CORPORATE GOVERNANCE MANUAL

EMBER INSURANCE BROREKAGE, INC

I. INTRODUCTION

A. PURPOSE

The purpose of this Corporate Governance Manual is to establish a clear and consistent framework that guides the **Ember Insurance Brokerage, Inc (EIBI)** in upholding the highest standards of integrity, accountability, transparency, and ethical conduct. It defines the governing principles, structures, and responsibilities that ensure effective oversight, sound decision-making, and compliant business practices across all levels of the company. By formalizing these standards, the Manual supports sustainable growth, protects stakeholder interests, and reinforces the organization's commitment to responsible and compliant corporate behavior.

B. SCOPE AND APPLICATION

This Corporate Governance Manual applies to all directors, officers, employees, and organizational units of the Company. It serves as a unified reference for governance principles, ethical expectations, oversight mechanisms, and other requirements that guide operations within the Company. The Manual governs decision-making processes, accountability structures, and conduct standards, ensuring that all individuals acting on behalf of the organization adhere to consistent, transparent, and responsible practices. All are expected to understand, implement, and uphold the provisions of this Manual in their daily functions and strategic responsibilities.

II. GOVERNANCE STRUCTURE

A. BOARD OF DIRECTORS

a. Mandate

The **Board of Directors** is entrusted with the primary responsibility of safeguarding and enhancing the long-term shareholder value of **EIBI**. In fulfilling this mandate, the Board ensures that all business activities are conducted in alignment with the Company's objectives, statutory obligations, and the best interests of shareholders and stakeholders.

The corporate powers of the Company shall be exercised by the Board of Director, all business of the Company shall be conducted under its authority, and all property of the Company shall be controlled and held by the Board in accordance with applicable laws and regulations

b. Definition and Composition

Definition of Director. Directors shall include:

i. Directors who are named as such in the Articles of Incorporation;
ii. Directors duly elected in subsequent meetings of the stockholders; and
iii. Those elected to fill vacancies in the board of directors.

Composition. Board of Directors is comprised of five (5) members who shall be elected by the stockholders entitled to vote at the annual stockholders meeting.

c. Board Diversity

EIBI recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining sound corporate governance, realize sustainable and balanced development and achieve strategic objectives.

Board diversity will be considered from varied aspects when designing the Board's composition including but not limited to gender, age, cultural and educational background, geographical location, professional experience, skills, knowledge, and length of service of directors, and other regulatory requirements, etc. The Board will likewise strive to ensure that there is independence and appropriate representation of women in the Board.

These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board appointments are made on merit against objective criteria, in the context of the skills, experience, independence and knowledge which the Board requires to be effective, having due regard for the benefits of diversity on the Board.

d. Independence

A material relationship with the Company is a relationship that could, from a corporate governance view, be reasonably expected to interfere with the exercise of a director's judgment and independence from management. For this reason, the Boad will strive to ensure that enough qualified non-executive members shall be elected, to promote the independence of the board from the views of senior management.

Non-executive members of the board of directors shall refer to those who are not part of the day-to-day management of the insurance operations and shall include independent directors.

EIBI shall also conform to the requirement to have at least twenty percent (20%) who shall be independent directors. The independent director/s shall be identified in the annual report.

e. Nomination and Election

i. Nomination Criteria

A director of EIBI shall have the following qualifications:

- A college degree or its equivalent or adequate competence and understanding of the fundamentals of doing business or membership in good standing in relevant industry, and membership in business or professional organizations or sufficient experience and competence in managing a business to substitute for such formal education;
- Possesses integrity, probity, good repute and shall be diligent and assiduous in the performance of his functions;
- No potential conflict of time and attention due to competing officerships, directorships, memberships and positions in other corporations;
- No disqualifications as provided for in the Corporation Code, or in any relevant laws or regulations; and
- Could promote a smooth interaction between board members.

ii. Nomination Criteria – Independent Directors

An Independent Director should have the following criteria:

