

PrimeOrion Philippines, Inc.

CHARTER OF THE BOARD OF DIRECTORS

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CHARTER OF THE BOARD OF DIRECTORS

The Board of Directors ("Board") of Prime Orion Philippines, Inc. (the "Corporation") hereby adopts this Charter.

Section 1. Scope

The Board of Directors is the supreme authority in matters of governance and managing the regular and ordinary business of the Corporation. Within their chartered authority, the directors acting as a board have the fullest powers to regulate the concerns of the Corporation according to their best judgment. It shall be the Board's responsibility to promote and adhere in full to the principles and best practices of corporate governance and to foster the long-term success of the Corporation and secure its sustained competitiveness and profitability in the global environment in a manner consistent with its fiduciary responsibility and its corporate objectives and the long-term interest of the Corporation, its shareholders and other stakeholders.

Section 2. Membership

2.1 Composition

The Board shall be composed of nine (9) members, more than 50% of whom shall be non-executive and/or independent directors. Members of the Board shall be elected by the Corporation's stockholders' entitled to vote at the annual meeting, and shall hold office for one year and until their successors are elected and qualified in accordance with the By-Laws of the Corporation.

The Board shall encourage the selection of a mix of competent directors, each of whom can add value and contribute independent judgment in the formulation of sound corporate strategies and policies. In the selection of candidates for the Board, the objectives set by the Board for its composition are to be seriously considered, as well as the required knowledge, abilities and experience needed to successfully manage the Corporation.

Careful attention must be given to ensure that there is diversity and independence. Board diversity is a move to avoid groupthink and ensure that optimal decision-making is achieved. Board diversity is not only limited to gender diversity but also includes diversity in age, ethnicity, culture, skills, competence and knowledge.

The Board shall have at least two (2) independent directors or such number of independent directors equivalent to twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

Independent directors shall hold no interests or relationships with the Corporation that may hinder their independence from the Corporation or Management or interfere with the exercise of independent judgment in carrying out the responsibilities of a director. An independent director shall submit to the Secretary a letter of confirmation stating that he holds no interests affiliated with the Corporation, management or controlling shareholder at the time of his election or appointment and/or re-election as a director.

Independent directors may serve for a cumulative period of not more than nine (9) years. After serving for nine years, he shall be perpetually barred from being elected

as such in the Corporation, without prejudice to being elected as non-independent director or independent director in other companies outside of the business conglomerate, where applicable. Moreover, for purposes of compliance with the legal requirement, an independent director refers to a person who ideally:

- a) 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 company;
- b) is not, and has not been in the three years immediately preceding the 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 shareholders and its related companies;
- c) has not been appointed in the Corporation, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- d) is not an owner of more than two percent (2%) of the outstanding shares of the Corporation its subsidiaries, associates, affiliates or related companies;
- e) is not a relative of a director, officer, or substantial shareholder of the Corporation or any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- f) is not acting as a nominee or representative of any director of the Corporation or any of its related companies;
- g) is not a securities broker-dealer of listed companies and registered issuers if 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 or the broker or dealer;
- h) is not retained, either in his personal capacity or through a firm, a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;
- (i) 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 shareholder, in any transaction with the Corporation or any of its related companies or substantial shareholders, 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;
- i) is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial shareholders; and
- j) is not employed as an executive officer of another company where the Corporation's executive officers serve as a director

Related companies refer to (a) the Corporation's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

The Corporation shall, as appropriate, provide each independent director with technical support staff to assist him in performing his duties. An independent director may, when necessary, also request and receive support from executives, employees or outside professionals such as auditors, advisers and counsel to perform his duties. The Corporation shall cover the reasonable expenses of providing such support.

2.2 Policy on Multiple Board Seats

The Corporation shall ensure that adequate time and attention is given to the fulfilment of each director's duties. Independent directors shall hold no more than five (5) board seats or directorships in any group of publicly-listed companies, and executive directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group.

2.3 Election of Directors

The directors shall be elected by the Corporation's stockholders entitled to vote at their annual meeting in accordance with the By-laws and the rules of procedure for annual meeting of stockholders.

