

PHILIPPINE MINING DEVELOPMENT CORPORATION
MANUAL OF CORPORATE GOVERNANCE

I
DEFINITIONS OF TERMS

SECTION 1. *Definition of Terms.* — For purposes of this Code, the following terms shall have the following meanings:

"Act" refers to Republic Act No. 10149, and officially named the *"GOCC Governance Act of 2011."*

"Appointive Directors" refer to members of the Board of Directors whom the State nominates or is entitled to nominate, to the extent of its percentage shareholdings in or in the case of Affiliates, members of its Board of Directors whom the PMDC nominates. or is entitled to nominate, to the extent of its percentage Shareholdings in such Affiliate.

"Articles of Incorporation" refers to the Articles of Incorporation of PMDC duly registered with the Securities and Exchange Commission (SEC) under Certificate of Incorporation No. CS 200314923 dated 4 July 2003, including all subsequent amendments thereto.

"Board Officers" refer to Officers whose primary task is to serve the Board or to pursue the immediate functions of the Board, such as the Chairman, Vice-Chairman and the Corporate Secretary.

"Board of Directors" or *"Board"* refers to the collegial body that exercises the corporate powers, conducts all business and controls or holds all properties, of PMDC and as constituted pursuant to the By-Laws, as amended/ superseded by the Act and this Manual of Corporate Governance.

"By-laws" refers to the By-laws adopted by PMDC and duly registered with the Securities and Exchange Commission (SEC) on 4 July 2003, including all subsequent amendments thereof, for its internal government, and to regulate the conduct and prescribe the rights and duties of its stockholders or members towards the PMDC and among themselves in reference to the management of its affairs.

"Charter Statement" refers to a statement of the PMDC's vision, mission and core values.

"Chief Executive Officer" (*"CEO"*) refers to the highest ranking corporate executive who heads Management, who could be named as the President of PMDC.

"Code" refers to the PMDC Manual of Corporate Governance, including all subsequent amendments thereto).

"Confidential Information" refers to all non-public information entrusted to or obtained by a member of the Board or Officer by reason of his/her position as such with the PMDC. It includes, but is not limited to, non-public information that might be of use to competitors or harmful to the PMDC or its customers/stakeholders if disclosed, such as: (a) non-public information about the PMDC's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers, acquisitions, divestitures, stock splits and similar transactions; (b) non-public information concerning possible transactions or ventures with other companies, or information about suppliers, joint venture partners, or any information that the PMDC is under obligation to keep confidential; and (c) non-public information about internal discussions, deliberations and decisions, between and among Directors and Officers.

"Director" refers to any member of the "Board of Directors" of PMDC.

"Ex Officio Board Member" ("Ex Officio Director") refers to any individual who sits or acts as a member of the Board of Directors by virtue of one's title to another office, and without further warrant or appointment.

"Executive Officers" ("Officer") refers to the President, CEO and such other corporate officers of PMDC as expressly provided for in its By-laws, such as the Vice-President, Treasurer and Legal Counsel, and such other Executive officers appointed by the Board. As distinguished from Board Officers, Executive Officers primarily form part of the Management of PMDC.

"Extraordinary Diligence" refers to the measure of care and diligence that must be exercised by Directors and Officers in discharging their functions, in conducting the business and dealing with the properties and monies of PMDC, which is deemed met when Directors and Officers act using the utmost diligence of a very cautious person taking into serious consideration all the prevailing circumstances and Material Facts, giving due regard to the legitimate interests of all affected Stakeholders.'

"Fit and Proper Rule" refers to a set of standards for determining whether a member of the Board of Directors or the President and/or CEO is qualified to hold a position in PMDC which shall include, but not be limited to, standards on integrity, experience, education, training and competence, as such standards are set forth under GCG Memorandum Circular No. 2012-05.

"GCG" refers to the Governance Commission for GOCCs constituted under R.A. No. 10149 as the central advisory, monitoring

and oversight body with authority to formulate, implement and coordinate policies for the GOCC Sector.

"Government Agency" refers to any of the various units of the Government of the Republic of the Philippines, including a department, bureau, office, instrumentality or GOCC, or a local government or a distinct unit therein.

"Management" refers to the body given the authority to implement the policies determined by the Board in directing the course and business activities of the PMDC.

"Manual of Corporate Governance" refers to this PMDC Manual of Corporate Governance.

