

PHILWEB CORPORATION BOARD CHARTER

A. PURPOSE

The purpose of this Board Charter is to set out the responsibilities, structure, and processes of the Board of Directors (the “Board”) of PhilWeb Corporation (the “Corporation”).

B. ROLES AND RESPONSIBILITIES

The Board should act on a fully informed basis, in good faith, with due diligence and care. 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 should 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 as well as monitor their implementation, in order to sustain the corporation’s long-term viability and strength.

The following are the Board’s key responsibilities:

1. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Approve the selection and assessment of competent, professional, honest and highly-motivated management officers. Adopt an effective succession planning program for directors, key officers and management to ensure growth and a continued increase in the shareholder’s value;
2. Establish an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel’s performance is at par with the standards set by the Board and Senior Management.
3. 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.
4. Ensure the Corporation’s faithful compliance with all applicable laws, regulations and best business practices.

5. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO or chief financial officer shall exercise oversight responsibility over this program;
6. Identify the Corporation's stakeholders in the community in which it operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them.
7. Adopt a system of checks and balances within the Board. Oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, board members, and shareholders. A regular review of the effectiveness of such system should be conducted to ensure integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness;
8. Identify key risks areas and performance indicators and monitor these factors with due diligence to enable the corporation to anticipate and prepare for possible threats to its operations and financial viability;
9. 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;
10. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
11. Establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Corporation and its stockholders, and between the Corporation and third parties, including regulatory authorities; and
12. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
13. Keep the activities and decision of the Board within its authority under the Articles of Incorporation, By-laws and in existing laws, rules and regulations.
14. Appoint a Compliance Officer who shall have the rank of at least senior vice president.

C. DIRECTOR DUTIES AND RESPONSIBILITIES

A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should

also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director shall have the following duties and responsibilities:

1. To conduct fair business transactions with the Corporation and to ensure that personal interest does not bias Board decisions or conflict with the interests of the Corporation;

The basic principle to be observed is that a director should not use his position to profit or gain some benefit or advantage for himself and/or his related interests. 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 corporation or stands to acquire or gain financial advantage at the expense of the Corporation.

2. To devote time and attention necessary to properly discharge 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. To 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. To 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. Corollarily, he should support plans and ideas that he thinks are beneficial to the Corporation.

5. To have a working knowledge of the statutory and regulatory requirements affecting the Corporation, including the contents of its Articles of Incorporation and By-Laws, the requirements of the Commission, and where applicable, the requirements of other regulatory agencies, such as the Philippine Stock Exchange (PSE).

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

6. To 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. COMPOSITION

1. The Board shall be composed of eleven (11) directors, or such number of directors as the Corporation's Articles of Incorporation may provide.
2. Each director must have at least one (1) share of the capital stock of the Corporation.
3. Directors shall serve for a period of one (1) year and until his/her successors are elected and qualified.
4. Three (3) members or one-third (1/3) of the Board, whichever is higher, must be independent directors. An independent director is a person who is independent of management and the controlling shareholder 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.
5. The Board shall be composed of executive and non-executive directors; provided, that majority of the Board members must be non-executive directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances; and provided further that a majority of the Board members must be residents of the Philippines.

6. Collectively, the Board members should have a broad range of skills, experience and knowledge necessary to guide the business of the Corporation.

E. BOARD DIVERSITY POLICY

1. Diversity Policy

The Corporation recognizes the benefits of having a diverse board and sees diversity as an essential element in supporting its continued growth and the attainment of its strategic objectives. The Board must aim to make good use of the differences in gender, age, cultural, educational background, ethnicity, professional experience, skills, and knowledge of its directors.

2. Measurable Objective

The Corporate Governance Committee, in identifying suitable candidates for the Board, will assess and make recommendations based on merit and potential contribution and with due regard for the benefits of diversity on the Board.

3. Review of the Policy

The Corporate Governance Committee will discuss, review and assess the effectiveness of the policy annually. Said committee will discuss and recommend any revision that may be necessary and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

F. CHAIRPERSON

1. The Board will appoint one of its members as Chairperson.
2. The Chairperson, as much as possible, will not concurrently serve as Chief Executive Officer. In the event that one person is elected both Chairperson and Chief Executive Officer, the members of the board should appoint a lead director among the independent directors who must have the qualifications and perform the functions specified in number 4 below.
3. The following are the key responsibilities of the Chairperson:
 - a. Makes certain that meeting agenda focuses on strategic matters, including the overall

risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;

- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
 - c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate constructive debate and leveraging on the skills and expertise of individual directors;
 - d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
 - e. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors;
 - f. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on;
 - g. Ensure that the meetings of the Board are held in accordance with the By-Laws or as the Chair may deem necessary.
 - h. Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and
 - i. Maintain qualitative and timely lines of communication and information between the Board and Management.
4. The lead director must be an independent director and must have sufficient authority to lead the board in case of conflict of interests. The independent directors will choose among themselves who will be the lead director at the organizational meeting of the Board and shall hold such position for one year. The lead director has the following functions:
- a. Work to ensure that the Board functions with appropriate independence from management and other non-independent directors
 - b. Serve as an intermediary between the Chairman and the other directors when necessary;
 - c. Convene and chair meetings of the non-executive directors;
 - d. Contribute to the performance evaluation of the Chairman, as required.
 - e. The Lead Director shall perform such other duties as the Board may request from time to time

G. CHIEF EXECUTIVE OFFICER

1. The Board will appoint one of its members as Chief Executive Officer (“CEO”) who shall be responsible for all day-to-day management decisions and for implementing the Corporation’s long- and short-term plans.