Pursuant to the Corporation Code, any shareholder, including minority shareholders, shall have the right to nominate candidates to the Board. The list of names of the nominees to the Board, together with the written consent of the nominees, shall be filed and submitted to the Corporate Governance Committee through the office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting of stockholders wherein they will be elected.

For the election of directors, it is necessary for majority of the outstanding shares of stock to be present or represented.

No person shall be elected nor be competent to hold the office of director unless at least one (1) share of stock of the Corporation shall stand in his name in the books of the Corporation at the time of his election.

The election of directors shall be by ballot and each stockholder may vote such number of shares he owns for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute his votes on the same principle among as many candidates as he may see fit, provided that the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of directors to be elected.

The Inspectors of Proxies and Ballots Committee appointed by the Board shall supervise the election of directors. No candidate for the office of director maybe a member of this Committee.

Directors shall hold office for the term of one (1) year or until their successors shall have been elected and qualified, in accordance with the By-Laws.

2.4 Vacancy

In case any vacancy or vacancies should occur on the Board due to death, resignation or other causes other than by removal or expiration of term, the remaining directors, if still constituting a quorum, may fill said vacancies by majority vote and the director/s so chosen shall serve for the unexpired term.

2.5 Compensation and Liability Insurance Coverage for Directors

Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director.

- a) Each director shall receive, for his services as director such amount as may be fixed by the stockholders for each regular or special meeting of the Board actually attended by him; provided, that nothing herein contained shall be construed to preclude any director from serving the company in any other capacity and receiving such compensation therefor as may be fixed from time to time by the Board of Directors.
- b) Subject to the approval of the stockholders, the Board of Directors shall be authorized to fix the per diems of directors attending board meetings, executive committee meetings and other committee meetings. The amounts per diem shall however be guided by reasonableness and industry practice.
- c) Effective from the effective date of this Charter, no director shall be involved in deciding his or her own remuneration.

The Corporation, to ensure effectiveness of holding directors accountable and to attract competent persons as directors, may purchase at its own expense, liability insurance coverage for its directors.

Section 3. Board Independence and Conflict of Interest

It is the responsibility of each director to promote the best interest of the Corporation. Therefore, in making decisions, the directors should only pursue the interest of the Corporation, and must not consider their own personal advantage. Each director shall disclose any conflict of interest, annually through the Business Interest Disclosure Form. A director with any material conflict of interest that has been determined to be permanent in nature shall be disqualified from the Board.

Notwithstanding the precautions set by the annual disclosure of conflict of interest, each director is required to abstain from participating in the discussion of, and from voting on, any matter where he is in conflict of interest at any point during the course of his service.

In line with the insider trading policy of the Corporation, each director is required to notify the Board at least one day before dealing in the shares of stock in the Corporation (the "Shares"). All directors are required to disclose/report to the Corporation any dealings in the Company's shares within three (3) business days.

No person shall qualify or be eligible for nomination or election to the Board of if he is engaged in any business which competes with or is antagonistic to that of the Corporation in accordance with the Corporation's By-laws.

At least once a year, the non-executive directors must meet without any executives present.

Directors shall keep confidential all the information contained in the confidential reports or discussions for a period of at least two years. They shall also ensure that all persons who have access to the same information on their behalf shall likewise comply with this rule.