"Material Information" ("Material Fact") refers to any fact or information that could result in a change in the market price or value of the shares or securities of PMDC, Subsidiary or Affiliate, or would potentially affect the investment decision of an investor in PMDC, Subsidiary or Affiliate.

"Nonchartered GOCC" refers to a GOCC organized and operating under Batas Pambansa Bilang 68, otherwise known as "The Corporation Code of the Philippines", such as PMDC.

"Officers" refer to both Board Officers and Executive Officers.'

"Per Diems" refer to the compensation granted to members of Governing Board of Directors of PMDC for actual attendance in meetings.

"Performance Evaluation System" ("PES") refers to the process of appraising the accomplishments of PMDC in a given fiscal year based on set performance criteria, targets and weights.²¹

"Performance Scorecard" refers to a governance and management tool forming part of the performance evaluation system which consists of a set of measures, targets and initiatives that facilitate the achievement of breakthrough results and performance through the effective and efficient monitoring and coordination of the strategic objectives of the PMDC.

"PMDC" refers to the Philippine Mining Development Corporation formerly known as "Natural Resources Mining Development Corporation" (NRMDC).

"Public Officials" or "Public Officers" refer to elective and appointive officials and employees, whether permanent or temporary, whether in the career or non-career service, whether or not they receive compensation, regardless of amount," who are in the National Government, and all other instrumentalities, agencies or branches of the Republic of the Philippines, including

government-owned-or-controlled corporations, and their subsidiaries.

"*Stakeholder*" refers to any individual or entity for whose benefit the PMDC has been constituted, or whose life, occupation, business or wellbeing is directly affected, whether favorably or adversely, by the regular transactions, operations, or pursuit of the business or social enterprise for which the PMDC has been constituted, and which would include a stockholder, member, or other investor in the PMDC, management, employees, supply creditors, or the community in which the PMDC operates.

"*Stock PMDC*" refers to either a Chartered or Non-chartered PMDC in which its equity or capital is represented by shares of stock, such as PMDC.

"*Strategy Map*" refers to an integrated set of strategic choices or objectives drawn by the governing body, the successful execution of which results in the achievement of the PMDC's vision in relation to its mission or purpose for having been created!

SECTION 2. *Singular Term Include the Plural.* — Unless otherwise indicated in this Code, any reference to a singular, shall apply as well to the plural, and *vice versa*.

SECTION 3. *Coverage.* — This Code shall be observed by all directors, officers and rank-and-file employees, including contract of service and consultants of the Philippine Mining Development Corporation.

II.

CHARTER STATEMENT OF THE PHILIPPINE MINING DEVELOPMENT CORPORATION (PMDC)

SECTION 4. *Charter Statement of the Philippine Mining Development Corporation.*

Vision:

"By 2022, PMDC is a lucrative mining firm generating bigger revenues for the State, embracing first-rate norms in responsible mining, espousing policies that protect the environment, and helping transform communities into healthy, progressive and ecologically-sound settlements. "

Mission:

"We serve as the government's mining arm to generate revenue and develop progressive communities through responsible mining. "

Core Values:

"In pursuit of its vision and mission, PMDC abides by the principle of good governance and upholds the corporate values of Patriotism, Integrity, Excellence, and Spirituality."

Strategic Objectives:

1. Enhanced company profitability;
2. Enhanced Partner-Operator's Capacity;
3. Sustained Progressive Communities through Responsible Mining;
4. Develop the Diwalwal Mining Area and Other Mining Tenements;
5. Establish Operational Efficiency;
6. Improve manpower competence and management effectiveness;
and
7. Institutionalize the Quality Management System

III.

GOVERNING BOARD

SECTION 5. *Board Directly Vested with Corporate Powers.* — Having been vested directly by law with the legal capacity and authority to exercise all corporate powers, conduct all the business, and to hold all the properties of the PMDC, the Board is primarily responsible for the governance of the PMDC. Consequently, it is the Board and not Management, that is primarily accountable to the State for the operations and performance of the PMDC.

SECTION 6. *Board Duty to Properly Select and Provide Independent Check on Management.* — Concomitant with the power to elect the President and/or CEO from among their ranks and to appoint other Officers of the PMDC, it is the duty of Board to ensure that they elect and/or employ only Officers who are fit and proper to hold such offices with due regard to their qualifications, competence, experience and integrity. The Board is therefore obliged to provide an independent check on Management.