- Is not or was not a regular director, officer or employee of EIBI, during the past three (3) years counted from the date of his election/appointment;
- Is not an owner of more than two percent (2%) of the outstanding shares or a stockholder with shares of stock sufficient to elect one (1) seat in the Board of Directors of the covered entity, or in any of its related companies or of its majority corporate shareholders;
- is not a relative by affinity or consanguinity within the fourth (4th) degree of a director, officer, or stockholder holding shares of stock sufficient to elect one (1) seat in the board of the covered entity or any of its related companies or of any of its substantial stockholders;
- is not acting as a nominee or representative of any director or substantial shareholder of the Company, any of its related companies or any of its substantial shareholders;
- is not or was not retained as professional adviser, auditor, consultant, agent or counsel of the Company, any of its related companies or any of its substantial shareholders, either in his personal capacity or through his firm during the past three (3) counted from the date of his election / appointment.
- is independent of management and free from any business or other relationship, has not engaged and does not engage in any transaction with the Company or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's length and could not materially interfere with or influence the exercise of his judgment;
- was not appointed in the Company, its subsidiaries, affiliates or related companies as Chairman "Emeritus", "Ex-Officio", Regular Directors, Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the board of directors in the performance of its duties and responsibilities during the past three (3) years counted from the date of his election/appointment;

- is not affiliated with any non-profit organization that receives significant funding from the covered entity or any of its related companies or substantial shareholders; and,
- is not employed as an executive officer of another company where any of the covered entity's executives serve as regular directors

Related company refers to (a) the covered entity's holding/parent company; (b) its subsidiary or affiliate; (c) subsidiaries of its holding/parent company; or (d) a corporation where a covered entity or its majority stockholder own such number of shares that will allow/enable such person or group to elect at least one (1) member of the board of directors or a partnership where such majority stockholder is a partner.

f. Disqualification of Directors

i. Permanent Disqualification

- Persons who have been convicted by final judgment of the court for offenses involving dishonesty or breach of trust such as estafa, embezzlement, extortion, forgery, malversation, swindling and theft;
- Persons who have been convicted by final judgment of the court for violation of insurance laws;
- Persons who have been judicially, declared insolvent, spendthrift or unable to enter a contract; or
- Directors, officers or employees of closed insurance companies or any insurance intermediaries who were responsible for such institution's closure as determined by the Insurance Commission.

ii. Temporary Disqualification

- Persons who refuse to fully disclose the extent of their business interests when required pursuant to a provision of law or of a circular, memorandum or rule or regulation of the Insurance Commission. This disqualification shall be in effect as long as the refusal persists;
- Directors who have been absent or who have not participated for whatever reasons in more than fifty percent (50%) of all meetings, both regular and special of the Board of Directors during their incumbency, or any twelve (12) month period during said incumbency. This disqualification applies for purposes of the succeeding elections;
- Persons convicted of offenses involving dishonesty, breach of contract or violation of insurance laws but whose conviction has not yet become final and executory;
- Directors and officers of closed insurance companies and insurance intermediaries pending clearance from the Insurance Commission;
- Directors disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations. This disqualification applies until the lapse of the specific period of disqualification of the Insurance Commission;
- Directors who failed to attend the special seminar on corporate governance. This disqualification applies until the director concerned has attended such seminar;
- Persons dismissed/terminated from employment for cause. This disqualification shall be in effect until they have cleared themselves of involvement in the alleged irregularity;
- Those under preventive suspension;

