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SECURITIES AND EXCHANGE COMMISSION

SEC Building, EDSA, Greenhills, Mandaluyong City, Metro Manila, Philippines
Tel: (632) 726-0931 to 39 Fax: (632) 725-5293 Email: mis@sec.gov.ph

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October 5, 2017

ATTY. JUSTINE F. CALLANGAN
Director
Corporate Governance and Finance Department
SECURITIES AND EXCHANGE COMMISSION
SEC Building, EDSA
Mandaluyong City

Subject: **Submission of Vivant Corporation's Manual on Corporate Governance**

Dear Director Callangan:

Further to our July 20, 2017 letter on the matter of the delayed submission of the new Manual on Corporate Governance (the "New Manual"), Vivant Corporation would like to inform the Commission that after extensive discussions and deliberations on the matter, the Board of Directors has approved and adopted the New Manual, a copy of which is hereto attached. With this submission, we hope that Vivant Corporation shall be deemed in compliance with SEC Memorandum Circular No. 19, Series of 2016.

Thank you.

Very truly yours,


RAMONTITO E. GARCIA,
President

VIVANT CORPORATION
2017 REVISED MANUAL ON CORPORATE GOVERNANCE

The Board of Directors and Management i.e., officers, staff and employees of Vivant Corporation (“Vivant”) hereby commit themselves to the principles and best practices contained in this Revised Manual of Corporate Governance (the “Manual”), and acknowledge that the same may guide the attainment of their corporate goals.

This Revised Manual on Corporate Governance (the “Manual”) is crafted pursuant to SEC Memorandum Circular No. 19 Series of 2016 addressed to all publicly-listed companies for the purpose of promoting the development of a strong corporate governance culture and keep abreast with recent developments and best practices in corporate governance.

I. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization of Vivant.

The Board of Directors (the “Board”) and Management, employees and stockholders of Vivant believe that good corporate governance is a necessary component of a sound strategic business management and will, therefore, undertake every effort necessary to create awareness within the organization.

II. RULES OF INTERPRETATION

Unless the context otherwise requires, words in the singular include the plural and vice versa.

Words importing any gender include all genders.

All doubts or questions that may arise in the interpretation or application of this Manual shall be resolved in favor of promoting transparency, accountability and fairness to the stakeholders and investors of Vivant.

III. DEFINITION OF TERMS

- a. **Board of Directors.** The governing body elected by the stockholders that exercises the corporate powers of Vivant, conducts all its business and controls its properties.
- b. **Board Committees.** Means the Nomination and Election Committee, the Remuneration or Compensation Committee, the Audit Committee, Corporate Governance Committee, Board Risk Oversight Committee, Related Party Transactions and such other committees which the Board of Directors may constitute from time to time.

- c. **Corporate Governance.** The system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.
- d. **Enterprise Risk Management.** A process, effected by an entity'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.
- e. **Executive Director.** A director who has executive responsibility of day-to-day operations of a part or the whole of the organization. A director who is at the same time an Officer.
- f. **Non-executive Director.** A director who has no executive responsibility and does not perform any work related to the operations of Vivant.
- g. **Independent Director.** A person who is independent of Management and the controlling stockholders, and is 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 director.
- h. **Internal Control.** A process designed and effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.
- i. **Internal Audit.** An independent and objective assurance activity designed to add value to and improve Vivant'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.
- j. **Officer.** An Officer shall mean persons appointed by the Board of Directors to run the day-to-day operations of Vivant, including but not limited to the President, the Corporate Treasurer, Corporate Secretary and other corporate officers as may be designated as such by the Board of Directors, under the Law or by Vivant's By-laws.
- k. **Related Party Transactions.** A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether or not a price is charged. It shall be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into when an unrelated party that subsequently becomes a related party.
- l. **Stakeholders.** Any individual, organization or society at large who can either affect and/or be affected by Vivant's strategies, policies, business decisions and operations,

in general. This includes among others, customers, creditors, employees, suppliers, investors.

IV. THE BOARD'S GOVERNANCE RESPONSIBILITIES

1. Board of Directors

Compliance with the principles of good corporate governance shall start with the Board of Directors. Vivant should be headed by competent and hard-working board members who shall be responsible for fostering its long-term success and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders. Corollary to setting the policies for the accomplishment of the corporate objectives, it shall provide an independent check on Management.

1.1 Composition of the Board

1.1.1 The Board shall be composed of eleven (11) members who are elected by Vivant's stockholders annually, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with Vivant's By-Laws, as these may be amended from time to time. The Board shall be composed of directors with collective knowledge, experience or expertise that is relevant to Vivant's industry or sector. The Board shall always ensure that it has an appropriate mix of competence and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfill its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

1.1.2 The Board shall be composed of a majority of non-executive directors who possess the stature, necessary qualifications and none of the disqualifications to effectively participate in the company's decision-making process.

1.1.3 Vivant values the contribution of independent directors who offer objective, independent judgment on corporate affairs and to substantiate proper checks and balances. It is the company's goal to be aligned with the best practices regarding the presence of independent directors in the Board. The identity of the company's independent directors shall be disclosed in the annual report.

1.2 Trainings and Orientation Programs for Directors

1.2.1 Vivant recognizes the value in ensuring that the members of the Board remain up to date on relevant matters affecting the company. It shall also properly introduce the new directors to the company by providing a comprehensive orientation program.

1.2.2 Vivant shall provide in its Board Charter and Manual a comprehensive orientation program for new directors to promote effective board performance. The orientation shall include information on the company's history, the industry it operates in, an introduction to the key officers in management, an understanding of the contributions that the director is expected to make in carrying out their duties and responsibilities, an explanation of the Board and its committees, an explanation of Vivant's business, including corporate governance and other matters that will assist them in discharging their duties, and all other information that may be relevant to the new director.

1.2.3 Vivant shall provide in its Board Charter and Manual an annual continuing training program to its directors as a matter of continuous professional education in order to ascertain that directors are continuously informed of the developments in the business and regulatory environments, including relevant emerging risks.

1.3 Board Diversity

1.3.1 Vivant recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining a competitive advantage. A diverse board includes and makes good use of the differences in the skills, experience, background, gender and other distinctions between Directors. This promotes different perspectives and ideas to achieve optimal decision making.

1.3.2 Vivant is committed to the following principles:

- a. In reviewing the Board composition, it shall consider the benefits of all aspects of diversity in order to enable it to discharge its duties and responsibilities effectively.
- b. In identifying suitable candidates for appointment to the Board, it shall consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.
- c. As part of the annual performance evaluation of the effectiveness of the Board, it shall consider the balance of skills, experience, independence, knowledge and diversity representation of the Board, including gender, how the Board works together as a unit and other factors relevant to effectiveness.