SECTION 7. *Mandate and Responsibility for the PMDC's Performance.* — Although the day-to-day management of the affairs of the PMDC may be with Management, the Board is, however, responsible for providing policy directions, monitoring and overseeing Management actions, as articulated in

its Articles of Incorporation, By-laws and other relevant legislation, rules and regulations. These mandated functions and responsibilities include the following:

- (a) Provide the corporate leadership of the PMDC subject to the rule of law, and the objectives set by the National Government through the Supervising Agencies and the GCG;
- (b) Establish the PMDC's vision and mission, strategic objectives, policies and procedures, as well as defining the PMDC's values and standards through:
 - Charter Statements;
 - Strategy Maps; and
 - Other control mechanism mandated by best business practices;
- (c) Determine important policies that bear on the character of the PMDC to foster its long-term success, ensure its long-term viability and strength, and secure its sustained competitiveness;
- (d) Determine the organizational structure of the PMDC, defining the duties and responsibilities of its Officers and employees and adopting the Compensation Framework under Executive Order No. 201 "Modifying the Salary Schedule for Civilian Government Personnel and Authorizing the Grant of Additional Benefits for Both Civilian and Military and Uniformed Personnel" pursuant to Executive Order No. 36, s. 2017 "Suspending the Compensation and Position Classification System under Executive Order No. 203 s. 2016, Providing for Interim Compensation Adjustments, and for Other Purposes", authorized by the GCG.
- (e) Ensure that personnel selection and promotion shall be on the basis of merit and fitness and that all personnel action shall be in pursuit of the applicable laws, rules and regulations;
- (f) Provide sound written policies and strategic guidelines on the PMDC's operating budget and major capital expenditures, and prepare the annual and supplemental budgets of the PMDC;
- (g) Comply with all reportorial requirements, as required in the Articles of Incorporation and By-laws, as well as applicable laws, rules and regulations;
- (d) Formally adopt and conduct annually the mandated Performance Evaluation System (PES) and the

Performance Scorecard and timely and accurate report the results to the GCG; and

- (e) Ensure the fair and equitable treatment of all Stakeholders and enhancing the PMDC's relations with its Stakeholders.

SECTION 8. *Specific Functions of the Board.* — In addition to those specified in its Articles of Incorporation and By-laws, the Board shall perform the following functions:

- (a) Meet regularly, ideally at least once every month, to properly discharge its responsibilities, with independent views expressed during such meetings being given due consideration, and that all such meetings shall be properly documented or minuted;
- (b) Determine the PMDC's purpose and value, as well as adopt strategies and policies, including risk management policies and programs, in order to ensure that the PMDC survives and thrives despite financial crises and that its assets and reputation are adequately protected;
- (c) Monitor and evaluate on a regular basis the implementation of corporate strategies and policies, business plans and operating budgets, as well as Management's over-all performance to ensure optimum results;
- (d) Adopt a competitive selection and promotion process, a professional development program, as well as a succession plan, to ensure that the Officers of the PMDC have the necessary motivation, integrity, competence and professionalism;
- (e) Monitor and manage potential conflicts of interest of Directors, Management, and shareholders, including misuse of corporate assets and abuse in related party transactions;
- (f) Implement a system of internal checks and balances, which may be applied in the first instance to the Board; and ensure that such systems are reviewed and updated on a regular basis;
- (g) Ensure the integrity of the PMDC's accounting and financial reporting systems, including independent audit, and that appropriate systems of control are in place, in particular,

systems for risk management, financial and operational control, and compliance with the law and relevant standards;

- (h) Identify and monitor, and provide appropriate technology and systems for the identification and monitoring of key risks and performance areas;
- (i) Adopt, implement and oversee the process of disclosure and communications;
- (j) Constitute an Audit Committee and such other specialized committees as may be necessary, or required by applicable regulations, to assist the Board in discharging its functions;
- (k) Conduct and maintain the affairs of the PMDC within the scope of its authority, as prescribed in its Articles of Incorporation, By-Laws, and applicable laws, rules and regulation; and
- (l) Execute a Formal Charter of Expectations (Annex "A") at the start of their term and List of Disclosures (Annex "B") as required by the GCG, including the Statement of Management Responsibility (Annex "C") confirming the truth and fairness of PMDC's financial statements.