- Persons with derogatory records with the NBI, court, police, Interpol and insurance authorities of other countries (for foreign directors) involving violation of any law, rule or regulation of the government or any of its instrumentalities adversely affecting the integrity and/or ability to discharge the duties of an insurance director. This disqualification applies until they have cleared themselves of involvement in the alleged irregularity;
- Persons who are delinquent in the payment of their obligations as defined hereunder:
    - Delinquency in the payment of obligations means that obligations of a person with the insurance company or its related companies where he/she is a director or officer; or at least two obligations with other insurance companies, under different credit lines or loan contracts;
    - Obligations shall include all borrowings from an insurance company, or its related companies obtained by:
        1. A director or officer for his own account or as the representative or agent of others or where he/she acts as a guarantor, endorser, or surety for loans from such institutions;
        2. The spouse or child under the parental authority of the director or officer;
        3. Any person whose borrowings or loan proceeds were credited to the amount of, or used for the benefit of, a director or officer;
        4. A partnership of which a director or officer, or his/her spouse is the managing partner or a general partner owning a controlling interest in the partnership; and
        5. A corporation, association or firm wholly owned, or majority of the capital is contributed by any or a group of persons mentioned in the foregoing items 1,2, and 4

This disqualification should be in effect as long as the delinquency persists.

g. Nomination Process

- All shareholders, regardless of their shareholdings, shall have the right to nominate, elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

- All written nominations for election of Directors by the stockholders are to be received by the Board not later than the date prescribed by law, rules and regulations or at such earlier or later date as the Board may fix before the date of the next annual meeting of the stockholders. All recommendations shall be signed by the nominating stockholders together with the written acceptance and conformity of the would-be nominees. No nominee shall qualify to be elected as Director unless this requirement is complied with.

- The Board and/or designated authority shall screen and shortlist qualified individuals for election as directors to ensure that only those that possess all the qualifications and none of the disqualifications from directorship as provided in the Company's By-Laws, Corporate Governance Manual and relevant laws, rules and regulations may be elected to the Board.

- In case of vacancy in the Board other than removal of a director or expiration of term, the Board and/or its designated authority shall determine and identify the qualified nominee and recommend to the Board, if the remaining directors still constitute a quorum, to elect such qualified nominee to fill the vacancy.

- The Board and/or its designated authority shall prepare a final list of qualified nominees, recommend for final approval of the Board such final list, and recommend to the stockholders the qualified nominees included in the final list for election in the annual meeting of stockholders.

- Only nominees whose names appear on 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 actual annual stockholders' / memberships' meeting.

- The process and requirements also apply to nominations for independent directors.

h. Election of Directors

- A holder of at least one (1) share of stock of the Company shall have the right to be present and to vote, in every stockholders' meeting, either in person or by proxy; Provided that if the stockholder is represented by proxy, the stockholder shall be limited to a single proxy at any one time but he may alternate proxies. A proxy may be made in favor only of a person who is *sui juris*, and to be acceptable, for the purpose of the Company, the signature of the stockholder executing it must be attested by two (2) subscribing witnesses. The proxy shall be filed with the Corporate Secretary of the Company at least ten (10) days before the meeting and shall be valid until revoked.

- At all stockholders' meeting, voting shall be by shares and not "per capita".

- Stockholders not possessing full legal capacity, such as spendthrifts, minors, etc., or corporations, associations and other legal entities shall be represented by their legal representatives.

- Voting for the election of members of the Board of Directors shall be by shares of stock, that is, one share entitles the holder thereof to one vote, two shares to two votes, etc., but in the election of members of the Board of Directors, any stockholder may cumulate his vote as provided for in the Corporation Law.

- In the election of members of the Board of Directors, the three (3) nominees receiving the highest number of votes shall be declared elected

- **Election of Independent Directors**

- Except as those required under pertinent laws and regulations, the conduct of the election of independent director/s shall also be made in accordance with the standard election procedures of EIBI's By–Laws.

- It shall be the responsibility of the Chairman of the Meeting to inform all stockholders in attendance of the mandatory requirement of electing independent director/s. He shall ensure that independent directors are elected during the stockholders' meeting.

- Specific slot/s for independent directors shall not be filled up by unqualified nominees.