1.4 Corporate Secretary

1.4.1 The Board shall be assisted by a Corporate Secretary and Assistant Corporate Secretary, who are officers of Vivant and separate from the Compliance Officer. The Corporate Secretary and Assistant Corporate Secretary shall not be members of the Board of Directors and shall annually

attend a training on corporate governance. Their loyalty to the mission, vision and specific business objectives of Vivant comes with their duties.

1.4.2 The Corporate Secretary and Assistant Corporate Secretary shall be Filipino citizen and residents of the Philippines.

1.4.3 Considering their varied functions and duties, they must possess appropriate administrative and interpersonal skills, and if not at the same time the general counsel or chief legal officer, must have the legal skills of a general counsel or chief legal officer.

1.4.4 The Corporate Secretary and Assistant Corporate Secretary shall have the following duties and responsibilities:

- a. Assist the Board and the board committees in the conduct of their meetings, including the preparation an annual schedule of the Board and committee meetings and the annual board calendar, and render assistance to the chairs of the Board and its committees to set agendas for those meetings;
- b. Safe keep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other office records of Vivant;
- c. Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of Vivant, and advise the Board and the Chairman on all relevant issues as they arise;
- d. Inform members of the Board, in accordance with the By-Laws, of the agenda of their meetings at least five (5) working days in advance;
- e. Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so;
- f. Oversee the drafting of the By-Laws and ensuring that they conform with regulatory requirements; and
- g. Perform such other duties and responsibilities as may be provided by the SEC.

1.5 Compliance Officer

1.5.1 To ensure adherence to corporate principles and best practices, the Board shall designate a Compliance Officer who shall hold the position of at least a Senior Vice President or equivalent position with adequate stature and authority in Vivant. The said officer shall have direct reporting responsibilities to the Chairman of the Board.

- 1.5.2 The Compliance Officer shall not be a member of the Board of Directors and shall annually attend a training on corporate governance.
- 1.5.3 The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission (“SEC”) on SEC Form 17-C. All correspondence relative to his functions such as, shall be addressed to the said Officer.
- 1.5.4 The Compliance Officer shall have the following duties and responsibilities:
- a. Ensuring proper onboarding of new directors (i.e. orientation on Vivant’s business, charter, articles of incorporation, by-laws, among others);
 - b. Monitoring, reviewing, evaluating and ensuring the compliance by Vivant, its officers and directors with relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
 - c. Reporting the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
 - d. Ensuring the integrity and accuracy of all documentary submissions to regulators;
 - e. Collaborating with other departments to properly address compliance issues, which may be subject to investigation;
 - f. Identifying possible areas of compliance issues and works towards the resolution of the same;
 - g. Ensuring the attendance of board members and key officers to relevant trainings; and
 - h. Performing such other duties and responsibilities as may be provided by the SEC.

2. Establishing Clear Roles and Responsibilities of the Board

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, Vivant’s articles and by-laws, and other legal pronouncements and guidelines shall be clearly made known to all directors as well as to stockholders and other stakeholders.

2.1 Board Charter

The Board shall have a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter should serve as a guide to the directors in the performance of their functions and should be publicly available and posted on Vivant's website.

2.2 Roles and Responsibilities of the Board

2.2.1 The Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of Vivant and all stockholders, and not those of the controlling company of the group or any other stakeholder.

2.2.2 To ensure a high standard of best practice for Vivant, its stockholders and other stakeholders, the Board shall have, among others, the following duties and responsibilities:

- a. It is the Board's responsibility to foster the long-term success of Vivant, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders;
- b. The Board should formulate policies and procedures in line with Vivant's vision, mission, and strategic objectives, that shall guide its activities, including the means to effectively monitor Management's performance;
- c. Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;
- d. Establish programs that can sustain its long-term viability and strength;
- e. Ensure Vivant's faithful compliance with all applicable laws, regulations and best business practices;
- f. Establish and maintain an investor relations program that will keep the stockholders and other stakeholders informed of important developments in Vivant;
- g. Identify Vivant's stakeholders in the community in which Vivant operates or are directly affected by its operations, and formulate a clear policy of accurate, timely and effective communication with them;
- h. Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the

integrity of the decision-making and reporting processes at all times. There should be a continuing review of Vivant's internal control system in order to maintain its adequacy and effectiveness;

- i. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable Vivant to anticipate and prepare for possible threats to its operational and financial viability;
- j. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among Vivant and its parent company, joint ventures, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board;
- k. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities;
- l. Meet at such times or frequency as may be needed. The minutes of such meetings should be duly recorded. Independent views during Board meetings should be encouraged and given due consideration;
- m. Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-laws, and in accordance with existing laws, rules and regulations;

2.3 Chairman of the Board

The Board shall be headed by a competent and qualified Chairman. The roles and responsibilities of the Chairman include, among others, the following:

- a. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of Vivant, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantees that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions;
- c. Facilitates discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;

- e. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f. Makes sure that performance of the Board is evaluated at least once a year and discussed and followed up on.

2.4 Succession Planning Program

The transfer of Vivant's leadership to highly competent and qualified individuals is the goal of succession planning. It is the Board's responsibility to implement a process to appoint competent, professional, honest and highly motivated management officers who can add value to Vivant. Attention to succession planning can help ensure the board includes directors with a balanced level of institutional knowledge and fresh perspectives.

2.4.1 A good succession plan includes, among others, the following practices:

- a. Succession plan is linked to the documented roles and responsibilities for each position, and should start in objectively identifying the key knowledge, skills and abilities required for the position;
- b. Using skills matrix to proactively shape board composition that incorporates strategic direction and opportunities, regulatory and industry developments, challenges and transformation;
- c. Conducting robust annual performance evaluations, including facilitation by an independent third party;
- d. Establishing and enhancing written director qualification standards that align with Vivant's business and corporate strategy, and including these standards in the by-laws as appropriate;
- e. Reviewing evolving committee and board leadership needs, including the time commitments required;
- f. Considering director election results and engagement by investors regarding board composition, independence, leadership and diversity;
- g. Prioritizing an independent mindset on boards, including through board diversity, to foster debate, challenge norms and invigorate board oversight process and strategy development;
- h. Making sure mentoring and development opportunities are available for incoming directors; and
- i. The process is conducted in an impartial manner and aligned with the strategic direction of the organization.