Section 4. Powers, Duties and Responsibilities of the Board

4.1 General Responsibilities of the Board

- a) Compliance with the principles of good governance shall start with the Board of Directors. It shall be the Board's responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in the global environment in a manner consistent with its fiduciary responsibility, which it shall exercise in the best interest of the Corporation, its stockholders and other stakeholders.
- b) To ensure good governance of the Corporation, the Board should establish the vision and mission and strategic objectives and key policies and procedures for management of the Corporation, as well as the mechanism for monitoring and evaluating Management's performance.
- c) To the extent set forth above, the Board of Directors shall orient all its activities towards three general guidelines:
 - i. All actions taken by the Board are subject to the principle of legal permissibility. They must therefore not infringe on the appropriate provisions of Philippine laws and the Corporation's constitutive documents.
 - ii. All actions taken by the Board are subject to the principle of economic usefulness. They should accordingly contribute to increasing the value of the Corporation in a sustainable manner.
 - iii. The Board should, when carrying out its duties, be aware of its duty as the governing body of a publicly-listed company.
- d) The Board shall ensure the presence and adequacy of internal control mechanisms for good governance. The minimum internal control mechanisms for the Board's oversight responsibility include, but shall not be limited to:
 - i. Ensuring the presence of organizational and procedural controls, supported by an effective management information system and risk management reporting system;
 - ii. Reviewing conflict-of-interest situations and providing appropriate remedial measures for the same;
 - iii. Appointing a President/Chief Executive Officer (CEO) with the appropriate ability, integrity, and experience to fill the role; and defining the duties and responsibilities of the President;
 - iv. Reviewing proposed senior management appointments;

- v. Ensuring the selection, appointment and retention of qualified and competent management; reviewing the Corporation's personnel and human resources policies, compensation plan and the management succession plan;
- vi. Institutionalizing the internal audit function;
- vii. Ensuring the presence of, and regularly reviewing, the performance and quality of independent audit.

4.2 Specific Duties of the Board

The Board shall exert its best effort to ensure a high standard of best practice for the Corporation, its stockholders and other stakeholders. To do so, it shall perform all the functions which it is required to perform in the Corporation's By-Laws with honesty and integrity, and additionally, shall:

- a) Properly discharge Board functions by meeting regularly. Independent views during Board meetings should be given due consideration and all such meetings should be minuted;
- b) Constitute an Audit and Risk Committee and such other committees as are required in the By-Laws of the Corporation or it may deem necessary to assist the Board in the performance of its responsibilities and duties;
- c) Select and appoint a President and other senior officers with the appropriate level of motivation, integrity, competence and professionalism;
- d) Adopt a professional development program for employees and officers, and succession planning for senior management and key positions in the Corporation;
- e) Provide sound written policies and strategic guidelines on key capital expenditures, and periodically evaluate and monitor implementation of such strategies;
- f) Ensure that the Corporation complies with all relevant laws, regulations and as far as possible best business practices;
- g) Formulate a clear communication and disclosure strategy to accurately, timely and effectively communicate with the SEC, the Exchange and the Corporation's stockholders and other stakeholders on matters of importance;
- h) Adopt a system of internal checks and balances, which may be applied in the first instance to the Board. Such systems shall be regularly reviewed and updated to render for effectiveness;
- i) Identify and monitor, and endeavor to provide appropriate technology and systems for the identification and monitoring of key risks and key performance areas;
- j) The Board is primarily responsible to the stockholders for financial reporting and control, and should:
 - i. Provide to all stockholders relevant and timely information about the Corporation, including but not limited to a periodic report and an annual report of the Corporation's performance, position and prospects through publicly available reports submitted to the SEC;

- ii. Present a balanced and understandable assessment of the Corporation'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;
 - iii. Explain their responsibility for preparing the accounts, for which there should be a statement by the auditors about their reporting responsibilities;
 - iv. Report that the business is a going concern, with supporting assumptions or qualifications, if necessary;
 - v. Maintain a sound system of internal control to safeguard stockholders' investment and the Corporation's assets;
 - vi. 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;
 - vii. Require the Chief Audit Executive to render to the Audit and Risk Committee an annual report on the internal audit department's activity, purpose, authority, responsibility and performance relative to the audit plans and strategies approved by the Audit and Risk Committee. Such annual report should include significant risk exposures and control issues, corporate governance issues, and other matters needed or requested by the Board and senior management;
- k) Recommend to the stockholders the appointment of Independent Auditors, in accordance with the recommendation of the Audit and Risk Committee;
 - l) Create a procedure for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Corporation's expense, which expense shall be reasonable;
 - m) Create an internal self-rating system and conduct an annual performance assessment of the Board, its individual members, its committees, the President, and Management;
 - n) Cause the Corporation to participate in the corporate governance survey as may be prescribed by SEC, the Exchange or other relevant government agency;
 - o) Ensure that all directors, executives and employees adhere to the Corporation's Code of Ethics.