- IDs can serve as such for term of nine (9) consecutive years, provided that service for a period of at least six (6) months shall be equivalent to one (1) year, regardless of the manner by which the ID position was relinquished or terminated;

- After completion of the nine-year service period, an ID shall be ineligible for election as such in the same company unless the ID has undergone a "cooling off" period of two (2) years, provided, that during such period, the ID concerned has not engaged in any activity that under existing rules disqualifies a person from being elected as ID in the same company;

- In case of failure of election for independent director/s, the Chairman of the Meeting shall call a separate election during the same meeting to fill up the vacancy.

i. General Responsibility of the Directors

The position of the director is a position of trust. A director assumes certain responsibilities to different constituencies or stakeholders, i.e., the Company itself, its stockholders, its customers, its management and employees, the regulators, and the public at large. These constituencies or stakeholders have the right to expect that the institution is being run in a prudent and sound manner. The Board of Directors is primarily responsible for approving and overseeing the implementation of the EIBI's strategic objectives, risk strategy, corporate governance and corporate values. Further, the Board of Directors is also responsible for monitoring and overseeing the performance of senior management as the latter manages the day to day affairs of the Company.

j. Roles and Responsibilities

The Board exercises ultimate authority over the business and affairs of the Company, subject to applicable laws and regulations. Its responsibilities include but not limited to the:

- **Strategic Direction**: Setting the long-term vision, mission, and strategic objectives of **EIBI**.
- **Leadership Appointments**: Selecting and appointing key officers positions.
- **Organizational Oversight**: Confirming the organizational structure and approving major strategies and policies.
- **Risk Management**: Overseeing significant risk-taking activities to safeguard the Company's sustainability.

- **Financial Oversight**: Monitoring financial performance and ensuring the generation of reasonable investment returns.
- **Performance Evaluation**: Measuring and rewarding management performance in accordance with established standards.
- **Independent Oversight**: Providing a check and balance on management to ensure accountability and transparency.
- **Duty of Care and Loyalty**. Acting on a fully informed basis, good faith, diligence and prudence to safeguard the best interests of the Company and its stakeholders.
- **Dispute Mechanism**. Establish an alternative process for resolving disputes.

k. Board Governance

i. Board Meeting, Board Meeting, Attendance and Quorum

Regular meetings of the Board shall be held monthly while special meetings may be held at any time upon the call of the President.

Meetings of Directors may be held anywhere in or outside the Philippines, unless the Corporate By-Laws provide otherwise. Notice of regular or special meetings stating the date, time and place of the meetings must be sent to every director at least one (1) day prior to the scheduled meeting, unless otherwise provided by the Corporate By-Laws. A Director may waive this requirement, either expressly or impliedly.

The required quorum in meetings shall consist of the stockholder/s representing a majority of the outstanding capital stock.

ii. Training and Education

Newly appointed directors are provided with a comprehensive briefing on the Company's background, organizational structure, its Articles of Incorporation, and Code of Conduct, furnished with copies of the Board's general and specific duties and responsibilities. They are also briefed on relevant policies and rules governing their roles, as well as giving an overview of the industry, regulatory environment (IC mandate topics), insurance brokering business, and the Company's annual and medium-term strategic plans. Current issues affecting the Company or the industry are likewise discussed.

In addition, new directors are apprised of the Company's governance framework and Board operations, including schedules, procedures, and processes, as well as the availability of information and support from the Corporate Secretary and Management. The Company also ensures that new directors undergo the requisite corporate governance seminar conducted by a duly recognized institution, as mandated by existing regulations.

The annual continuing training program, on the other hand, makes certain that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the company. The topics may cover

courses on corporate governance matters relevant to the company, including audit, internal controls, risk management, sustainability and strategy. To remain updated on good corporate governance practices and principles, directors shall attend appropriate training programs and seminars conducted by duly recognized institutions, in accordance with regulatory requirements.

Directors are required to take the following topics:

- Code of Corporate Governance for lC Regulated Companies;
- ACGS and lC Annual Corporate Governance Report;
- Board Responsibilities;
- lllegal activities of corporations/ directors/officers;
- Protection of minority shareholders;
- Liabilities of directors;
- Confidentialities;
- Conflict of interest;
- RPT;
- Enterprise Risk management; and
- Case studies and Financial Reporting and Audit.

iii. Access to information

Members of the Board should attend regular and special meetings of the Board in person or via teleconference or videoconference or by any other technological means allowed by law.