2.5 Remuneration of Key Officers and Board Members

- 2.5.1 The Board shall align the remuneration of key officers and board members with the long-term interests of Vivant. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance, which includes specific financial and non-financial metrics to measure performance and set specific provisions for employees with significant influence on the overall risk profile of Vivant.
- 2.5.2 Considerations in determining proper compensation include the following:
- a. The level of remuneration is commensurate to the responsibilities of the role;
 - b. No director shall participate in discussions or deliberations involving his own remuneration; and
 - c. Remuneration pay-out schedules should be sensitive to risk outcomes over a multi-year horizon.
- 2.5.3 As a matter of policy, the remuneration of key officers and members of the Board must be competitive, sufficient and at a level that will attract and retain talent and motivate them to continue their efforts in contributing to the long-term success of Vivant. The compensation is in accordance with the Corporation Code and the by-laws of Vivant, or as approved by the stockholders.

2.5.3.1 Compensation of Directors

Directors shall not receive any compensation unless approved by the stockholders or as provided in the Vivant's By-Laws. However, the Board may, from time to time, approve a reasonable per diem that a director may receive for attendance in Board and Board Committee meetings. *Per diem* fee is determined by the Board.

2.5.3.2 Compensation of President, CEO and other Key Officers

The President, Chief Executive and other Key Officers are entitled to receive fixed and variable remuneration, in accordance with compensation plans approved by the Board. Variable remuneration includes (1) equity-based benefits and (2) a bonus based on productivity or performance, or under an approved plan.

For employees in control functions (e.g. risk, compliance and internal audit), their remuneration is determined independent of any business line being overseen, and performance measures are based principally on the achievement of their objectives so as not to compromise their independence.

- 2.5.4 Vivant's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly to its directors and top four (4) management officers during the preceding fiscal year.

2.6 Nomination and Election of Board of Directors

The Board shall implement 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 should be aligned with the strategic direction of Vivant.

- 2.6.1 The Corporate Secretary shall set a reasonable period for the submission of nominations of candidates for the election of the Board of Directors. All nominations for directors submitted in writing to the Corporate Secretary within such nomination period shall be valid. A stockholder of record, including a minority stockholder, entitled to notice of and vote at the regular or special meeting of the stockholders for the election of directors shall be qualified to be nominated as director.
- 2.6.2 Vivant may engage the services of professional search firms or use other external sources of candidates when searching for candidates to the Board of Directors.
- 2.6.3 The nomination and election process also includes the review and evaluation of the qualifications of all persons nominated to the Board, including whether candidates: (1) possess the knowledge, skills, experience, and particularly in the case of non-executive directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile; (2) have a record of integrity and good repute; (3) have sufficient time to carry out their responsibilities; and (4) have the ability to promote a smooth interaction between board members.
- 2.6.4 The Corporation Governance Committee meets, pre-screens and checks the qualifications of, and deliberates on all persons nominated to be elected to the Board of Directors from the pool of candidates submitted by the nominating stockholders. The Corporation Governance Committee shall prepare a Final List of Candidates after considering the qualifications and disqualifications set forth in the succeeding sections. Said list shall contain all the information about these nominees. Only nominees qualified by the Corporation Governance Committee and whose names appear on the Final List of Candidates shall be eligible for election as Independent Director. No

other nomination shall be entertained after the Final List of Candidates shall have been prepared.

2.6.5 Based on the Final List of Candidates, directors are elected by stockholders individually. The vote required for the election of directors is majority of the outstanding capital stock. The election of Directors shall be by ballot and each stockholder entitled to vote may cast the vote to which the number of shares he owns entitles him, for as many persons as there are to be elected as Directors, or he may cumulate or give to one candidate as many votes as the number of director to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among many candidates as he may see fit, provided that the whole number of votes cast by him shall not exceed the number of shares owned by him multiplied by the whole number of Directors to be elected.

2.6.6 To preserve the integrity of the election process, Vivant shall employ the services of an external party to validate the voting results.

2.6.7 Qualifications of a Director

2.6.7.1 A director must possess the following qualifications:

- a. Ownership of at least one (1) share of stock of Vivant;
- b. At least twenty-one (21) years of age;
- c. Proven to possess integrity, probity and assiduousness;
- d. Proven to possess the appropriate level of skill and experience in line with the strategic plans and goals of Vivant;
- e. In addition to the qualifications required by relevant laws, additional qualifications which may be provided by the Board, such as practical understanding of Vivant's business, previous business experience, or membership in good standing in relevant industry, business or professional organizations.

2.6.8 Permanent Disqualifications

2.6.8.1 The following may be considered as grounds for the 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 (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) 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; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

- b. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the SEC or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer to a bank, quasi-bank, trust company, investment house or investment company, (c) engaging in or continuing any conduct or practice in any of the capacities mentioned in sub-paragraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the SEC, or any court or administrative body denying, revoking or suspending, any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or *Bangko Sentral ng Pilipinas* (BSP), or under any rule or regulation issued by the SEC, BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective 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, false affirmation, perjury or other fraudulent acts;
- d. Any person who has been adjudged by final judgment or order of the SEC, 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, Securities Regulation Code or any other law administered by the SEC or BSP, or any of its rule, regulation or order;
- e. Any person judicially declared as insolvent;
- f. Any person found guilty by final judgment, or order of a foreign court or equivalent financial regulatory authority of acts, violations

or misconduct similar to any of the acts, violations or misconduct enumerated previously;

- 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 years prior to the date of his election or appointment; and
- h. Other grounds as the SEC may provide.

2.6.9 Temporary Disqualification

2.6.9.1 In addition, the following may be grounds for temporary disqualification of incumbent directors:

- a. Dismissal or termination for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the SEC. The disqualification, should be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination;
- b. If the beneficial equity ownership of an independent director in Vivant or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification from being elected as an independent director is lifted if the limit is later complied with; and
- c. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

2.6.10 Meeting of the Board

- 2.6.10.1 Members of the Board shall attend regular and special meetings of the Board in person or via teleconference or videoconference or by any other technological means allowed by SEC.
- 2.6.10.2 The Board may, to promote transparency, require the presence of at least one (1) independent director in all of its meetings. However, the absence of an independent director shall not affect the quorum requirements if he is duly notified of the meeting but notwithstanding such notice fails to attend.
- 2.6.10.3 The Board of Directors shall meet at least quarterly. Board meetings shall be scheduled in advance before the start of the year.

- 2.6.10.4 Items to be discussed during the board meetings shall be made available to each director at least seven (7) days in advance. In emergency circumstances, however, the meeting may be called at a shorter notice.

2.7 Related Party Transactions

2.7.1 The Board shall have the overall responsibility in ensuring that there is a group-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 related party transactions, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations.

