

Section 2 COMPLIANCE SYSTEM

Subject 1 Compliance Officer

To ensure adherence to sound corporate governance principles and best practices, the Board of Directors shall, appoint a Compliance Officer with the rank of at least Vice-President who shall report to the Chairman of the Board, through the Audit and Governance Committee.

Subject 2 Duties of the Compliance Officer

The Compliance Officer shall perform the following duties:

1. Monitors compliance with the provisions and requirements of this Manual, the Code and such other laws, circulars, rules and regulations issued in relation to corporate governance;
2. Appears before the Commission upon due receipt of a summon on matters relating to the Company's compliance with this Manual, the Code and such other laws, circulars, rules and regulations issued in relation thereto;
3. Determines violation(s) of the provisions of this Manual and recommends penalty for such violation(s), subject to further review and approval by the Board;
4. Issues a certification every January 30 of each year on the extent of the Company's compliance with the provisions of this Manual for the immediately preceding fiscal year of the Company, explaining if necessary the reason(s) for the latter's deviation from the same;
5. Identifies, monitors and controls compliance risks; and
6. Review local and international development and trends in corporate governance and recommend appropriate changes to keep EDC at the forefront of corporate governance.

Subject 3 Disclosure of Appointment of Compliance Officer

The appointment of the Compliance Officer shall be immediately disclosed to the Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Compliance Officer.