Board packages for Board of Directors meetings are to be provided to the members, normally five (5) days in advance, and in case of additional items two (2) days. Additional items may include additional information / research / documents for complex or highly impactful issues which may or may not have been externally sourced or prepared by an external subject matter expert. In any case, additional items for matters already included in the agenda must meet the prescribed documentation supported by valid reasons and approved by the Corporate Secretary for inclusion.

The Board shall have separate and independent access to the Corporate Secretary, who also serves as adviser to the directors on their responsibilities and obligations and oversees the adequate flow of information to the Board prior to meetings. This access to the Corporate Secretary shall be unhampered, unlimited and direct, either by phone, email or letter. The Corporate Secretary shall give them all the information and assistance they will need to prepare for the meeting or clarification of any relevant matters.

As also stated in the section of this Manual on Communication and Information, Management shall be primarily responsible for the adequate flow of information to the Board. This information may include the background or explanatory information relating to matters to be brought before the Board, copies of disclosure statements and documents, budgets, forecasts and monthly internal financial statements.

iv. Performance Evaluation

The Board, its directors and management positions shall undertake a constructive but critical review of their own performance, identifying strengths, weaknesses and implementing plans for further professional development.

Board Level Assessment

The provision of feedback on board performance and governance processes is the most crucial element of said evaluation and is the means by which the Board of Directors achieves consensus on targeted improvements. Said self-assessments are to be carried out annually, shall be held in utmost confidentiality and will have non-attributable responses. The self-assessments focus on individual director performance as well as the collective performance of the Board. Key evaluation factors of the assessments include: the functions of the board, board strategy and effectiveness, board structure and committees, Chairperson's, Committee's and peer director's performance.

The results of these evaluations shall be presented to the Board. The Board and/or its designated authority may develop recommendations and / or an action plan for the Board, where determined necessary or desirable, to address issues raised because of such assessments, and will monitor the progress of the Board in addressing issues identified in the assessment process.

A key objective of the performance evaluation is to also be able to highlight the strengths of the Company's corporate governance system where such improvement initiatives can be highlighted in targeted communications to strengthen shareholder and stakeholder confidence.

B. OPERATING MANAGEMENT

The responsibility of managing EIBI and implementing all major business strategies rests on the President who is in turn supported by his / her Executive Officers.

Operating management is guided by specific objectives and deliverables that are pre-defined through a formal planning and budgeting process. These objectives must be supported with a well-defined set of operating policies and procedures to ensure accuracy of reports**,** integrity, fairness & transparency, customer satisfaction, efficiency, and management accountability in the conduct of business.

Operating management, in turn, is subjected to a formal performance evaluation system that administers rewards and compensation adjustments based on the attainment of business objectives.

a. Nomination to Key Management Positions

The Board of Directors shall review and evaluate the qualifications of all persons nominated to key management positions in the Company which require appointment by the Board. In conducting its review, the Board shall consider the following factors:

i. Duties and responsibilities of the position/s under consideration;

ii. For the nominees:

1. Level of knowledge on the Company's business;
2. Potential to assume greater responsibility in the organization;
3. Ability, integrity and expertise; and
4. Results of previous performance assessments.

b. Duties and Responsibilities of Officers

i. Non – Executive Officers

- **Chairman of the Board**

  The Chairman of the Board shall, when present, preside at all meetings of the Board and shall render advice and counsel to the President. He shall, among others:

  - Makes certain that the 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;
  - Guarantees that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
  - Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
  - Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
  - Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
  - Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

ii. Executive Officers

- **President**

  Minimum internal control mechanisms for management's operational responsibility shall center on the President, being ultimately accountable for the Company's organizational and procedural controls. In addition to the duties imposed on the President by the Board of directors, the President shall:

- Have general supervision of the business, affairs, and property of the Company, and over its employees and officers;
- See that all orders and resolutions of the Board are carried into effect;
- Submit to the Board as soon as possible after the close of each fiscal year, and to the stockholders at the annual meeting, a complete report of the operations of EIBI for the preceding year, and the state of its affairs;
- Report to the Board from time to time all matters within its knowledge which the interest of EIBI may require to be brought to their notice.
- The President shall have such other responsibilities as the Board may impose upon him.