2.7.2 Definition of Terms

- a. **Related Party Transaction (or "RPT").** Any financial transaction, arrangement or relationship or series of similar transactions, arrangements or relationships (including any indebtedness or guarantee of indebtedness) in which Vivant or any of its subsidiaries is a participant and any related party has or will have a direct or indirect interest.
- b. **Related Person.** A director, Senior Manager, Immediate Family Member or Primary Business Affiliation.
- c. **Senior Manager.** Any individual who has been appointed as such by the Board of Directors or Management (in accordance with the delegated appointing authority by the Board of Directors).
- d. **Director.** Any member of the Board who is not also a Senior Manager.
- e. **Immediate Family Member.** Any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, of a Director or Senior Manager.
- f. **Primary Business Affiliation.** Any entity of which a Director or Senior Manager or Immediate Family Member of such individual, is an officer, partner or employee or in which the Director, Senior Manager or Immediate Family Member owns directly or indirectly at least 5% equity interest.
- g. **Materiality Threshold.** The cutoff point after which financial information becomes relevant to the decision making needs of the

users. Information must be complete in all material respects in order for them to present a true and fair view of the affairs of Vivant.

2.7.3 Procedure and Guidelines

2.7.3.1 The Board shall designate the RPT Committee to review all related party transactions. The RPT Committee shall review the material facts of all related party transactions and may also approve or disapprove the entry into the RPT. The RPT Committee may also disapprove of a previously entered into related party transaction and may require that management of Vivant take all reasonable efforts to terminate, unwind, cancel or annul the related party transaction. In connection with its review of a related party transaction, the RPT Committee will take into account, among other factors it deems appropriate, whether or not the related party transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related party's interest in the RPT.

2.7.3.2 Each Director and Senior Manager shall promptly notify the General Counsel of any material interest that such person or an Immediate Family Member of such person had, has or may have in a RPT. The notice shall include a description of the transaction and the aggregate peso amount.

2.7.3.3 The RPT Committee will review the following information when assessing a RPT:

- a. The terms of such transaction;
- b. The Related Person's interest in the transaction;
- c. The purpose and timing of the transaction;
- d. Whether or not Vivant is a party to the transaction, and if not, the nature of Vivant's participation in the transaction;
- e. If the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis;
- f. Information concerning potential counterparties in the transaction;
- g. The approximate dollar value of the transaction and the approximate dollar value of the Related Person's interest in the transaction;
- h. Description of any provision or limitation imposed as a result of entering into the proposed transaction;
- i. Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- j. Any other relevant information regarding the transaction.

2.7.3.4 All related party transactions shall be submitted / elevated to the Board of Directors for ratification/approval.

2.7.3.5 A RPT shall be approved by the vote of the majority of the directors who are not related parties to the transaction.

2.7.3.6 The RPT Committee shall prepare monthly report of all related party transactions.

2.7.3.7 If a RPT would be ongoing, the Board of Directors shall periodically review and assess ongoing relationships with related parties to determine and ensure compliance with the all the regulatory requirements.

2.7.3.8 No director may engage in any Board or Committee discussion or approval of any related party transaction in which he or she is a related party. However, such director must provide to the Board or Committee all material information reasonably requested concerning the transaction.

2.7.4 Materiality Thresholds

Thresholds and categories for Disclosure and Approval of RPTs must be set. The amount of each RPT shall be considered for purposes of applying these thresholds.

2.7.5 Internal Limits for individual and aggregate exposures

To ensure that related party transactions are within the prudent levels, Vivant shall establish internal limits for individual and aggregate exposures as follows:

- a. Directors, Officers, Stockholders and their Related Interests – Ninety percent (90%) of the existing prudential limits for both individual and aggregate exposures prescribed thereunder;
- b. Subsidiary Affiliate – Ninety percent (90%) of the existing prudential limits for both individual and aggregate exposures;
- c. Other related parties:
 - i. Individual – Eighty percent (80%) of single borrower's limit (SBL); and
 - ii. Aggregate – Eighty percent (80%) of the existing prudential limits.

The internally set limits shall be tied in with Vivant's internal definition of capital. Breaches in limits shall be reported to the Board with the decision of the Board to accept the exposure or to take steps to address the breaches, as may be necessary, duly documented in the minutes of the meeting.

2.7.6 Whistle Blowing Mechanisms

The policy shall encourage employees to communicate - confidentially and without risk of reprisal - legitimate concerns about illegal, unethical or questionable transactions that would include RPTs. The policy shall include guidance on how and by whom legitimate concerns should be reported, investigated and addressed by an objective independent internal body.

2.7.7 Restitution of Losses and other Remedies for Abusive Related Third Party Transactions

Whenever applicable, Vivant shall discontinue a RPT if found abusive and demand restitution of losses or opportunity costs it incurred from such RPT.

2.7.8 All RPTs which are considered done in the usual course of business as stated in the RPT policy, regardless of amount, which are substantially the same terms as those prevailing at the time for comparable products or services with unrelated parties are exempted from review by the RPT Committee. However, all RPTs which are not in the usual course of business which are equal or greater than the materiality threshold, shall be subject for review by the RPT Committee. The RPT Committee may, at any time ask for a review of any of the transactions. The Board reviews and approves all material RPTs endorsed by the RPT Committee. All Board-approved material RPTs may be subject to ratification by a vote of the majority of the minority stockholders.

2.8 Management Team

It shall be the responsibility of the Board to appoint a competent management team at all times, monitor and assess the performance of the management team based on established performance standards that are consistent with Vivant's strategic objectives, and conduct a regular review of Vivant's policies with the management team. In the selection process, fit and proper standards are to be applied on key personnel and due consideration is given to integrity, technical expertise and experience in the institution's business, either current or planned.

2.9 Performance Management Framework

The Board shall establish an effective performance management framework that will ensure that the Management, including the Chief Executive Officer, and personnel's performance is at par with the standards set by the Board and Senior Management.

Results of performance evaluation shall be linked to other human resource activities such as training and development, remuneration, and succession planning. These should likewise form part of the assessment of the continuing fitness and propriety of management, including the Chief Executive Officer, and personnel in carrying out their respective duties and responsibilities.

2.10 Internal Control Mechanism

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, board members, and stockholders. The Board should also approve the Internal Audit Charter.

2.11 Enterprise Risk Management

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

Establishing Board Committees

To address specific tasks and responsibilities and ensure optimal performance of the Board, the Board shall adopt five (5) committees, namely the Corporate Governance Committee, the Audit Committee, the Board Risk Oversight Committee, the RPT Committee and the Finance Committee. The members of the Committees shall be appointed by the Board annually.

