



PHILTOWN PROPERTIES, INC.

**CORPORATE GOVERNANCE
COMMITTEE CHARTER**

April 2023

Corporate Governance Committee Charter PHILTOWN PROPERTIES, INC.

I. Overview

This Charter shall ascertain compliance to the requirement of the Securities and Exchange Commission (SEC or the Commission), which directs the Board of Directors (the Board) of Philtown Properties, Inc. (the Corporation) to constitute a Corporate Governance Committee.

II. Purpose

The Board shall establish a Corporate Governance Committee to ensure compliance and observance of corporate governance principles and practices. The Committee shall assist the Board in the nomination, election, replacement of Directors by formulating, developing and instituting the nomination process and procedure.

III. Organization and Membership

The Committee shall be composed of three (3) members, majority of whom are Independent Directors, including the committee's Chairperson.

The Committee members are elected annually to one (1) year terms by a majority vote of the Board. A vacancy in the Committee shall be filled by a majority vote of the Board. A Committee member may be removed by a majority vote of the Corporation's Independent Directors.

The Committee's Chairperson shall ensure that the agenda for each Committee meeting is circulated to each member in advance. The Chairperson, subject to the approval of a majority of the members has the authority to change the agenda to respond to any matters that warrant attention.

IV. Roles and Responsibilities

The Committee shall have the following duties and functions:

IV.1 Governance

- a. Oversee the implementation of the corporate governance framework and periodically review this framework to ensure that it remains appropriate in light of changes in the Corporation's size, complexity, business strategy and regulatory environments;
- b. Oversee the periodic performance evaluation of the Board, individual Directors, board committees, Management, and conducts an annual self-evaluation of its performance;
- c. Ensure that the results of the periodic performance evaluation of the Board, individual Directors, board committees, Management are shared, discussed and

that action plans are developed/implemented to address the identified areas for improvement;

- d. Recommend continuing education/training programs for Directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopt corporate governance policies and ensure that these policies are reviewed and updated regularly, and consistently implemented;
- f. Propose and plan relevant trainings for the members of the Board;

IV.2 Nomination

- a. Determine the nomination and election process for members of the Board;
- b. Define the general profile of directors the Corporation may need, ensuring that Directors have competencies and expertise that complement the existing skills of current Board members; and
- c. Pre-screen and shortlist all candidates nominated for Board membership by considering the guidelines herein set forth.

In determining the number of concurrent directorships that a Board member may have, the Committee shall consider the following:

- (i) Nature of the business of the Corporation of which he or she is a Director;
- (ii) Number of directorships, active memberships and officerships in other corporations or organizations, and;
- (iii) Such other factors which the Committee may consider from time to time.

The optimum number shall be related to the capacity of a Director to perform his duties diligently in general.

- d. The Executive Directors, the Independent Directors and Non-Executive Directors shall submit themselves to a low indicative limit on membership in other corporate boards of listed companies other than the subsidiaries of the Corporation. The same low limit shall apply to Independent, Non-Executive Directors who serve as full time executives in other corporations. In any case, the capacity of Directors to serve with diligence shall not be compromised.

V. Authority

The Corporate Governance Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to retain outside counsel or other experts or consultants, as it deems appropriate. Any communications between the Committee and legal counsel in the course of obtaining

legal advice will be considered privileged. The Committee shall also have the authority to retain other professionals to assist it with any background checks or other related matters.

VI. Meetings

The Committee shall meet at least twice a year. Additional meetings may occur as the Committee or the Chairperson deems necessary.

The Committee shall cause to be kept minutes of all its proceedings, and shall report its actions in the Corporation's next Board meeting. The Committee members shall be furnished with copies of the minutes of each Committee meeting.

The Committee may request that any Director, officer or employee, or other persons whose advice and counsel are needed, attend the Committee's meeting to provide information or clarity on matters the Committee needs to address.

VII. Nomination and Voting Procedure

In accordance with the Corporation's By-Laws, the Board of Directors shall be elected during each regular meeting of the stockholders and shall hold office for one (1) year until their successors are elected and qualified.

If the office of any Director becomes vacant by any reason other than by removal by the stockholders or expiration of term, the remaining Directors, if constituting a majority vote, may choose a successor or successors who shall hold office for the unexpired term.

In case of resignation, disqualification or cessation of Independent Directors, and only after notice has been made with the Securities and Exchange Commission ("the Commission") within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the Corporation's remaining Directors, if still constituting a quorum, upon the nomination of the Committee. Otherwise, said vacancy shall be filled by the stockholders in a regular or special meeting called for that purpose. An Independent Director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

The nomination shall be conducted as follows:

1. Any stockholder, including minority stockholders, may submit to the Committee the name/s of their nominee/s to the Board, including nominees for Independent Directors. The Corporate Secretary shall assist in presenting all nominations to the Committee.

Copies of the profile/s of the nominees shall be provided in the Corporation's Information Statement and in the Corporation's website for examination by the stockholders.

2. The Committee shall pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the following qualifications and disqualifications:

A. Qualification of Directors

- (i) Holder of at least one (1) share of stock of the Corporation;
- (ii) College graduate or has sufficient experience in business management to substitute for such formal education;
- (iii) At least twenty-one (21) years old;
- (iv) Proven to possess integrity and probity;
- (v) Is prudent;
- (vi) Has practical understanding of the business of the Corporation;
- (vii) Has membership in good standing in relevant industry, business or professional organizations, and
- (viii) Has previous business experience.

