

Section 5 BOARD COMMITTEES

Subject 1 General Provisions

To aid in ensuring compliance with the principles of sound corporate governance, the Board may create such committees, as it may deem necessary to support it in the performance of its functions and in accordance with the By-Laws of the Company and to aid in good governance. As a minimum, however, the Board shall be supported by the following committees:

- a. Nomination and Compensation Committee
- b. Audit and Governance Committee
- c. Risk Management Committee
- d. CSR Committee
- e. Operations Committee
- f. Related Party Transactions Committee

The Board, however, may create and constitute such other Committees, as it may deem necessary. Any such newly constituted Committee shall have such authority and responsibilities and shall perform such duties as may, from time to time, be prescribed by the Board.

The Committees shall likewise report to the Board in such manner as the Board may require.

Subject 2 Composition

The Board shall appoint the members and chairman (from among the members) of each Board Committee following the annual meeting of stockholders at which the directors are elected.

In case of any vacancy in the Committee, the Board shall appoint a replacement who will fill the vacancy at any meeting of the Board.

The Board shall ensure that the members of the Board Committees shall be as follows:

1. Audit and Governance Committee:
 - i. At least three (3) Non-Executive Directors as members, three²³ of whom are Independent Directors. Each member shall have adequate understanding and recent relevant financial experience or competence of the Company's financial management systems and environment. All members of the Committee shall as far as practicable, have relevant background, knowledge and/or experience in accounting, auditing and finance
 - ii. The Chairman of the Audit and Governance Committee shall be an Independent Director, who shall not be the Chairman of the Board or of any other board committee
2. Nomination and Compensation Committee:
 - i. At least three (3) Directors as members, one of whom shall be an Independent

²³ Approved by the Board of Directors on August 8, 2017

Director; and

- ii. The Chairman shall either be a regular or independent Director, elected from among the members of the Committee

3. Risk Management Committee:

- i. At least three (3) Directors as members;
- ii. As far as practicable, composed of Non-Executive Directors, three²⁶ of whom are Independent Directors
- iii. The Chairman of the Risk Management Committee shall, as far as practicable, be an Independent Director, who shall not be the Chairman of the Board or of any other board committee.

At least one (1) Vice-President who shall be the Management Representative/s and Committee Resource person/s. The Committee shall also involve resource persons from other EDC sectors, as may be necessary.

The head of the Risk Management Department of EDC shall serve as head of the Secretariat of the Committee.

4. Corporate Social Responsibility Committee

- i. At least three (3) Directors as members, one of whom shall be elected as Chairman.
- ii. A Vice-President shall be designated by the President to act as Management Representative/ Committee Resource Person. He/ She shall have no voting rights on matters deliberated by the committee.

The Committee Secretariat shall be a CSR Department Manager of the Company, or such other person designated by the President.

5. Operations Committee

- i. At least five (5) Directors as members;
- ii. The Chief Executive Officer; and
- iii. The Chief Operating Officer

6. Related Party Transactions Committee

- i. At least five (5) Directors as members, three of whom shall be Independent Directors;
- ii. The Committee Chairman shall be elected by the members from among the Independent Directors; and

The Company's Chief Finance Officer (CFO) shall serve as management Representative, and the Secretariat shall be headed by the Chief Audit Executive.

All Committees shall have at least one (1) Vice President as Management representative/resource person, to be designated / appointed by the President.

²⁶ Approved by the Board of Directors on August 8, 2017