Any omission or violation in the performance of the foregoing duties and responsibilities of the members of the PMDC Board shall be dealt with in accordance with the List of Fines and Other Consequences attached as Annex "D" hereof.

SECTION 9. *Composition of the Governing Board.* - The Board of Directors shall be composed of eleven (11) members or such number as shall be provided for in the Articles of Incorporation and/or By-laws.

SECTION 10. *Ex Officio Alternates.* - Ex Officio Directors may designate their respective alternates, who ideally should be the officials next-in-rank to them, and whose acts shall be considered the acts of their principals.

SECTION 11. *Multiple Board Seats.* - The capacity of Appointive Directors to serve with diligence shall not be compromised. As such, no Appointive Director in PMDC, may hold more than two (2) other Board seats in other GOCCs, Subsidiaries and/or Affiliates.

SECTION 12. *Appointment of Appointive Directors.* — All Appointive Directors in the PMDC shall be appointed by the President of the Philippines from a shortlist prepared by the GCG.

SECTION 13. *Fit and Proper Rule.* — All members of the Board, the President and other Officers of the PMDC shall be qualified by the Fit and Proper Rule adopted by the GCG and approved by the President, and shall include by reference the qualifications expressly provided for in the Articles of Incorporation or By-laws of the PMDC.

SECTION 14. *Term of Office of Appointive Directors.* - Pursuant to Section 17 of the Act, the term of office of each Appointive Director shall be for one (1) year, unless sooner removed for cause. The one (1) year Term of Office of all Appointive Directors, notwithstanding any provisions in the Articles of Incorporation and/or By- laws to the contrary, shall begin on 01 July of the year of appointment and ending on 30 June of the following year. *Provided, however* That each Appointive Director shall continue to hold office until the successor is appointed and qualified.

14.1. An Appointive Director may be nominated by the GCG for re-appointment by the President only if one obtains a performance score of above average or its equivalent or higher in the immediately preceding year of tenure as Appointive Director based on the performance criteria for Appointive Directors adopted for the PMDC.

14.2. Appointment to any vacancy shall only be for the unexpired term of the predecessor. The appointment of a Director to fill such vacancy shall be in accordance with the manner provided for regular nomination, shortlisting and appointment of Appointive Directors.

SECTION 15. *Board Officers.* — Board Officers. - The Board Officers of the PMDC are the Chairman of the Board (who is the highest ranking of the Board Officers), the Vice-Chairman, the Corporate Secretary, and the Compliance Officer, who must all be Filipino citizens.

15.1, *Chairman of the Board.* - The roles of the Chairman and the President should be with different individuals in order to ensure an appropriate balance of power, increased accountability, greater capacity of the Board for independent decision-making, and optimum capacity to exercise supervisory function over Management.

Where both positions of the Chairman and the President are unified in the same individual, checks and balances should be clearly provided by the Board to help ensure that independent, outside views, perspectives, and judgments are given proper hearing in the Board.

The Chairman shall, when present, preside at all meetings of the Board.

The Chairman's responsibilities include, among others, the following:

- (a) Calling meetings to enable the Board to perform its duties and responsibilities;
- (b) Approving meeting agenda in consultation with the President and the Corporate Secretary;
- (c) Exercising control over quality, quantity and timeliness of the flow of information between Management and the Board; and
- (d) Assisting in ensuring compliance with the PMDC's guidelines on corporate governance.

The responsibilities set out above, may pertain only to the Chairman's role in respect to the Board proceedings, and shall not be taken as a comprehensive list of all the duties and responsibilities of a Chairman.

For legal purposes, the Chairman of the Board shall be considered as the "Head of Agency" of the PMDC.

15.2. *Vice-Chairman.* — In the absence of the Chairman of the Board, the Vice-Chairman shall preside at the meetings of the Board.