- **Treasurer**

  The Treasurer shall have charge of the funds, securities, receipts and disbursements of EIBI. She shall have the following functions:

  - Deposits or causes to be deposited all moneys and other valuable effects in the name and to the credit of EIBI in such banks or trust companies or with such bankers or other depositories as the Board may from time to time designate;
  - Regularly and at least every quarter renders to the President or to the Board an account of the fund condition of EIBI and of all his transactions as such;
  - Ensures funds availability on a timely basis and at the most economical means;
  - Optimizes yields in temporary excess funds, if applicable;
  - Ensures appropriate coverage and management of risk to resources;
  - Implements compliance to regulatory requirements as well as internal and external limits; and
  - The Treasurer shall have such other responsibilities as the Board of Directors may impose upon him.

- **Corporate Secretary**

  The Corporate Secretary shall be a resident and citizen of the Philippines. She is an officer of EIBI and considering her varied functions and responsibilities, she must possess organizational and interpersonal skills. The Corporate Secretary shall have the following functions:

  - Serve as an adviser to the directors on their responsibilities and obligations;
  - Keep the minutes of meetings of the stockholders, the Board, and all other committees in a book or books kept for that purpose, and shall furnish copies thereof to the Chairman, the President and other members of the Board as appropriate;
  - Keep in safe custody the seal of EIBI and affix it to any instrument requiring the same;

- Have charge of the stock certificate book and such other books and papers as the Board may direct;
- Attend to the giving and serving of notices of Board and shareholder meetings;
- Be fully informed and be part of the scheduling process of other activities of the Board;
- Prepare an annual schedule of board meetings and the regular agendas of meetings, and put the Board on notice of such agenda at every meeting;
- Oversee the adequate flow of information to the Board prior to meetings. Materials for approval or for information shall be given to the members of the Board in advance prior to date of meeting to give them the chance to study and ask questions if necessary even before the meeting itself; and
- Ensure the fulfilment of disclosure requirements to the Securities and Exchange Commission and other regulators.

  - The Corporate Secretary shall have such other responsibilities to the Management, stockholders and other stakeholders, as the Board may impose upon him.

The Board shall have separate and independent access to the Corporate Secretary.

iii. Other Key Officers

- **Compliance Officer**

  To ensure adherence to corporate principles and best practices, he/she is primarily liable to the Company and its shareholders, and not to the Chairman or President of the company. He/she has, among others, the following duties and responsibilities:

  - Ensures proper onboarding of new directors (i.e., orientation on the Company's business, charter, articles of incorporation and by-laws, among others);
  - 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;
  - Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
  - Ensures the integrity and accuracy of all documentary submissions to regulators;
  - Appears before the IC when summoned in relation to compliance with this Code
  - Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
  - identifies possible areas of compliance issues and works towards the resolution of the same;
  - Ensures the attendance of board members and key officers to relevant trainings; and
  - Performs such other duties and responsibilities as may be provided by the Insurance Commission.

c. Communication and Information

Management is primarily responsible to the Board for financial reporting and control, and to the extent, shall:

- Present a balanced and understandable assessment of the Company's position and prospects. This extends to interim and other price-sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.
- Explain their responsibility for preparing the accounts, for which there should be a statement by the auditors about their reporting responsibilities.
- Report that the business is a going concern, with supporting assumptions or qualifications, if necessary.
- Maintain a sound system of internal control to ensure integrity of financial reports and to safeguard the interest of stockholders and other stakeholders.
- Based on the approved audit plans, scope and frequency of audits, ensure that internal audit examinations cover, at least, the evaluation of adequacy and effectiveness of controls encompassing the organization's governance, operations, information systems, to include reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets, and compliance with laws, rules, regulations, and contracts.