2. The CEO acts as a direct liaison between the Board and management of the Corporation and communicates to the Board on behalf of management.
- a. Corporation and communicates to the Board on behalf of management.
3. The following are the key responsibilities of the CEO:
 - a. Determines the corporation's strategic direction and formulates and implements its strategic plan on the direction of the business;
 - b. Communicates and implements the corporation's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
 - c. Oversees the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
 - d. Has a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
 - e. Directs, evaluates and guides the work of the key officers of the corporation;
 - f. Manages the corporation's resources prudently and ensures a proper balance of the same;
 - g. Provides the Board with timely information and interfaces between the Board and the employees;
 - h. Builds the corporate culture and motivates the employees of the corporation; and
 - i. Serves as the link between internal operations and external stakeholders.

H. CORPORATE SECRETARY

1. The Corporate Secretary must be a resident and citizen of the Philippines.
2. The Corporate Secretary shall annually attend training on corporate governance.
3. The following are the key responsibilities of the Corporate Secretary:
 - a. Assists the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
 - b. Safe keeps and preserves the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;

- c. Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- d. Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- e. Advises on the establishment of board committees and their terms of reference;
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least one (1) day in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- h. Performs required administrative functions;
- i. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- j. Performs such other duties and responsibilities as may be provided by the SEC.

I. COMPLIANCE OFFICER

1. The Board shall be assisted in its duties by a Compliance Officer who should have a rank of Senior Vice President or an equivalent position with stature and authority in the Corporation.
2. The Compliance Officer shall annually attend training on corporate governance.
3. The Compliance Officer is primarily responsible to the Corporation and its shareholders.
4. The following are the key responsibilities of the Compliance Officer:
 - a. Ensure proper onboarding of new directors (i.e. orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);
 - b. Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
 - c. Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
 - d. Ensures the integrity and accuracy of all documentary submission to regulators;

- e. Appears before the Securities and Exchange Commission (SEC) when summoned in relation to compliance with this Code;
- f. Collaborates with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identifies possible areas of compliance issues and works towards the resolution of the same;
- h. Ensures the attendance of Board members and key officers to relevant trainings; and
- i. Performs such other duties and responsibilities as may be provided by the SEC.

J. INVESTOR RELATIONS OFFICER

1. The Corporation must appoint an Investor Relations Officer (“IRO”) who will be primarily responsible for creating and presenting a consistently applied investment message to the investment community on behalf of the Corporation.
2. The following are the duties and functions of the IRO, among others:
 - a. Establish an investors relations program that (i) ensures constant engagement with its shareholders (ii) sets up an avenue to receive feedback, complaints and queries from shareholders to assure their active participation with regard to activities and policies of the Corporation and (iii) ensures that all information regarding the activities of the Corporation are properly and timely communicated to shareholders;
 - b. Manage the investor relations portion of the Corporation’s website and serve as the key point of contact for the investment community;
 - c. Attend every shareholders’ meeting;
 - d. Create presentations, press releases, and other communication materials for industry reports and presentations to analysts, brokers and investors and shall also be in charge of organizing conferences, road shows, and investors meetings; and
 - e. Provide feedback to the management team regarding the investment community’s perception of how the Corporation is being managed and their view of financial results.

K. BOARD COMMITTEES

1. The Board shall establish the following committees which shall have their own respective charters published in the Corporation’s website:
 - a. Audit Committee

b. Corporate Governance Committee

2. The Board will determine the membership and composition of each of the Board committees, having regard to workload, skill and experience and regulatory requirements.
3. In addition to the foregoing, the Board may establish ad hoc Board committees from time to time to consider matters of special importance or exercise the delegated authority of the Board.

L. SELF-ASSESSMENT

1. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator, such as a consulting firm, academic institution or professional organization.
2. The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.
3. The Board will draft a self-assessment form to be distributed to each member of the Board and shall be filled up. Comments, if any, arising out of the results of the assessment forms will be discussed in the next board meeting of the Corporation.

M. DIRECTOR ONBOARDING & CONTINUING EDUCATION

1. The Compliance Officer will be in charge of welcoming and onboarding a new director and will be in charge of: (a) introducing the Corporation to the new director by providing him with literature about the Corporation including the constitutive documents, latest definitive information statement and annual report of the Corporation and (b) introducing the new director to the other members of the board, department heads and other employees.
2. The Compliance Officer can arrange for orientations and facility tours of the director in coordination with the relevant department heads of the Corporation.
3. The Corporation recognizes the importance of continuing education of its Board members and encourages the directors to become members of professional associations and to attend relevant educational events.