15.3. *Corporate Secretary.* — The Corporate Secretary need not be a member of the Governing Board. Ideally, the Corporate Secretary must possess organizational and interpersonal skills, and the legal skills of a Chief Legal Officer. The Corporate Secretary shall have the following functions:

- (a) Serve as an adviser to the Board Members on their responsibilities and obligations;
 - (b) Keep the minutes of meetings of the shareholders, the Board, the Executive Committee, and all other committees in a book or books kept for that purpose, and furnish copies thereof to the Chairman, the CEO and other members of the Board as appropriate;
 - (c) Keep in safe custody the seal of the PMDC and affix it to any instrument requiring the same;
 - (d) Have charge of the Stock and Transfer Book, Stock Certificate Book and such other books and papers as the Board may direct. The Stock and Transfer Book and Stock Certificate Book must be physically kept in a safe deposit cabinet in the principal office of PMDC under the control of the Corporate Secretary.
- (a) Attend to the giving and serving of notices of Board and shareholder meetings, if applicable;

- (f) Be fully informed and be part of the scheduling process of other activities of the Board;
- (g) Receive instructions from the Chairman on the preparation of an annual schedule, the calling of Board meetings, the preparation of regular agenda for meetings, and notifying the Board of such agenda at every meeting;
- (h) Oversee the adequate flow of information to the Board prior to meetings; and
- (i) Ensure fulfillment of disclosure requirements to regulatory bodies.

The Corporate Secretary shall have such other responsibilities as the Board may impose upon him. The Board shall have separate and independent access to the Corporate Secretary,

15.4. *Compliance Officer.* — The Board shall appoint a Compliance Officer who shall report directly to the Chairman. In the absence of such office or appointment, the Corporate Secretary, who is preferably a lawyer, shall act as Compliance Officer. The Compliance Officer shall perform the following duties:

- (a) Monitor compliance by the PMDC of the requirements under the Act, this Code, this Manual of Corporate Governance, the rules and regulations of the appropriate Government Agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation;
- (b) Appear before the GCG when summoned in relation to compliance with this Code, this Manual of Corporate Governance or other compliance issues; and
- (c) Issue a certification every 30 May of the year on the extent of the PMDC's compliance with the government corporate standards governing PMDC's for the period beginning 01 July of the immediately preceding calendar year and, if there are any deviations, explain the reason for such deviation.

The appointment of a Compliance Officer shall not relieve the Board of its primary responsibility vis-a-vis the State, acting through the GCG, to ensure that the PMDC

has complied with all its reportorial, monitoring and compliance obligations.

SECTION 16. Board Committees. — The creation of Board Committees and other such oversight bodies enables the members of the Governing Board to efficiently manage their time and ensure the proper understanding and resolution of all issues affecting the PMDC and the proper handling of all other concerns, and allows the Board to effectively utilize the expertise of its Directors.

16.1. The Board shall constitute the proper committees to assist them in performing their duties and responsibilities, providing each of the committees with written terms of reference defining the duties, authorities and the composition of the committees constituted. The committees shall report to the entire Board as a collegial body and the minutes of their meetings shall be circulated to all members of the Board. The existence of the committees shall not excuse the Board of its collective responsibility for all matters that are within the primary responsibility and accountability of the Board.

16.2. As a minimum, the Board shall be supported by the following specialized committees :

16.2.1. *Executive Committee.* — The Executive Committee shall be composed of five (5) members of the Board, with the Chairman of the Board being the Committee Chairman.

The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by a vote of at least four (4) of its members on such specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee in accordance with the PMDC's By-laws, except with respect to:

- (a) Approval of any action for which shareholders' approval is also required;
- (b) Filling of vacancies on the Board or in the Executive Committee;
- (c) Amendment or repeal of By-laws or the adoption of new By-laws;
- (d) Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
- (e) Distribution of cash dividends; and

- (f) Exercise of powers delegated by the Board exclusively to other committees.

16.2.2. *Audit Committee.* — The Audit Committee shall consist of at least three (3) Directors, whose Chairman should, as much as possible, have audit, accounting or finance background. The Committee shall be responsible for the following:

- (a) Overseeing, monitoring and evaluating the adequacy and effectiveness of the PMDC's internal control system, engage and provide oversight of the PMDC's internal and external auditors. and coordinate with the Commission on Audit (COA);
- (b) Reviewing and approving audit scope and frequency, the annual internal audit plan, quarterly, semi-annual and annual financial statements before submission to the Board, focusing on changes in accounting policies and practices, major judgmental areas, significant adjustments resulting from the audit, going concern assumptions, compliance with accounting standards, and compliance with tax, legal, regulatory and COA requirements;
- (c) Receiving and reviewing reports of internal and external auditors and regulatory agencies, and ensuring that Management is taking appropriate corrective actions, in a timely manner in addressing control and compliance functions with regulatory agencies;
- (d) Ensuring that internal auditors have free and full access to all the PMDC's records, properties and personnel relevant to and required by its function and that the internal audit activity shall be free from interference in determining its scope, performing its work and communicating its results; and
- (e) Developing a transparent financial management system that will ensure the integrity of internal control activities throughout the PMDC through a procedures and policies handbook that will be used by the entire organization.

