



ALABANG COUNTRY CLUB INC.,

Board Charter

Introduction

This Charter clearly defines the roles, responsibilities, and authorities of the Board of Directors in setting the direction, the management, and the control of the Club.

Composition of the Board of Directors

The Board shall be composed of nine (9) members elected by the stockholders during annual meaning of stockholders and shall hold office in accordance with the Articles of incorporation and By-Laws of the Club. The Board shall have two (2) independent directors. The Board shall have executive and non-executive directors in order that no director or small group of directors shall dominate the decision-making process. The non-executive directors shall possess the qualifications and stature that will enable them to effectively participate in the deliberations of the Board.

The Club shall attempt, as much as possible, to have board diversity in terms of gender, and experience, knowledge and skill sets to ensure that optimal decision making is achieved.

Election of the Directors

1. At the first Annual Stockholders' meeting when the voting rights of all shares shall be revived as provided for under Section 7 of Article VI hereof, there shall be elected nine (9) members of the Board of Directors. During said election, the first three (3) directors receiving the highest number of votes shall serve for a term of three (3) years; the three (3) other directors receiving the next highest number of votes shall serve for a term of two (2) years; and the remaining three (3) directors shall serve for a term of one (1) year. In the event that two (2) or more of the elected directors garnered identical number of votes, the tie shall be decided by a simple drawing of lots among the tied directors to determine the term of office of each.
2. Every year thereafter, at the annual stockholders' meeting there shall be elected three (3) directors who shall serve for a term of three (3) years.
3. No regular member shall be elected as director for more than one consecutive term. A member may be eligible for re-election to the Board after the lapse of one (1) year from the end of his last term as director.
4. Nomination and Procedure for Election of Directors – Not more than ninety (90) days prior to the date of the annual meeting of the stockholders, the President, with the approval of the Board of Directors shall appoint a Nomination and Election Committee composed of five (5) Regular Members in good standing. The Committee shall call for and accept nominations in writing from the stockholders in good standing provided that only regular members in good standing may be nominated and that the members of said Committee may not themselves be nominated. The official list of candidates shall be finalized by the Committee and posted at the Clubhouse Bulletin board at least thirty (30) days prior to the



ALABANG COUNTRY CLUB INC., Board Charter

date of the annual meeting. Such list shall likewise be attached to the notice of the Annual Meeting to be mailed to all stockholders.

5. Qualifications – A candidate for a director must own in his own right at the time of election one share of the capital stock and must be a regular member of the Club.

Multiple Board Seats

The Board shall consider adoption of guidelines on the number of directorship positions that a director may hold in other corporations. The optimum number of directorship that a director may hold shall be considered in determining the capacity of a director to diligently and effectively perform his duties and responsibilities. However, the President and executive directors may be covered by a lower (or stricter) limit for membership in other boards in other corporations. The lower limit may also be made applicable to non-executive directors and independent directors who, at the same time, serve as full time directors or full-time officers in other corporations. The capacity of directors to perform their duties and responsibilities diligently and effectively in any corporation that they may be serving shall never be compromised.

The Chairperson of the Board and President

The position of Chairperson of the Board and President shall be separate to foster a balance of power, increased accountability and better capacity for independent decision making. A clear delineation of functions shall be made between the Chairperson and the President. The function and duties of the Chairperson shall include the following: (i) ensure that meetings of the Board are held in accordance with the By-Laws; (ii) ensures that the meeting's agenda focuses on strategic matters and facilitates discussion on key issues (iii) supervise the preparation of the agenda of meeting in coordination with the Corporate Secretary taking into account suggestions of the President, Management and the other directors; (iv) maintain qualitative and timely lines of communication and information between the Board and Management and (v) ensures that performance of the Board is evaluated at least once a year.

Qualifications of Directors

In addition to the qualifications provided by laws and the Articles of incorporation and By-laws of the Club, the Board may provide additional qualifications for membership in the Board such as the following: (i) college education or equivalent academic degree; (ii) practical understanding of administration, operations, and affairs of the Club; (iii) membership in good standing in relevant industry, business or professional organization; and (iv) previous business or management experience.

The Board should have a policy on the training of directors, including an orientation program for first time directors and relevant annual continuing training for all directors.



ALABANG COUNTRY CLUB INC., Board Charter

Disqualifications of Directors

Permanent Disqualification

The following shall be grounds for permanent disqualification of a director:

- a. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (i) involves the purchase or sale of securities, as defined in the Securities Regulation Code ("SRC"); (ii) arises out of the person's conduct as an underwriter, broker dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; and (iii) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person or any of them;
- b. Any person who, by reason of misconduct, after hearing is permanently enjoined by a final judgment or order of the Commission or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (ii) acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company; and (iii) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (i) and (ii) or willfully violating the laws that govern securities and banking activities.