B. Disqualification of Directors

B.1 Permanent Disqualifications

- (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 Commission 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 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 Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporate Code, Securities Regulation Code or any other law administered by the Commission or Bangko Sentral ng Pilipinas (BSP), or

under any rule or regulation issued by the Commission 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;

- (iii) Any person finally convicted judicially of an offense involving moral turpitude or fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or similar fraudulent acts or transgressions;
- (iv) Any person finally found by the Commission or a court or other administrative body to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law administered by the Commission or BSP, or any rule, regulation or order of the Commission or BSP;
- (v) Any person earlier elected as Independent Director who becomes an officer, employee or consultant of the same corporation;
- (vi) Any person judicially declared to be insolvent;
- (vii) Any person finally found guilty by a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct listed in the foregoing paragraphs;
- (viii) Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Corporation Code, committed within five (5) years prior to the date of his election or appointment; and
- (ix) Other grounds that the Commission may provide pursuant to the provisions of the Revised Corporation Code, Securities Regulation Code and other related laws.

B.2 Temporary Disqualification

- (i) Absence in more than fifty percent (50%) of all regular and special Board meetings during his incumbency, or any twelve (12) month period during said incumbency unless absence is due to illness, death in the immediate family or serious accident. This disqualification applies for purposes of the succeeding election. A Director, however, shall not be considered absent if he participates in the meetings via teleconferences;
- (ii) Dismissal/termination from for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification shall be in effect until he has cleared himself of any involvement in the cause that gave rise to the dismissal/termination;
- (iii) If the beneficial equity ownership of an Independent Director in the Corporation or its subsidiaries and affiliates exceed two percent (2%) of its subscribed capital stock. The disqualification from being elected as an Independent Director is lifted if the limit is later complied with;


- (iv) If any of the judgements or orders cited in the grounds for permanent disqualification has not yet become final.

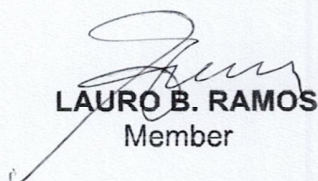
A temporarily disqualified Director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.


3. After nomination, the Committee shall prepare a Final List of Candidates which shall contain all information about the nominee/s for Directors, including Independent Directors, as required under Part IV (A) of Annex "C" of SRC Rule 12, and which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement in accordance with SRC Rule 20, or in such other reports that the Corporation is required to submit to the Commission. The name of the person or group of persons who recommended the nomination of the Director/s, including Independent Directors, shall be identified in such report including any relationship with the nominee.
4. Only the nominee/s whose name/s appear/s in the Final List of Candidates shall be eligible for election as Director/s. No other nominations shall be entertained after the Final List of Candidates shall have been prepared. No further nominations shall be entertained or allowed on the floor during the election.
5. The election of Independent Directors shall be as follows:
 - (i) The conduct of the election of Independent Director/s shall be made in accordance with the standard election procedures of the Corporation or by its By-Laws;
 - (ii) It shall be the responsibility of the Chairperson of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing Independent Directors/s. He shall ensure that the Independent Directors are elected during the stockholders meeting.
 - (iii) Specific slot/s for Independent Directors shall not be filled-up by unqualified nominees.
6. All Directors are subject to re-election annually, except where the term limit of Independent Directors applies as provided for in the Corporation's Manual on Corporate Governance. The Corporation may use professional search firms or external sources when searching for candidates to the Board, as necessary.
7. In the absence of the submission of the name/s of the nominee/s to the Board including the Independent Directors prior to the annual stockholders' meeting as above-provided, the incumbent Directors may again be nominated by a simple oral nomination on the floor during the actual annual stockholders' meeting; Provided, That the incumbent Directors, including Independent Directors, at the time of their nomination possess all the qualifications and none of the disqualifications as such Director as provided hereunder and pursuant to applicable laws.

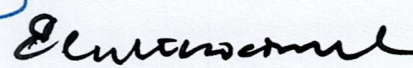
8. Article 2, section 7 of the By-laws of the Corporation provides that the stockholders may vote in person or by proxy. In accordance with Section 24 of the Corporation Code of the Philippines, each stockholder may vote in any one of the following manner:
- (i) A stockholder may vote such number of shares for as many persons as there are Directors to be elected;
 - (ii) A stockholder may cumulate said shares and give one candidate as many votes as the number of Directors to be elected multiplied by his shares;
 - (iii) A stockholder may distribute them on the same principle to as many candidates as he may see fit. In any of these instances, the total number of votes cast by the stockholder should not exceed the number of shares owned as shown in the books of the Corporation multiplied by the total number of Directors to be elected.
9. The election of Directors will be by plurality of votes, and every stockholder will be entitled to accumulate their votes. Each outstanding share of stock entitled the registered stockholder to one (1) vote. The Corporate Secretary will report on the votes received and tabulated at that point in time. An independent external auditor shall validate the voting results and the final tally of the votes shall be reflected in the minutes of the meeting. This election and voting procedure, however, may be dispensed with if, by motion of a stockholder during the actual stockholders' meeting duly made and seconded, the nominees are deemed duly-elected into office.

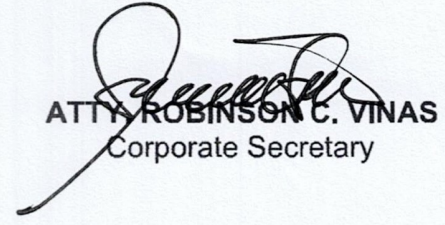
Approved for Recommendation to the Board of Directors:


ALFREDO B. PARUNGAO
Chairman


LAURO B. RAMOS
Member


ESMEGARDO S. REYES
Compliance Officer


ELEUTERIO D. CORONEL
Member


ATTY. ROBINSON C. VINAS
Corporate Secretary