16.2.3. *Governance Committee.* — The Governance Committee shall assist the Board in fulfilling its corporate governance responsibilities. The Committee shall be composed of at least three (3) members of Board, and chaired by the Chairman of the Board. The Committee shall be responsible for the following:

- (a) Overseeing the periodic performance evaluation of the Board and its committees and Management; and also conducting an annual self-evaluation of their performance;
- (b) Deciding whether or not a Director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted that address the competing time commitments that are faced when directors serve on multiple boards;
- (c) Recommending to the Board regarding the continuing education of Directors, assignment to Board Committees, succession plan for the Executive Officers, and their remuneration commensurate with corporate and individual performance; and
- (d) Recommending the manner by which the Board's performance may be evaluated and proposing an objective performance criteria to be approved by the Board. Such performance indicators shall address how the Board will enhance long-term shareholder value.

16.2.4. *Nomination and Remunerations Committee.* — The Nomination and Remunerations Committee shall consist of at least three (3) members of the Board. The Committee shall be responsible for the following:

- (a) Installing and maintaining a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;

- (b) Reviewing and evaluating the qualifications of all persons nominated to positions in the PMDC which require appointment by the Board;
- (c) Recommending to the GCG nominees for the shortlist in line with the PMDC's and its subsidiaries' Board composition and succession plan; and
- (d) Developing recommendations to the GCG on the implementation of the Compensation Framework in accordance with E.O. 201 pursuant to E.O No. 36 s. 2017 and ensuring that the same continues to be consistent with the PMDC's culture, strategy, control environment, as well as the pertinent laws, rules and regulations.

16.2.5. *Risk Management Committee.* — The Risk Management Committee shall consist of at least three (3) members, with at least one member having a background in finance and investments. The Risk Management Committee shall be responsible for the following:

- (a) Performing oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of the PMDC and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- (b) Developing the Risk Management Policy of the PMDC, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of the PMDC, especially at the Board and Management level; and
- (c) Providing quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals.

16.3. *Combining the Mandatory Committees.* — Nothing herein shall preclude the Board from formally combining the functions of the committees into such combinations that will best serve the interest of the PMDC.

16.4. *Other Committees Required by Law, Rules and Regulations.* — In addition to the committees required in the Code, the PMDC, when so covered, shall also establish the committees required under the corresponding and applicable rules and regulations issued by the pertinent Government Agency and/or Supervising Agency.

SECTION 17. *Annual Performance Evaluation of the Board.* — PMDC shall adopt and observe a systematic evaluation process of the Board pursuant to GCG Memorandum Circular No. 2014-03, as a necessary tool in enhancing its professionalism and as a useful incentive for Board Members to devote sufficient time and effort to their duties. The evaluation is instrumental in developing effective and appropriate induction and training programs for new and existing members of the Board.

IV.

MANAGEMENT

SECTION 18. *Role of Management.* — The Management of the PMDC stands as the center of decision-making for the day-to-day affairs of the PMDC. It determines the PMDC's activities by putting the targets set by the Board in concrete terms and by implementing basic strategies for achieving those targets.

Management is responsible to the Board for implementing the infrastructure for the PMDC's success through the following mechanisms in its organization as set by the Board: organizational structures that work effectively and efficiently in attaining the goals of the PMDC; useful planning, control, and risk management systems that assess risks on an integrated cross-functional approach; information systems that are defined and aligned with an information technology strategy and the business goals of the PMDC; and a plan of succession that formalizes the process of identifying, training and selection of successors in key positions in the PMDC.

SECTION 19. *Management Primarily Accountable to the Board.* — Management is primarily accountable to the Board for the operations of the PMDC. As part of its accountability, Management shall provide all members of the Board with a balanced and understandable account of the PMDC's performance, position and prospects on a monthly basis. This responsibility shall extend to interim and other price sensitive public reports and reports to regulators.