4.3 Liability of Directors

Directors who willfully and knowingly vote or consent to patently unlawful acts of the Corporation or who are guilty of gross negligence or bad faith in directing the affairs of the Corporation or acquire any personal or pecuniary interest in conflict with their duty as such directors, shall be liable jointly and severally for all damages resulting therefrom suffered by the Corporation, its stockholders and other persons.

When a director attempts to acquire or acquires, in violation of his duty, any interest adverse to the Corporation, in respect of any matter which has been reposed in him in confidence, as to which equity imposes a disability upon him to deal in his own behalf, he shall be liable as a trustee for the Corporation and must account for the profits which otherwise would have accrued to the Corporation.

4.4 The Chairman of the Board

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

- a) schedule meetings to enable the Board to perform its duties responsibly while not interfering with the flow of the Corporation's operations;
- b) prepare the meeting agenda in consultation with the President;
- c) exercise control over quality, quantity and timeliness of the flow of information between Management and the Board;
- d) assist in ensuring compliance with the Corporation's guidelines on corporate governance;
- e) make 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;
- f) guarantee that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;
- g) facilitate discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- h) ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by the Management;
- i) assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- j) make sure that performance of the Board is evaluated at least once a year and discussed/followed up on.

The Chairman shall have such other responsibilities as the Board of Directors may impose upon him.

4.5 The Corporate Secretary

The Secretary shall be a resident and citizen of the Philippines. He is an officer of the Corporation and his loyalty to the mission, vision and specific business objectives of the Corporation comes with his duties. Considering his varied functions and responsibilities, he must possess organizational and interpersonal skills, and the legal skills of a chief legal officer. He must also have some financial and accounting knowledge. He should not be a member of the Board of Directors and should annually

attend a training on corporate governance. The Corporate Secretary shall have the following functions:

- a) act as adviser to the directors on their responsibilities and obligations and assist 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 keep and preserve the integrity of the minutes of meetings of the stockholders, the Board of Directors, the Executive Committee, all other committees, as well as other official records of the Corporation 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;
- c) keep 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) work 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) advise on the establishment of the board committees and their terms of reference;
- f) inform members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days 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) attend all Board meetings, except when justifiable cases, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- h) perform required administrative functions, such as but not limited to:
 - i. keep in safe custody the seal of the Corporation and affix it to any instrument requiring the same;
 - ii. have charge of the stock certificate book and such other books and papers as the Board may direct; and
 - iii. attend to the giving and serving of notices of Board and shareholder meetings
- i) ensure proper onboarding of new directors (i.e. orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);
- j) oversee the drafting of the By-laws or amendments thereto and to the Articles of Incorporation of the Corporation and ensure that they conform with regulatory requirements; and
- k) perform such other duties and responsibilities as may be provided by the SEC.

The Secretary shall have such other responsibilities as the Board of Directors may impose upon him. The Board shall have separate and independent access to the Secretary.

4.6 Board Committees

The Board may create such committees (each a "Board committee") as it may deem necessary to support it in the performance of its functions and in accordance with the By-Laws and to aid in good governance.

The Board may delegate part of its rights and responsibilities to any of its committees. Except for the Inspectors of Proxies and Ballots Committee, the committees shall be composed of Board members specifically chosen for their particular background and areas of expertise that will allow them to adequately perform the functions assigned to their committee. The rights and responsibilities of each Board committee may be defined in greater detail in specific committee charters duly approved by the Board.

The Board shall adopt for each Board committee a charter providing, among others, the composition of the Board Committee, the qualifications of the members, the powers, duties and responsibilities of the Board Committee and the rules governing the exercise of those powers or performance of the duties and responsibilities.

The Board shall constitute an Executive Committee, an Audit and Risk Committee, a Corporate Governance and Nomination Committee, a Compensation and Remuneration Committee, an Inspectors of Proxies and Ballots Committee, and a Sustainability Committee.

