

Subject 2 Definitions and Interpretation

Definitions

The following terms are used in this Manual with the respective meanings ascribed to such terms below, unless the context otherwise requires:

Corporate Governance	The framework of rules, systems and process in the corporation by which the Board of Directors and Management perform their respective duties and responsibilities to the stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates and where Management aligns its strategy with the board.
Articles of Incorporation	the Articles of Incorporation of the Company and all amendments thereto;
Board of Directors	the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all business and controls its properties
Board Committees	One or all of the following Committees composed of Members of the Board of Directors: <ul style="list-style-type: none">a. Nomination and Compensation Committeeb. Audit and Governance Committeec. Risk Management Committeed. Corporate Social Responsibility Committeee. Operations Committeef. Related Party Transactions Committeeg. and such other Committees which the Board may constitute from time to time
BSP	the Bangko Sentral ng Pilipinas
By-Laws	the By-Laws of the Company and all amendments thereto;
President	the President of the Company
Chairman	the Chairman of the Board
Code	SEC Memorandum Circular No. 19, series of 2016, otherwise known as the “Code of Corporate Governance for Publicly-listed Companies”
Commission	the Securities and Exchange Commission
Company	Energy Development Corporation
Corporation Code	Batas Pambansa Blg. 68 otherwise known as the Corporation Code of the Philippines;

Director	<p>a duly elected member of the Board. Under EDC’s present structure, the following are the classifications of its Directors:</p> <ol style="list-style-type: none"> a. Executive Director - a director who is also the head of a department or unit of the corporation or performs any work related to the Company’s operation as a part of the Company’s executive management team; b. Independent Director - a person who, apart from his fees and shareholdings, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director of the Company c. Non-Executive Director – a director who is neither the head of a department or unit of the corporation nor performs any work related to its operation. He is neither part of the Company’s executive management team. An Independent director, by this definition, may also be considered a Non-Executive Director.
Exchange	the Philippine Stock Exchange. It is an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities;
Executive	the executives of the Company with the rank of a Manager up to Senior Manager
Internal Control	the system established by the Board of Directors and Management for the accomplishment of the Corporation’s objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;
Internal Control System	the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk, cost or business activity, or combination of risks or business activities, to which the corporation is exposed;
Internal Audit	an independent and objective assurance activity designed to add value to, and improve the corporation’s operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of the effectiveness of risk management, control and governance processes;
Internal Audit Department	a department or unit of the corporation and its consultants, if any, that reports to the Audit and Governance Committee of

	the Board, provide independent and objective assurance services in order to add value to, and improve the corporation's operations;
Internal Auditor	the highest position in the corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.
Management	the general body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation.
Manual	means this Manual on Corporate Governance, as may be amended from time to time
Officers	mean the officers of the Company from the rank of Assistant Corporate Secretary up to the Chairman of the Board as defined in the Company's By-Laws;
Securities Code	means Republic Act No. 8799 otherwise known as the Securities Regulation Code
Senior Management	otherwise known as "Executive Management", it is generally the team of individuals at the highest level of organizational management who have the day-to-day responsibilities of managing a corporation. They hold specific executive powers conferred onto them with and by authority of the Board of directors and/or the shareholders. These are most often the higher levels of responsibility in the corporation, with a position not lower than Vice-President
Year	means a calendar year

Interpretation

1. Unless the context otherwise requires:
 - a. Words in the singular include the plural, and vice versa; and
 - b. Words importing any gender include all genders
2. A reference to a statute or statutory provision shall be construed as a reference to that statute or provision as from time to time amended, modified or re-enacted, any repealed statute or statutory provision which it re-enacts, and any orders, rules or regulations made under the relevant statute or statutory provision.
3. The headings in this Manual are inserted solely for convenience of reference and shall not limit or affect the interpretation of the provisions hereof
4. All doubts or questions that may arise in the interpretation or application of this

Code shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the corporation