All established committees shall be required to have Committee Charters stating in plain

Terms their respective purposes, memberships, structures, operations, reporting processes, resources and other relevant information. Their respective Charters shall provide the standards for evaluating the performance of the Committees. Committee Charters shall be publicly available and posted on Vivant's website.

2.12 The Audit Committee

2.12.1 The Audit Committee's primary function is to enhance the Board's oversight capability over Vivant's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations. It shall be composed of at least three (3)

non-executive members of the Board, the majority of whom, including the Chairman, shall be independent. The Chairman shall not be the Chairman of the Board and of other Board Committees. Each member shall have adequate understanding at least or competence at most of Vivant's financial management systems and environment, particularly, in the areas of accounting, audit and finance. The members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board.

2.12.2 The Audit Committee shall have the following duties and responsibilities:

- a. Recommends the approval the Internal Audit Charter ("IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- b. Through the Internal Audit (IA) Department, monitors and evaluates the adequacy and effectiveness of Vivant's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard Vivant's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of Vivant's financial data, and (d) ensure compliance with applicable laws and regulations;
- c. Oversees the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;
- d. Establishes and identifies the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- e. Reviews and monitors Management's responsiveness to the Internal Auditor's findings and recommendations;
- f. Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensures the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- g. Evaluates and determines the non-audit work, if any, of the External Auditor, and periodically reviews the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to Vivant's overall consultancy expenses. The Committee should 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 Vivant's Annual Report and Annual Corporate Governance Report;

h. Reviews and approves the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:

- Any change/s in accounting policies and practices
- Areas where a significant amount of judgment has been exercised
- Significant adjustments resulting from the audit
- Going concern assumptions
- Compliance with accounting standards
- Compliance with tax, legal and regulatory requirements

i. Reviews the disposition of the recommendations in the External Auditor's management letter;

j. Performs oversight functions over Vivant's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;

k. Coordinates, monitors and facilitates compliance with laws, rules and regulations;

l. Recommends to the Board the appointment, reappointment, removal and fees of the External Auditor, duly accredited by the SEC, who undertakes an independent audit of Vivant, and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders;

m. Meets with the Board at least every quarter without the presence of the CEO or other Management, and periodically meets with the CAE, and

n. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

2.12.3 Other duties and responsibilities are provided in the Audit Committee Charter.

2.13 The Corporate Governance Committee

2.13.1 The Corporate Governance Committee shall be composed of at least three (3) members, all of whom shall be independent directors. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. Each member shall have adequate and competent understanding of corporate governance principles and practices, in addition to thorough knowledge of Vivant's business and industry in which it operates. The Committee is tasked to assist the Board in the performance of its corporate governance responsibilities, including functions that were formerly assigned to the Nomination and Remuneration Committees.

2.13.2 The Corporate Governance Committee shall have the following duties and responsibilities:

- a. Oversees the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in light of material changes to Vivant's size, complexity and business strategy, as well as its business and regulatory environments;
- b. Oversees the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- c. Ensures that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- d. Recommends continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- e. Adopts corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance;
- f. Proposes and plans relevant trainings for the members of the Board;
- g. Determines the nomination and election process for Vivant's directors and has the special duty of defining the general profile of board members that Vivant may need and ensuring appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- h. Establishes a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is

consistent with Vivant's culture and strategy as well as the business environment in which it operates.

- i. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

2.13.3 Other duties and responsibilities are provided in the Corporate Governance Committee Charter.

2.14 The Board Risk Oversight Committee

2.14.1 The Board Risk Oversight Committee shall be responsible for the oversight of Vivant's Enterprise Risk Management system to ensure its functionality and effectiveness. It shall be composed of at least three (3) members, majority of whom shall be independent directors including the Chairman who is not at the same time the Chairman of the Board or of any other Board Committee. The members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. At least one member of the Committee shall have adequate and competent understanding and experience on risk management principles and practices, in addition to thorough knowledge of Vivant's business and industry in which it operates.

2.14.2 The Board Risk Oversight Committee shall have the following duties and responsibilities:

- a. Develops a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
- b. Oversees the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The Board Risk Oversight Committee conducts regular discussions on Vivant's prioritized and residual risk exposures based on regular risk management reports and assesses how the concerned units or offices are addressing and managing these risks;
- c. Evaluates the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The Board Risk Oversight Committee revisits defined risk management strategies, looks for emerging or changing material exposures, and stays abreast of

significant developments that seriously impact the likelihood of harm or loss;

- d. Advises the Board on its risk appetite levels and risk tolerance limits;
- e. Reviews at least annually Vivant's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts;
- f. Assesses the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of Vivant and its stakeholders;
- g. Provides oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of Vivant. This function includes regularly receiving information on risk exposures and risk management activities from Management;
- h. Reports to the Board on a regular basis, or as deemed necessary, Vivant's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary; and
- i. Performs other duties and responsibilities are provided in the Board Risk Oversight Committee Charter.

2.15 The Related Party Transaction Committee

2.15.1 The Related Party Transactions Committee shall have the primary function of reviewing all material related party transactions ("RPT"). It shall be composed of at least three (3) non-executive directors, the majority of whom, including the Chairman, shall be independent. In accordance with this, the members of the Committee may be removed or replaced, and any vacancies in the Committee shall be filled by the Board. Each member shall have adequate and competent knowledge of Vivant's business and industry in which it operates.

2.15.2 The RPT Committee shall have the following duties and responsibilities:

- a. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that all related parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties (from non-related to related and

vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

- b. Evaluates all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of Vivant are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - i. The related party's relationship to Vivant and interest in the transaction;
 - ii. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - iii. The benefits to Vivant of the proposed RPT;
 - iv. The availability of other sources of comparable products or services; and
 - v. An assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. Vivant should have an effective price discovery system in place and exercise due diligence in determining a fair price for RPTs;
- c. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Vivant's RPT exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of Vivant's affiliation or transactions with other related parties;
- d. Reports to the Board on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- e. Ensures that transactions with related parties, including write-off of exposures are subject to a periodic independent review or audit process;
- f. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures; and

- g. Performs other duties and responsibilities as the Committee may deem appropriate within the scope of its primary functions or as may be assigned by the Board.

2.15.3 Other duties and responsibilities are provided in the RPT Committee Charter.

2.15.4 RPTs are generally allowed, provided, that these are done in a sound and prudent manner. Vivant is expected to exercise appropriate oversight and to implement effective system in managing these transactions.

2.16 The Finance Committee

2.16.1 The Finance Committee shall exercise general oversight over finance matters of the Vivant. Its functions include reviewing, evaluating, approving, recommending and monitoring matters involving VVT's capital structure, financial operations and investment activities of Vivant.