SECTION 20. *President.* - The President, or the highest-ranking Executive Officer provided for in the Articles of Incorporation and/or By-laws, shall be elected annually by the members of the Board from among its ranks. The President shall be subject to the disciplinary powers of the Board and may be

removed by the Board for cause. In addition to the duties imposed on him by the Board, the President shall:

- (a) Exercise general supervision and authority over the regular course of business, affairs, and property of the PMDC, and over its employees and officers;
- (b) See to it that all orders and resolutions of the Board are carried into effect;
- (c) Submit to the Board as soon as possible after the close of each fiscal year, and to the shareholders at the annual meeting, if applicable, a complete report of the operations of the PMDC for the preceding year, and the state of its affairs;
- (d) Report to the Board from time to time all matters which the interest of the PMDC may require to be brought to its notice; and
- (e) Perform such other duties and responsibilities as the Board may impose upon him.

SECTION 21. *Other Executive Officers.* — Subject to the provisions of its Charter or By-Laws, the Executive Officers shall be appointed by the Board.

21.1. *Corporate Treasurer.* — The Treasurer shall have charge of the funds, securities, receipts and disbursements of the PMDC . Unless otherwise provided in the Articles of Incorporation or the By-laws, the Treasurer shall also have the following functions:

- (a) Deposit or cause to be deposited all monies and other valuable effects in the name and to the credit of the PMDC in compliance with applicable laws, rules and regulations;
- (b) Regularly and at least quarterly render to the President and to the Board an account of the condition of funds of the PMDC and all of his transactions as such;
- (c) Ensure fund availability on a timely basis and at the most economical means;
- (d) Optimize yields in temporary excess funds, but at the same time ensure the implementation of appropriate risk management measures over its resources;
- (e) Provide relevant and timely financial market information;
- (f) Perform such other responsibilities as the Board may impose.

In the event that the Treasurer is also the Chief Finance Officer (CFO), the Treasurer shall also be responsible for the duties and responsibilities enumerated in Section 21.2 below.

21.2 *Chief Finance Officer (CFO).* — The CFO, who may also be the Treasurer, shall be responsible for the following:

- (a) Providing management with accurate, relevant, and timely operating and financial reports and analysis necessary for financial planning and strategy formulation, and monitoring actual implementation of budgets, plans and programs towards the achievement of corporate goals;
- (b) Maintaining the integrity of accounting records as the basis of the financial statements and reports provided to Management for decision making and to government regulatory bodies in compliance with statutory requirements;
- (c) Promoting investor and public confidence in the PMDC by addressing the various information requirements of the investing public and ensuring that all other legal reportorial obligations to the concerned agencies are complied with;
- (d) Strengthening internal controls by monitoring compliance with policies and recommending to Management appropriate actions and changes in systems and procedures in the exigencies of the service; and
- (e) Performing such other responsibilities as the Board may impose.

SECTION 22. *Power of the Governing Board to Discipline/Remove Officers.* — Subject to existing civil service and other pertinent laws, rules and regulations, and in ensuring compliance with the requirements of due process, the Board shall have the authority to discipline, or remove from office, the President, or any other Executive Officer, upon a majority vote of the members of the Board who actually took part in the investigation and deliberation.

V.

DUTIES AND OBLIGATIONS OF DIRECTORS AND OFFICERS

SECTION 23. *Fiduciaries of the State.* — Directors and Officers are fiduciaries of the State in that: (a) they have the legal obligation and duty to always act in the best interest of the PMDC, with utmost good faith in all dealings with the properties, interests and monies of the PMDC; and (b) they are constituted as trustees in relation to the properties, interests and monies of the PMDC.

SECTION 24. *Directors and Officers as Public Officials.* — Directors and Officers are also Public Officials as defined by, and are therefore covered by the provisions of the "Code of Conduct and Ethical Standards for Public Officials and Employees," with its declared policies: (a) to promote a high standard of ethics in public service; and (b) Public Officials and employees shall at all times be accountable to the people and shall discharge their duties with utmost responsibility, integrity, competence, and

loyalty, act with patriotism and justice, lead modest lives, and uphold public interest over personal interest.

SECTION 25. *Respect for and Obedience to the Constitution and the Law.* — As Public Officials, a Director or Officer shall respect and obey the Constitution, and shall comply, and cause the PMDC to faithfully and timely comply, with all legal provisions, rules and regulations, and corporate governance standards, applicable to them and to the PMDC in which they serve, and to act within the bounds of its Articles of Incorporation and By-laws.