The disqualification shall apply if such person is currently the subject of an order of the Commission or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, SRC or any other law administered by the Commission or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking or such person is the subject of an order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

- c. Any person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, perjury or any other fraudulent acts.
- d. Any person who has been adjudged by final judgment or order of the commission, court or competent administrative body to have willfully violated or willfully aided, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, SRC or any other law administered by the Commission or BSP or any of its rule, regulation or order.
- e. Any person judicially declared as insolvent.



ALABANG COUNTRY CLUB INC., Board Charter

- f. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations, or misconduct like any of the acts, violation or misconduct enumerated in sub paragraphs (a) to (d) above.
- g. conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation code committed within five (5) year prior to the date of his election or appointment.
- h. Other grounds as the Commission may provide pursuant to the provisions of the Revised corporation code of the Philippines, securities Regulation code and other related laws.

Temporary Disqualification

The following shall be grounds for temporary disqualification of a director:

- a. Absence in more than fifty (50%) percent of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during his incumbency, unless the absence is due to illness, death in the family or serious accident. The disqualification shall apply for purposes of the succeeding election.
- b. Removal for cause as director of any corporation. The disqualification shall be effective until he has cleared himself from involvement in the cause that gave rise to his removal.
- c. If the beneficial equity of an independent director exceeds two percent (2%) of the subscribed capital stock of the Club. The disqualification shall be lifted if the limit is later complied with.
- d. If any of the Judgments or orders cited in the grounds for permanent disqualification has not yet become final and executory.

A temporarily disqualified director shall, within sixty (60) calendar days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses without justifiable reason the disqualification shall become permanent upon the lapse of the sixty (60) day period.

Responsibilities

It is the Board's responsibility to foster the long-term success of the Club, and to sustain its viability and sustainability in a manner consistent with its objectives and the best interest of its stockholders and other stakeholders. The Board shall formulate the vision, mission, objectives, plans, policies and procedures of the Club including the key result areas and performance indicators to be used in monitoring Management's performance.

Duties and Functions

There are two key elements of the fiduciary duty of board members the duty of care and the duty of loyalty. To ensure the highest standards of best practice for the Club, its stockholders and other



ALABANG COUNTRY CLUB INC., Board Charter

stakeholders, the Board shall conduct itself with diligence, honesty, and integrity in the performance of its duties and functions which shall include the following:

- a. Implement a process of selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest, and highly motivated management officers. Adopt an effective succession planning program.
- b. The Board should oversee the development of and approve the company's business strategy and monitor its implementation in order to sustain the company's long-term viability and strength.
- c. Keep the activities and decisions within the authority granted by the Articles of incorporation and By-Laws and ensure faithful compliance with laws, des and regulations of the national and Local government and regulatory authorities.
- d. Establish and maintain a membership relations program that keep stockholders informed of developments. Identify the club's stakeholders and sectors in the community in which the Club operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.
- e. The Board shall have a formal and transparent board nomination and election policy that should include how it accepts nominations from minority stockholders and reviews nominated candidates. The policy shall also include an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a director. In addition, its process of identifying the quality of directors shall be aligned with the strategic direction of the Club;
- f. The Board shall be primarily responsible for approving the selection and assessing the performance of the Management led by the President, and control functions led by their respective heads.
- g. The Board shall have the overall responsibility in ensuring that the is a club-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material or significant RPTs which guarantee fairness and transparency of the transactions;
- h. The Board shall 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, the directors and stockholders.
- i. Constitute an Audit Committee and such other committees necessary to accomplish its duties and responsibilities.
- j. The Board shall adopt a Code of Business Conduct and Ethics, as may be necessary, which would provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings, and shall ensure the proper and efficient implementation and monitoring of compliance with the said Code:
- k. The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risks. The risk



ALABANG COUNTRY CLUB INC., Board Charter

management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

- I. The Board shall establish a clear and focused policy on the disclosure of non financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business which underpin sustainability and adopt a globally recognized standard/framework in reporting sustainability and non-financial issues. Moreover, it shall strive to be a good corporate citizen by being socially responsible and engaged in the community where it operates.
- m. Establish and maintain an alternative dispute resolution mechanism to amicably settle conflicts or differences between the Club and its stockholders and between the Club and third parties, including regulatory authorities.

Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director shall act in the best interest of the Club in a manner characterized by diligence, honesty, transparency, accountability, and fairness. He shall exercise leadership, prudence, and integrity. A director shall observe the following specific duties and responsibilities:

- a. Conduct fair business transactions and ensure that personal interest does not conflict with the interest of the Club. The basic principle is that a director shall 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.

Each director shall submit on an annual basis a Declaration of Interest disclosing therein his own or related parties' interest in any matter or in any office or property held by him which might create duties or interests in conflict with his duties or interest as a director of the Club. This shall be submitted by all directors not later than the second regular Board meeting after the Annual Stockholders' Meeting using the Form to be furnished by the Audit Committee.

A director with a material or potential interest in any transaction RPT affecting the Club should fully and immediately disclose his adverse interest, abstain from taking part in the deliberations for the same and recuse for voting on the approval of the transactions. The Board's policy on related party transactions (RPTs) should include the appropriate review and approval of material RPTs which guarantees fairness and transparency of the transactions.

A material or repeated violation/s of this rule shall be a ground for the imposition of disciplinary action including suspension or removal from office as director on the ground



ALABANG COUNTRY CLUB INC., Board Charter

of ethical violation as a stockholder of the Club, without prejudice to any other action/s that may be available to the Club to protect its interest.

Devote time and attention necessary to properly and effectively perform his duties and responsibilities. A director shall attend all meetings of the Board and the Committees of which he is a member whether in person or through other means in accordance with the rules and regulations of the SEC, except when justifiable causes such as illness, death in the immediate family or serious accidents should prevent him from doing so. A director shall devote sufficient time to familiarize himself with Club operations and shall be constantly aware of and knowledgeable of the same to enable him to meaningfully contribute to the Board's work.

- b. Act judiciously. Before deciding on any matter, a director in all Board and Committee meetings carefully evaluate the issues and, if necessary, make inquiries and request clarifications or seek an explanation.
- c. Exercise independent judgment. A director shall view each problem or situation objectively. If there is disagreement, he shall evaluate and explain his position. He should not be afraid to take an unpopular position and shall support any plan or idea that he believes is in the best interest of the Club.
- d. Have a working knowledge of statutory and regulatory requirements, including the Articles of Incorporation and By-Laws of the club, the rules and regulations of the Commission, and the requirements regulatory agencies.
- e. A director shall keep abreast with trends and developments in other country clubs, sports, athletic and recreational clubs.
- f. Observe confidentiality. A director shall keep secure and confidential all non-public information he may acquire or learn by reason of his position. He shall not reveal confidential information to unauthorized persons without prior authority of the Board.

Internal Control Responsibilities of the Board

The control environment consists of the following: (i) the Board which ensures that the Club is properly and efficiently managed and supervised; (ii) the Management that actively manages and operates the Club in a sound and prudent manner; (iii) the organizational and procedural controls supported by management information and risk management reporting systems; (iv) an independent audit mechanism to monitor the adequacy and effectiveness of governance. operations and information systems, including reliability and integrity of financial information, efficiency of operations, safeguarding of assets, and compliance with laws, rules, regulations and contracts.

- a. The minimum internal control mechanism for the performance of the Board's oversight function may be ultimately accountable for the Club's organizational and operational controls; (ii) selection of the person who possesses ability, integrity and expertise essential



ALABANG COUNTRY CLUB INC., Board Charter

for the position of President (iii) evaluation of proposed senior management appointment (iv) selection and appointment of qualified and competent management officers; and (v) review of human resource policies conflict of interest situations, compensation programs and management succession plans

- b. The scope and particulars of the system of effective organizational and operational control may depend on the following, among others: (i) nature and complexity of the organizational culture; (ii) volume, size and complexity of transactions; (iii) degree of risks involved; (iv) degree of centralization of authority and or delegation thereof; (v) extent and effectiveness of information technology; and (iv) extent of regulatory compliance.
- c. The Club shall establish an internal audit system that reasonably assures the Board Management and stockholders that key organizational and operational controls are faithfully complied with. The Board shall appoint an Internal Auditor to perform the audit function and shall require him to report to a level that allows the internal audit fulfill its mandate. The Internal Auditor shall be guided by and comply with the International Standards on Professional Practice of Internal Auditing.

Notification of Directorship

The Directors shall have a written notification addressing to the Board of Directors before accepting a directorship in another company.

Attendance in Board Meetings.

The members of the Board shall attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

To monitor compliance with attendance, the Club shall submit to the Commission. on or before January 30 of the following year, a sworn certification regarding attendance of directors at all meetings of the previous year. The certification may be submitted through SEC Form I 7 -C or in separate filing.

Compensation.

Pursuant to the By-Laws' directors as such shall receive no salaries or fees'