2.16.2 The Finance Committee shall have the following duties and responsibilities:

- a. The Committee shall review, evaluate and approve, on behalf of the Board, any of the following finance-related activities undertaken by Vivant that requires Board approval:
 - i. Audited and interim financial statements;
 - ii. Financial transactions including, but not limited to, incurring or refinancing of any indebtedness, whether bonded or not;
 - iii. Formation of any credit facility with lending or other financial institutions for capital financing or general working capital purposes;
 - iv. Capital transactions including but not limited to, sales of all or a portion of a project asset or ownership; potential investment by Vivant or its subsidiaries;
 - v. Issuance of any debt or equity securities in private or public transactions; and
 - vi. Vivant's short-term and long-term financial and investment plans and strategies.
- b. Monitor actual capital spending, including the status of capital spending on any project or investment;
- c. Recommend to the Board any action in respect of any proposal to divest, in any manner, any asset, investment, real or personal property, or business interest;

- d. Such other corporate or project financing activities as would otherwise require the review and approval of the Board; and
- e. Perform such other duties that may be delegated to it by the Board from time to time.
- f. Notwithstanding the foregoing duties, the Board shall have the final authority.

3. Fostering Commitment

To show full commitment to Vivant, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with Vivant's business.

3.1 The directors shall have the responsibility to attend and actively participate in all meetings of the Board, Committees, and stockholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

3.2 Multiple Board Seats

3.2.1 A director shall exercise due discretion in accepting and holding directorships outside of Vivant. The director shall notify the Board where he/she is an incumbent before accepting a directorship in another company.

3.2.2 Non-executive and independent directors may hold a maximum of five (5) board seats in publicly-listed companies simultaneously. The other executive directors shall submit themselves to a maximum limit of two (2) board seats in corporate Boards of other publicly-listed companies. In any case, the capacity of directors to serve with diligence shall not be compromised.

3.3 A director shall notify the Board where he/she is an incumbent director before accepting a directorship in another company.

4. Assessing Board Performance

The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs.

4.1 The Board shall have at least three (3) independent directors or such number as to constitute at least one-third of the members of the Board, whichever is higher.

4.2 Independent Directors

4.2.1 An independent director of Vivant must possess all the qualifications and none of the disqualifications of a regular director. He must be independent of Management, substantial shareholdings and material relations, whether it be business or otherwise, which could reasonably be perceived to impede the performance of independent judgment.

4.2.2 An independent director refers to a person who ideally:

- g. Is not, or has not been a senior officer or employee of Vivant unless there has been a change in the controlling ownership in Vivant;
- h. Is not an owner of more than two percent (2%) of the outstanding shares of Vivant, its subsidiaries, associates, affiliates or related companies;
- i. Is not a relative of a director, officer, or substantial stockholder of Vivant or any of its related companies or of any of its substantial stockholders. For this purpose, "relatives" include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- j. Is not acting as a nominee or representative of any director of Vivant or any of its related companies;
- k. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- l. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of Vivant, any of its related companies or substantial stockholder, or is otherwise independent of Management and free from any business or other relationship within the three (3) years immediately preceding the date of his election;
- m. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner,

director or substantial stockholder, in any transaction with Vivant or any of its related companies or substantial stockholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;

- n. Is not affiliated with any non-profit organization that receives significant funding from Vivant or any of its related companies or substantial stockholder; and
- o. Is not employed as an executive officer of another company where any of Vivant's executives serve as directors.

"Related companies," as used in this section, refer to Vivant's subsidiaries or affiliates.

4.2.3 If an independent director becomes an officer, consultant, adviser, or employee of Vivant, he shall be automatically disqualified from being an independent director.

4.2.4 The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and President are held by one person.

4.3 The Board's independent directors shall serve for a maximum cumulative term of nine (9) years. After which, the independent director shall be perpetually barred from re-election as such, but may continue to qualify for nomination and election as a non-independent director. In the instance that Vivant wants to retain an independent director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek stockholders' approval during the annual stockholders' meeting.

4.4 President

If possible, the positions of the Chairman of the Board and President/Chief Executive Officer (CEO) shall be held by separate individuals and each shall have clearly defined responsibilities.

4.4.1 Minimum internal control mechanisms for Management's operation responsibility shall center on the President/CEO, being ultimately accountable for Vivant's organizational and procedural controls. In addition to the duties imposed on the President by the Board, and those duties and responsibilities provided by Vivant's By-Laws, the President shall:

- a. Determines Vivant's strategic direction and formulates and implements its strategic plan on the direction of the business;

- b. Communicates and implements Vivant’s vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c. Oversees the operations of Vivant and manages human and financial resources in accordance with the strategic plan;
- d. Has a good working knowledge of Vivant’s industry and market and keeps up-to-date with its core business purpose;
- e. Directs, evaluates and guides the work of the key officers of Vivant;
- f. Manages Vivant’s resources prudently and ensures a proper balance of the same;
- g. Provides the Board with timely information and interfaces between the Board and the employees;
- h. Builds the corporate culture and motivates the employees of Vivant;
- i. Serves as the link between internal operations and external stakeholders;
- j. See that all orders and resolutions of the Board are carried into effect;
- k. Submit to the Board as soon as possible after the close of each fiscal year, and to the stockholders at the annual meeting, a complete report of the operations of Vivant for the preceding year, and state its affairs;
- l. Report to the Board from time to time all matters within his knowledge which in the interest of Vivant may require to be brought to the Board’s notice; and
- m. Perform such other responsibilities as the Board may impose.

4.5 Lead Director

- 4.5.1 The Board shall designate a lead director among the independent directors if the Chairman of the Board is not independent, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person. The primary responsibility of the lead director is to provide leadership to the independent directors and advise the Board on matters where there may be an actual or perceived conflict of interest.
- 4.5.2 The functions of the lead director include, among others, the following:

- a. Serves as an intermediary between the Chairman and the other directors when necessary;
- b. Convenes and chairs meetings of the non-executive directors; and
- c. Contributes to the performance evaluation of the Chairman, as required.

4.6 A director with a material interest in any transaction affecting Vivant shall abstain from taking part in the deliberations of the same.

4.7 The non-executive directors (“NEDs”) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within Vivant. The meetings shall be chaired by the lead independent director.

