**CORPORATE GOVERNANCE**

**MANUAL ON CORPORATE GOVERNANCE**

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**BOARD COMMITTEES**

The Board created and appointed Board members to each of the committees set forth below. Each member of the respective committees named below holds office as of the date of this Prospectus and will serve until his successor is elected and qualified.

1. Audit Committee

The Audit Committee is composed of at least three members of the Board who have accounting and finance backgrounds, at least one of whom is an independent director and another with audit experience. The chair of the Audit Committee should be an independent director.

The Audit and Risk Management Committee is chaired by Mr. Gary P. Cheng, while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo serve as its members.

The Audit Committee has the following functions:

1. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process and monitoring of compliance with applicable laws, rules and regulations;
2. Provide oversight over the management’s activities in managing credit, market, liquidity, operational, legal and other risks of the Company. This function shall include receiving from management of information on risk exposures and risk management activities;
3. Perform oversight functions over the Company’s internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
4. Review the annual internal audit plan to ensure its conformity with the objectives of the Company. The plan shall include the audit scope, resources and budget, necessary to implement it;
5. Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimized duplication of efforts;
6. Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of it engagement and removal;
7. Monitor and evaluate the adequacy and effectiveness of the Company’s internal control system, including financial reporting control and information technology security;
8. Review the reports submitted by the internal and external auditors;
9. Review the quarterly, half-year and annual financial statements before their submission to the Board, with particular focus on the following matters:
10. Any changes in accounting policies and practices;
11. Major judgmental areas;
12. Significant adjustments resulting from the audit;
13. Going concern assumptions;
14. Compliance with accounting standards; and
15. Compliance with tax, legal and regulatory requirements.
16. Coordinate, monitor and facilitate compliance with laws, rules and regulations;
17. Evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company’s overall consultancy expenses. The Audit Committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Company’s annual report;
18. Establish and identify the reporting line of the internal auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that, in the performance of the work of the internal auditor, he shall be free from interference by outside parties.
19. Nomination Committee

The Nomination Committee is composed of at least three members of the Board. The Nomination Committee reviews and evaluates the qualifications of all persons nominated to the Board and other appointments that require Board approval.

The Nomination Committee is chaired by Atty. Victoria R. Tamayao while Mr. Ferdinand J. Sia and Ms. Marriana H. Yulo serve as its members.

**Compensation Committee**

The Compensation Committee is composed of at least three members of the Board, one of whom is an independent director. The Compensation Committee may establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Company’s culture, strategy and the business strategy in which it operates.

As of the date of this Prospectus, the Compensation Committee is chaired by Edgar J. Sia II , while Mr. Ferdinand J. Sia and Atty. Victoria R. Tamayao serve as members.

**CORPORATE SOCIAL RESPONSIBILITY**

The Company has signed a Corporate Social Responsibility Partnership deal with Jollibee Group Foundation on June 27, 2019 to support its programs, primarily the Farmer Entrepreneurship Program. This program aims to increase the capabilities of smallholder farmers as well as enhance their income by linking them to the supply chain of institutional markets such as Jollibee and MerryMart.

All MerryMart supermarkets nationwide will also host the foundation’s coin banks for its Busog Lusog Talino school feeding program across the country

(*insert photo of signing)*

**ENTERPRISE RISK MANAGEMENT SYSTEM**

Enterprise Risk Management is a process, effected by the company’s Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.

The company establishes a separate and effective enterprise risk management function to identify, assess and monitor key risk exposures. The risk management function involves the following activities, among others:

a. Defining a risk management strategy;

b. Identifying and analyzing key risk exposures relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization’s strategic objectives;

c. Evaluating and categorizing each identified risk using the Company’s predefined risk categories and parameters;

d. Establishing a risk register with clearly defined, prioritized and residual risks;

e. Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;

f. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and

g. Monitoring and evaluating the effectiveness of the organization's risk management processes.

The company also has an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations. The following are the functions of the internal audit, among others:

a. Provides an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics, (2) ensuring effective performance management and accounting in the organization, (3) communicating risk and control information, and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;

b. Performs regular and special audit as contained in the annual audit plan and/or based on the company’s risk assessment;

c. Performs consulting and advisory services related to governance and control as appropriate for the organization;

d. Performs compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;

e. Reviews, audits and assesses the efficiency and effectiveness of the internal control system of all areas of the company;

f. Evaluates operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

g. Evaluates specific operations at the request of the Board or Management, as appropriate; and h. Monitors and evaluates governance processes.

**COMPANY POLICIES**

*(legal is still typing this out upload to follow)*

**Whistle Blowing Policy**

**Conflict of Interest Policy**

**Insider Trading Policy**

**Related Party Transaction Policy**

**Policy and Data Relating to Health, Safety and Welfare of Employees, including company sponsored trainings.**