Management shall be primarily responsible for the adequate flow of information to the Board. This information may include the background or explanatory information relating to matters to be brought before the Board, copies of disclosure statements and documents, budgets, forecasts and monthly internal financial statements. Any variance between projections and actual results should also be disclosed and explained by Management to the Board.

d. Continuing Education

To remain updated with good corporate governance practices and principles, the Key Management Officers shall attend the appropriate trainings program and seminars that are conducted by duly-recognized institutions, as mandated by existing regulations.

e. Performance Assessment

The provision of structured feedback on the performance of key management positions is a crucial element of the evaluation process and serves as the means by which the Company achieves consensus on targeted improvements. These evaluations shall be carried out annually, conducted in utmost confidentiality, and responses shall remain non-attributable. The assessments focus on both individual performance of executives and the collective effectiveness of the management team. Key evaluation factors include: leadership and decision-making, execution of corporate strategy, operational efficiency, risk management, compliance with regulatory requirements, and alignment with the Company’s values and culture.

The results of these evaluations shall be presented to the Board of Directors or its designated authority. Based on the findings, the Board may develop recommendations and/or an action plan for management, where deemed necessary or desirable, to address issues raised. The Board will monitor progress in implementing corrective measures and improvements identified during the evaluation process.

A key objective of management performance evaluation is not only to identify areas for improvement but also to highlight the strengths of the Company's leadership and governance practices. These strengths may be emphasized in targeted communications to reinforce shareholder and stakeholder confidence in the Company's ability to execute its strategic objectives effectively.

III. CODE OF BUSINESS CONDUCT AND ETHICS

A. CONFLICT OF INTEREST

The personal interest of directors and officers should never prevail over the interest of the Company. They are required to be loyal to the organization so much so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in EIBI. They must promote the common interest of all shareholders and EIBI without regard to their own personal and selfish interest.

B. WHISTLEBLOWER PROGRAM

The Whistleblower Program is the EIBI's mechanism for preventing and detecting fraud or misconduct and enabling fast and coordinated incident responses and avenues for establishing cause, remedial actions, and damage control procedures.

Under this program, it is the responsibility of all personnel, including the Board, Officers and employees, to comply with the rules and regulations of the EIBI and to report violations or suspected violations in accordance with this section. Any person who knowingly aids, abets, or conceals or otherwise deliberately permits the commission of any irregular or fraudulent act directed against the Company shall be considered as guilty as the principal perpetrators of the fraud or irregularity. Hence, all personnel, including the Board, Officers and employees, have a duty to cooperate with investigations initiated under the program. This also presumes that the employees act in good faith and will not make any false accusations when reporting the wrongdoing done by another employee. An employee who knowingly or recklessly makes statements or disclosures that are not in good faith shall be subject to disciplinary action/s, which may include termination.

Procedure for Reporting

All personnel, including the Board, Officers and employees, as well as customers, suppliers, and all stakeholders, can report any violation of policies, procedures and applicable laws and regulations which include, but are not limited to, the following: Fraud, Sexual Harassment, Theft, Stealing, Conflict of Interest, Information Security Violation, Violation of EIBI's Policies, Rules and Regulations and any other acts which are inimical to the interests of the Company.

a. The whistleblower may approach any of the following Officers who shall be the designated contacts for the Company and the primary reporting line:
    1. Head of Human Resources or
    2. Compliance Officer
b. Under extraordinary circumstances, the whistleblower can also course the complaint through other reporting lines (President or Chairman of the Board). The whistleblower may send or communicate a report, formally or anonymously, through a face-to-face meeting with the primary contacts or communicate in writing, by telephone, in person.
c. Upon receipt of the whistleblowing report, the Personnel to whom the report was disclosed shall then immediately initiate the investigation upon receipt of the report by turning over the details, documents, if any, of the reported case to the appropriate officer of the Company;
d. The investigation of the whistleblowing report shall follow the due process.