5. ASSESSING BOARD PERFORMANCE

The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

5.1 Board Evaluation

- 5.1.1 The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment shall be supported by an external facilitator.
- 5.1.2 The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and committees. This system shall allow for a feedback mechanism from the stockholders. The establishment of such evaluation system, including the features thereof, shall be disclosed in Vivant’s Annual Report or in such form of report that is applicable to Vivant. The adoption of this performance evaluation system must be covered by the Board approval.
- 5.1.3 During the evaluation, directors shall be afforded the opportunity to identify areas for improvement in the performance of their duties and responsibilities.

6. STRENGTHENING BOARD ETHICS

6.1 The Board shall adopt a Code of Ethics that shall provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct

and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Senior Management and employees. It shall also be disclosed and made available to the public through Vivant's website.

6.2 The Board shall ensure proper and efficient implementation and monitoring of compliance with the Code of Ethics and internal policies. Vivant's Code of Ethics shall be made effective and inculcated in Vivant's culture through a communication and awareness campaign, continuous training to reinforce the code, strict monitoring and implementation and setting in place proper avenues where issues may be raised and addressed without fear of retribution.

V. DISCLOSURE AND TRANSPARENCY

7. ENHANCING COMPANY DISCLOSURE AND TRANSPARENCY

Vivant shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

7.1 Corporate disclosure policies and procedures shall be in place to ensure a comprehensive, accurate, reliable and timely report to stockholders and other stakeholders to give a fair and complete picture of Vivant's financial condition, results and business operations.

7.2 Vivant shall have policy requiring all directors and officers to disclose/report any dealing in Vivant's shares within three (3) business days.

7.3 The Board shall fully disclose all relevant and material information on individual Board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.

7.4 A clear disclosure of its policies and procedure shall be in place for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report.

7.5 Full disclosure of Vivant's policies governing RPTs and other unusual or infrequently occurring transactions shall be required in the Manual on Corporate Governance. The material or significant RPTs reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report.

7.6 A full, fair, accurate and timely disclosure shall be made to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its stockholders and other stakeholders. Moreover, the Board shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

7.7 The corporate governance policies, programs and procedures should be submitted to the regulators and posted on Vivant's website.

7.8 The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the SEC in the interest of its stockholders and other stakeholders.

8. STRENGTHENING THE EXTERNAL AUDITOR'S INDEPENDENCE AND IMPROVING AUDIT QUALITY

Vivant shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

8.1 External Auditor

8.1.1 The Audit Committee shall have a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor should be recommended by the Audit Committee, approved by the Board and ratified by the stockholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through Vivant's website and required disclosures.

8.1.2 The Audit Committee Charter should include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter should also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

8.1.3 The nature of non-audit services performed by the external auditor shall be disclosed in the Annual Report to deal with any potential conflict of interest. The Audit Committee shall be on alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.

9. INCREASING FOCUS ON NON-FINANCIAL AND SUSTAINABILITY REPORTING

Vivant shall ensure that the material and reportable non-financial and sustainability issues are disclosed.

- 9.1 There shall be an established policy on the disclosure of material and reportable non-financial and sustainability issues, with emphasis on the management of economic, environmental, social and governance (EESG) issues of the business using a globally recognized standard/framework.

10. PROMOTING A COMPREHENSIVE AND COST-EFFICIENT ACCESS TO RELEVANT INFORMATION

Vivant shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information to its stockholders and other investors for the timely and informed decision-making by investors, stakeholders and other interested users. These shall include, but not limited to, the website, media and analyst briefings.

VI. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

11. STRENGTHENING THE INTERNAL CONTROL SYSTEM AND ENTERPRISE RISK MANAGEMENT FRAMEWORK

To ensure integrity, transparency and proper governance in the conduct of its affairs, Vivant shall have a strong and effective internal control system and enterprise risk management framework.

- 11.1 Vivant shall have an adequate and effective internal control system and enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of its operations.
- 11.2 Vivant should have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve operations. The functions of the Internal Audit shall include, among others, the following:
- 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 Vivant'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 Vivant;
- 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.

11.3 The Chief Audit Executive (CAE), appointed by the Board, shall oversee and be responsible for the internal audit activity of the organization, including the portion that is outsourced to a third party service provider. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel shall be assigned the responsibility for managing the fully outsourced internal audit activity. The following are the responsibilities of the CAE, among others:

- a. Periodically reviews the internal audit charter and presents it to senior management and the Board Audit Committee for approval;
- b. Establishes a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;
- c. Communicates the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
- d. Spearheads the performance of the internal audit activity to ensure it adds value to the organization;
- e. Reports periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and
- f. Presents findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes.

11.4 Enterprise Risk Management

Vivant shall establish a separate, effective enterprise risk management function to identify, assess and monitor key risk exposures.

11.4.1 The risk management function involves the following activities, among others:

- a. Defining a risk management strategy;
- b. Identifying and analyzing key risks exposure 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 Vivant'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 Vivant, 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.

11.5 In managing Vivant's Risk Management System, Vivant should have a Chief Risk Officer ("CRO"), who is the ultimate champion of Enterprise Risk Management ("ERM") and has adequate authority, stature, resources and support to fulfill his/her responsibilities. The CRO has the following functions, among others:

- a. Supervises the entire ERM process and spearheads the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
- b. Communicates the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- c. Collaborates with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggests ERM policies and related guidance, as may be needed; and

e. Provides insights on the following:

- Risk management processes are performing as intended;
- Risk measures reported are continuously reviewed by risk owners for effectiveness; and
- Established risk policies and procedures are being complied with.

IV. CULTIVATING A SYNERGIC RELATIONSHIP WITH STOCKHOLDERS

12. PROMOTING STOCKHOLDER RIGHTS

Vivant shall treat all stockholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

12.1 It shall be the duty of the Board to promote stockholder rights, remove impediments to the exercise of stockholder rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of stockholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to stockholders participating in meetings and/or voting in person. The Board shall pave the way for electronic filing and distribution of stockholders information necessary to make informed decisions, subject to legal constraints.

12.2 The Board shall commit to respect the following rights of the stockholders:

12.2.1 Pre-emptive right

- a. Under the Amended Articles of Vivant, stockholders, because of his/its ownership of stock, has a pre-emptive or other right to purchase, subscribe for or take any part of any stock or of any securities convertible into or carrying options or warrants to purchase stock of Vivant. Any part of such stock or of other securities may, at any time, be issued, optioned for sale, and sold or disposed of by Vivant pursuant to a resolution of its Board, to such person and upon such terms as such Board may deem proper, without first offering such stock or securities or any part thereof to existing stockholders.

12.2.2 Voting Rights

- a. Stockholders shall have the right to nominate, elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.
- b. Cumulative voting shall be used in the election of directors.
- c. A director shall not be removed without cause if it will deny minority stockholders' representation in the Board.

iii. In case of merger or consolidation.