Section 5. Resolutions and Actions

5.1 Meetings, Quorum and Actions

- a) The Board shall designate the days when it shall meet, but it shall meet at least four times each calendar year at a time and place determined by its Chairman, with further meetings to occur when deemed necessary by the Chairman or called by at least three (3) directors. The Board shall meet in person, teleconference or video conferencing facility or through such other similar means.
- b) Majority of the number of directors as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business.
- c) Directors are encouraged to attend all Board meetings, either in person or via teleconferencing facility. A minimum attendance of 50% in all Board meetings during his incumbency, or any twelve (12) month period during his incumbency shall be required for a director to be eligible for re-election except when the absence of a director is due to illness, death in the immediate family, serious accident or performs civic obligations.
- d) The Board meetings shall be announced at least two weeks in advance. Notice of meetings may be given by any customary means of communication (e.g. by e-mail, in writing, by telephone, by telefax, etc.). The notice shall specify the time and place of the meeting and include a detailed agenda. As a rule to the extent possible, Board materials are to be distributed to all directors at least five (5) business days prior to each Board meeting.

- e) Board meetings shall be chaired by the Chairman of the Board or, in his or her absence, by a Vice Chairman or the President, in the absence or incapacity of both the Chairman and Vice Chairman.
- f) In any Board meeting, decisions may be made on matters not included on distributed meeting agenda only if there are no objections posed by any member of the Board.
- g) Minutes of the Board meetings shall be taken and recorded by the office of the Corporate Secretary. Minutes shall be signed by the chairman of the meeting and by the secretary of the meeting.
- h) In order to properly perform its function, the Board may engage the services of auditors, legal advisers, as well as internal and external consultants, if it deems necessary. The Chairman of the Board may allow such resource persons to attend Board meetings.
- i) The charter of the Board, number of Board meetings and attendance of members at Board meetings shall be disclosed in the Corporation's annual report.

5.2 Minutes

Minutes of Board meetings shall be taken and recorded by the office of the Corporate Secretary.

Minutes shall be signed by the chairman of the meeting and by the secretary of the meeting.

Section 6. Miscellaneous

6.1. Access to Information

The Board shall have free and full access to all relevant information, data, records, properties and personnel of the Corporation.

6.2. Technical Assistance

The Corporate Secretary, the management and all personnel of the Corporation shall provide assistance and support to the Board.

The Board may also invite such members of management and other resource persons to its meetings and may secure independent expert and/or professional advice as it may deem desirable or appropriate.

All resources necessary for the Board to perform its duties and functions shall be provided by the Corporation, at its expense.

6.3. Records/Confidentiality

The Corporate Secretary shall keep and have custody of the records of the Board. Except for information that are required to be disclosed pursuant to law or regulations issued by competent government authorities, the records of the Board shall be kept confidential.

6.4. Annual Review/Self-Evaluation

The Board shall review and re-assess the adequacy of its Charter annually and submit proposed changes to the Board for approval.

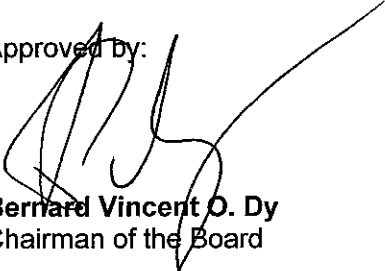
The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator. The Board shall have in place a system that provides, at the minimum, 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

6.5. Effectivity

This Charter shall take effect when approved by the Board and shall apply prospectively.

Approved on 15 December 2017 at Makati City.

Approved by:



Bernard Vincent O. Dy
Chairman of the Board




Felipe U. Yap
Vice-Chairman



Jose Emmanuel H. Jalandoni
Director



Maria Rowena M. Tomeldan
Director



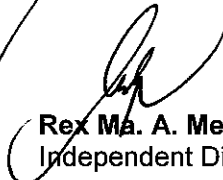
Augusto D. Bengzon
Director




Victor C. Say
Director



Nathanael C. Go
Director



Rex Ma. A. Mendoza
Independent Director



Renato O. Marzan
Independent Director