Non-Retaliation

a. An individual who makes a "protected disclosure" shall not suffer harassment, retaliation, or adverse employment consequences. Any person who retaliates against any individual who makes a protected disclosure shall be subject to discipline up to an including termination.

b. The right of a whistleblower for protection against retaliation does not include immunity for his / her wrongdoing or participation in the reported irregularity and such participation was eventually verified and proven during the investigation.

c. In case the whistleblower believes he has been retaliated against for whistleblowing, he may seek redress or file a formal complaint to the Head of Human Resource, Compliance Officer or the President.

C. ANTI-BRIBERY AND CORRUPTION

The Company upholds a strict zero-tolerance policy against corruption, bribery, fraud, extortion, facilitation payments, and any improper influence in its business dealings. All directors, officers, employees, and third-party partners are strictly prohibited from offering, giving, soliciting, or accepting anything of value that may compromise objectivity or influence business decisions. The Company shall comply with all applicable anti-corruption and anti-bribery laws and shall ensure that appropriate internal controls, reporting mechanisms, and disciplinary measures are in place. Any suspected misconduct must be reported immediately through established reporting channels, without fear of retaliation.

D. ENVIRONMENTAL RESPONSIBILITIY AND SUSTAINABILITY COMMITMENT

The Company recognizes its responsibility to operate in a manner that protects the environment and supports sustainable development. All business activities shall be conducted with due regard for environmental stewardship, resource efficiency, and pollution prevention. The Company commits to complying with applicable environmental laws, reducing its ecological footprint, and adopting practices that promote long-term sustainability. All employees and partners are encouraged to support initiatives that conserve resources, minimize waste, and contribute to environmental resilience.

E. DISSEMINATION OF THE CODE

The content of this Code is readily available in all channel both via internal email-facility to ensure constant top-of-mind awareness of the need to comply with these policies.

F. COMPLIANCE WITH THE CODE

All directors, officers and employees of the Company are given proper instruction on their respective duties as mandated in the Corporate Governance Manual and internal mechanisms are in place to ensure such compliance with the Company's policies and guidelines embodied in this manual as well as guidelines in the Company's other manuals and guidelines.

IV. STOCKHOLDERS' RIGHT AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

A. SHAREHOLDER'S RIGHT

The Board shall be committed to respect the following rights of stockholders:

a. Voting Rights

Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.

Cumulative voting shall be used in the election of directors. Directors may be removed with or without cause, but directors shall not be removed without cause if it will deny minority shareholders representation in the Board. Removal of directors requires an affirmative vote of two-thirds (2/3) of the outstanding capital of the Company.

b. Pre-emptive Rights

All stockholders shall have pre-emptive rights, unless there is a specific denial of this right in the Articles of Incorporation or an amendment thereto. They shall have the right to subscribe to the capital stock of the EIBI. The Articles of Incorporation shall lay down the specific rights

and powers of shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

c. Right of Inspection

Shareholders shall be allowed to inspect corporate books and records including minutes of Board meetings and stock registries in accordance with the Corporation Code and shall be provided with an annual report, including financial statements.

d. Right to Information

Upon request and for a legitimate purpose a shareholder shall be provided with periodic reports which disclose personal and professional information about the directors and officers and certain other matters, dealings with the Company, relationships among directors and key officers, and the aggregate compensation of directors and officers. The Information Statement / Proxy Statements where these are stated must be distributed to the shareholders before annual general meetings

The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

In accordance with existing law and jurisprudence, minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and to those relating to matters for which the management shall include such information and, if not included, then the minority shareholders shall be allowed to propose to include such matters in the agenda of stockholders' meeting provided always that this right of access is conditioned upon the requesting shareholder's having a legitimate purpose for such access.

B. DUTY OF DIRECTORS TO PROMOTE STOCKHOLDERS' RIGHTS

It shall be the duty of the directors to promote stockholder rights, remove impediments to the exercise of stockholders' rights and provide effective redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and / or voting in person. The directors shall pave the way for the electronic filing and distribution of stockholder information necessary to make informed decisions subject to legal constraints.

********** NOTHING FOLLOWS **********