12.3 In addition to the sending of notices, open communications shall be maintained with stockholders to encourage them to personally attend the stockholder's meeting. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. The Board shall encourage active stockholders participation by sending the Notice of Annual and Special Stockholders' Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting.

12.4 The Board shall encourage active stockholders participation by making the result of the votes taken during the most recent Annual or Special Stockholder' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Stockholders' Meeting shall be available on Vivant's website within a reasonable time from the end of the meeting.

12.5 It is the responsibility of the Board of Directors to establish an alternative dispute resolution system to settle intra-corporate disputes in an amicable and effective manner.

12.5.1 Vivant's Alternative Dispute Resolution Policy is to encourage and promote the use of dispute resolution options and processes while avoiding or discouraging recourse to litigation in the settlement of corporate governance related disputes or conflict.

12.5.2 The policy promotes the following principles in the resolution of disputes:

b. **Quality.** Resolution settlements must be voluntary, fair and equitable to parties concerned.

c. **Efficiency.** Dispute resolution options will be appropriate to the dispute, cost-effective and minimize delay in reaching a resolution.

d. **Enforceability.** Resolution agreements and settlements must be made in good faith and honored by the parties. Resolutions when appropriate shall be in writing and signed by the parties who shall be duly authorized for said purpose.

12.5.3 Corporate Governance Related Disputes

12.5.3.1 The following are the categories of corporate governance related disputes:

a. **Annual Accounts.** These are disputes between stockholders and the Board and/or external auditor over the withholding of stockholders approval.

- b. **Business Disputes.** These are disputes between Vivant and its suppliers, customers, contractors and/or service providers.
- c. **Environmental Disputes.** These are disputes between Vivant and affected communities and stakeholders regarding environmental concerns on air, noise, or other pollution, depletion of natural resources.
- d. **Minority stockholders rights.** These are disputes between majority stockholders and minority stockholders in squeeze-out scenarios.
- e. **Mismanagement.** These are disputes between stockholders and the Board on supposed mismanagement.
- f. **Nomination/Appointment of Board Directors.** These are disputes between stockholders and the Corporate Governance Committee as regards nomination and election or disputes between the Board over nomination and/or appointment of Board of Directors/executives, including over criteria for nomination or appointment.
- g. **Self-interested transactions.** These are RPTs, insider trading, conflicts of interest by the Board, executives and senior management.
- h. **Takeover procedures.** These are disputes between stockholders and the Board regarding terms and conditions of a proposed takeover.
- i. **Workplace conflicts.** These are disputes between Vivant and employees, and between employees.

12.5.4 Dispute Resolution System

- 12.5.4.1 The Board normally engages the services of a neutral third party to assist in the resolution of issues between Vivant and stockholders, third parties and regulatory authorities. The alternative dispute resolution system may include arbitration, mediation, conciliation, early neutral evaluation, mini-trial, or any combination thereof, as Vivant and the circumstances sees fit.

Consideration is given to the need to promote candor through confidentiality of the process, the policy of fostering prompt, economical, and amicable resolution of disputes in accordance with the principles of integrity of determination by the parties, and the policy that the decision-making authority in the process rests with the parties.

- 12.6 The Board shall establish an Investor Relations Officer (“IRO”) to ensure constant engagement with its stockholders. The IRO shall be present at every stockholders’ meeting.

VII. DUTIES TO STAKEHOLDERS

13. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder’s Rights

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders’ rights and/or interests are at stake, stakeholders shall have the opportunity to obtain prompt effective redress for the violation of their rights.

- 13.1 The Board shall identify the various stakeholders and promote cooperation between them and Vivant in creating wealth, growth and sustainability.
- 13.2 The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.
- 13.3 The Board shall adopt a transparent framework and process that allow stakeholders to communicate with Vivant and obtain redress for the violation of their rights.

14. Encouraging Employees’ Participation

A mechanism for employee participation shall be developed to create a symbiotic environment, realize Vivant’s goals and participate in its corporate governance processes.

- 14.1 The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of Vivant’s goals and in its governance. These policies and programs, among others, may be in the areas of health, safety and welfare, training and development, rewards/compensation for employees to encourage employees to perform better and motivates them to take a more dynamic role in Vivant.
- 14.2 The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Ethics. Further, the Board shall disseminate the policy and program to employees across the organization through trainings to embed them in Vivant’s culture.
- 14.2.1 The anti-corruption policy and program endeavors to mitigate corrupt practices such as, but not limited to, bribery, fraud, extortion, collusion, conflict of interest and money laundering.

- 14.3 The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

15. Encouraging Sustainability and Social Responsibility

Vivant shall be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

- 15.1 Vivant shall recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows Vivant to grow its business, while contributing to the advancement of the society where it operates.

VIII. COMMUNICATION AND MONITORING OF THIS MANUAL

16. Communication

- 16.1 This Manual shall be available for inspection by any stockholder of Vivant at reasonable hours on business days.
- 16.2 All directors, officers, division and department heads are tasked to ensure thorough dissemination of this Manual to all employees and related third parties, and enjoin its compliance.
- 16.3 An adequate number of printed copies of this Manual must be reproduced under the supervision of the Corporate Governance Department, with a minimum of at least one (1) hard copy of the Manual per department.
- 16.4 This Manual shall be subject to annual review unless the same frequency is amended by the Board.
- 16.5 If necessary, funds shall be allocated by Vivant for the purpose of conducting an orientation program or workshop to operationalize this Manual.

17. Monitoring and Penalties for Non-Compliance

- 17.1 All business processes and practices being performed within any department or business unit of Vivant that are not consistent with any portion of this Manual shall be revoked unless upgraded to be compliant with this Manual.

17.2 To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on Vivant’s directors, officers, staff, subsidiaries, and affiliates and their respective directors, officers, and staff in case of violation of any of the provisions of this Manual:

- a. In cases of violation, the subject person shall be reprimanded.
- b. Suspension from office shall be imposed in case of second violation. The duration of the suspension shall depend on the gravity of the violation. This shall not be applicable to directors.
- c. For third violations, the maximum penalty of removal from office shall be imposed. With regard to directors, the provision of Section 28 of the Corporation Code shall be observed.

17.3 The Compliance Officer shall be responsible for determining violations through notice and hearing and shall recommend to the Chairman, the imposable penalty for such violation, for further review and approval of the Board.

18. Effectivity

The Revised Manual was approved by the Board on August 11, 2017 and shall take effect on September 1, 2017. It supersedes the previous Manual on Corporate Governance that was approved and adopted by the Vivant Corporation, the latest version of which was dated June 2014.

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