. The Committee meets as necessary and is authorized by the Board to help process nominations and appointments of new directors.

The Committee shall have the functions set out hereunder, and such other duties and powers as may be delegated to the Committee by the Board, subject to such limitations as may be determined by the Board.

D.1. Governance

1. Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the corporation's size, complexity and business strategy, as well as its business and regulatory environments;
2. Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conduct an annual self-evaluation of its performance;
3. Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
4. Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, and succession plan for the board members and senior officers.
5. Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
6. Propose and plan relevant trainings for the members of the Board;

D.2. Nomination

1. Determine the nomination and election process for the Corporation's directors and define the general profile of board members to ensure that the board members have the appropriate knowledge, competencies and expertise;

2. Install and maintain a process to review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval, and ensure that none of the disqualifications stated above are present;
3. Encourage the selection of a mix of competent Directors, each of whom can add value and create independent judgement as to the formulation of sound corporate strategies and policies;
4. Pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications and disqualifications set out in the Revised Manual on Corporate Governance.

E. Nomination and Voting Procedures

E.1. Selection or Appointment

Under the Corporation's Amended By-Laws and Revised Manual on Corporate Governance, the nomination of the Corporation's directors shall be conducted by the Corporate Governance Committee prior to the Annual Stockholders' Meeting. All recommendations shall be signed by the nominating stockholders together with the acceptance and conformity of the would-be nominees and shall be submitted to the Corporate Governance Committee and the Corporate Secretary at least thirty (30) days before the date of the actual meeting.

The Corporate Governance Committee shall pre-screen the qualifications and prepare a Final List of all Candidates for directors. Only nominees whose names appear on the Final List of Candidates shall be eligible for election as directors. No other nominations shall be entertained after the Final list of candidates shall have been prepared.

E.2. Reappointment

The process for re-appointment is the same process adopted in the selection / appointment of Directors. The Corporation adopted Memorandum Circular No. 4 issued by the Securities and Exchange Commission dated March 9, 2017 on the term limits for Independent Director/s.

E.3. Qualification of Directors

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, provided however that 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:

1. 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;
2. 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
3. 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.

The Corporate Governance Committee shall determine whether a person is disqualified to become a director.

In addition to the above, a nominee for director has to possess the following qualifications:

1. 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;
2. He shall be at least twenty-one (21) years old;
3. He shall have proven to possess integrity and probity;
4. He shall have the ability to promote smooth interaction between board members;
5. He shall be assiduous;
6. He shall have sufficient time to carry out his responsibilities.

Meanwhile, an **Independent Director** refers to a person, who ideally:

1. 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;
2. 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;

3. Is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, associates, affiliates or related companies;
4. 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;
5. Is not acting as a nominee or representative of any director of the Corporation or any of its related companies;
6. 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;
7. 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;
8. 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;
9. 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
10. 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.

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

An independent director barred from re-election as such may continue to qualify for nomination and election as a non-independent director.

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.

E.4. Disqualification of Directors

1. Permanent Disqualification

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

- 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, Bangko Sentral ng Pilipinas (BSP) 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 (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;

- 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, BSP, court, or competent administrative body to have wilfully violated, or wilfully 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;
- e. Any person judicially declared as insolvent;
- f. 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;
- g. 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;
- h. Other grounds as the SEC may provide.

2. Temporary Disqualification

The Board may temporarily disqualify a Director 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 disqualification shall be in effect as long as the refusal persists;
- b. 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;

- c. 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;
- 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 from being elected as an independent director shall be lifted if the limit is later complied with; and
- e. 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.

E.5. Removal

Article III, Section 3.09 of the Corporation's By-Laws states that any director may be removed, either for or without cause, at any regular or special meeting of the stockholders by the affirmative vote of the stockholders holding or representing two-thirds (2/3) of the subscribed capital stock entitled to vote. In this case, notice of the intention to act upon such matter must have been given in the notice calling such meeting. If the notice calling such meeting shall so provide, the vacancy caused by such removal may be filled at such meeting by a vote of a majority of the stockholders present and entitled to vote.

E.6. Risk to Minority Shareholders

The Board of Directors and Management are committed to respect and protect investor's rights and interests, whether majority or minority, at all times. In order to mitigate and eliminate risks arising from restriction of rights of minority and undue preference to controlling shareholders, the following provisions are being recognized by the Corporation as set out in the Revised Manual on Corporate Governance:

1. A director shall not be removed without cause if it will deny minority shareholders representation in the Board.
2. It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.

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

F. Meetings

A meeting of the Committee may be called by its Chairman or any of its members. Attendance of at least a majority of the Members present throughout the meeting shall constitute a quorum for the Committee to transact business.

A Committee meeting shall be convened upon notice in writing or electronic notice, at least three days prior to the meeting and specifying the place, date and time of the meeting and the matters to be discussed at the meeting. Notice of a meeting shall be deemed to be duly served upon a Member if it is given to him personally, or sent to him by mail, email, short messaging system, or facsimile transmission to his address or facsimile number, as appropriate.

The Committee may request any officer or employee of the Corporation, or any special counsel or advisor, to attend a meeting of the Committee or to meet with any members of, or consultant to, the Committee.

The Committee may retain any independent counsel, expert or advisor (accounting, financial or otherwise) that the Committee believes to be necessary or appropriate. The Committee may also utilize the services of the Corporation's regular legal counsel or other advisors to the Corporation.

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

G. Reporting

To keep the Board apprised on the results of the Committee's activities, the Committee Chairman shall report to the Board following each meeting significant matters discussed and acted upon.

H. Performance Evaluation

To ensure that the Committee will continue to fulfill its responsibilities in accordance with the global best practices, the Committee shall conduct an assessment of its performance

through a self-assessment worksheet that has been prepared based on its responsibilities incorporated in the Revised Manual on Corporate Governance and in this Charter. Corporate Governance Committee shall formulate and implement plans to improve its performance. These shall include attending trainings/seminars intended for the Committee members to keep them updated with the latest corporate governance best practices, as well as other areas of concerns.

I. Charter Review

The Committee shall review and assess the adequacy of this Charter annually and recommend changes to the Board of Directors when necessary.

This Charter shall not be amended, altered or varied unless such amendment, alternation or variation shall have been approved by a resolution of the Board.

J. Effectivity

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