SECTION 26. *Duty of Diligence.* — The fiduciary duty of diligence of Directors and Officers to always act in the best interest of the PMDC, with utmost good faith in all its dealings with the property and monies of the PMDC, includes the obligation to:

- (a) Exercise extraordinary diligence, skill and utmost good faith in the conduct of the business and in dealing with the properties of the PMDC, using the utmost diligence of a very cautious person with due regard to all the circumstances;
- (b) Apply sound business principles to ensure the financial soundness of the PMDC: and
- (c) Elect and/or employ only Officers who are fit and proper to hold such office with due regard to the qualifications, competence, experience and integrity.

Every Director or Officer, by the act of accepting such position in the PMDC, affirms and agrees: (1) to have a working knowledge of the statutory and regulatory requirements affecting the PMDC he is to serve, including the contents of its Articles of Incorporation and By-laws, the requirements of the GCG, and where applicable, the requirements of other Supervising Agencies; and (2) to always keep himself informed of industry developments and business trends in order to safeguard the PMDC's interests and preserve its competitiveness.

SECTION 27. *Duty of Loyalty.* - The fiduciary duty of loyalty of Directors and Officers to always act in the best interest of the PMDC, with utmost good faith in all its dealings with the property and monies of the PMDC, includes the obligation to:

- (a) Act with utmost and undivided loyalty to the PMDC;
- (b) Avoid conflicts of interest and declare any interest they may have in any particular matter before the Board; and
- (c) Avoid (1) taking for themselves opportunities related to the PMDC's business; (2) using the PMDC's property, information or position for personal gain; or (3) competing with the PMDC's business opportunities.

27.1. *Avoid Conflict of Interest.* — Directors and Officers shall at all times avoid any actual or potential conflict of interest with the PMDC. Each shall also avoid any conduct, or situation, which could reasonably be construed as creating an appearance of a conflict of interest.

Any question about a Director's or Officer's actual or potential conflict of interest with the PMDC's shall be brought promptly to the attention of the Chairman of the Board, who will review the question and determine an appropriate course of action.

27.2. *Trustee Relation to PMDC Properties, Interests and Monies.*- Except for the per diem received for actual attendance in Board meetings and the reimbursement for actual and reasonable expenses and incentives as authorized by the GCG, any and all realized and unrealized profits and/or benefits including, but not limited to, the share in the profits, incentives of Directors or Officers in excess of that authorized by the GCG; stock options, dividends and other similar offers or grants from corporations where the PMDC is a stockholder or investor, and any benefit from the performance of Directors or Officers acting for and in behalf of the PMDC in dealing with its properties, investments in other corporations, management of Subsidiaries and other interest, are to be held in trust by such Director or Officer for the exclusive benefit of the PMDC.

27.3. *Taking of Corporate Opportunities.* - Where a Director or an Officer, by reason of his being a member of the Board or an Officer of the PMDC, acquires or receives for himself/herself a benefit or profit of whatever kind or nature, including but not limited to, the acquisition of shares in corporations where PMDC has an interest, the use of the properties of the PMDC for his/her own benefit, the receipt of commission(s) on contract(s) with the PMDC or its assets, or the taking advantage of corporate opportunities of the PMDC, all such profits or benefits shall be subject to restitution pursuant to Section 24 of the Act, without prejudice to any administrative, civil or criminal action against members of the such Director or Officer. The remedy of restitution shall apply notwithstanding the fact that such Director or Officer risked his/her own funds in the venture.

27.4. *Restitution.* - Pursuant to Section 24 of the Act, upon the determination and report of the Commission on Audit (COA) pursuant to a Notice of Disallowance which has become final and executory, that properties or monies belonging to the PMDC are in the possession of a Director or Officer of the PMDC without authority, or that profits are earned by the Director or Officer in violation of his/her fiduciary duty, or the aggregate per diems, allowances and incentives received in a particular year are in excess of the limits provided under the Act, the Director or Officer receiving such properties or monies shall immediately return the same to the PMDC.

Failure by a Director or Officer to make the restitution within thirty (30) days after a written demand has been served shall, after trial and final judgment, subject such Director or Officer to the punishment of imprisonment for one (1) year and a fine equivalent to twice the amount to be restituted and, in the discretion of the court of competent jurisdiction, disqualification to hold public office.

SECTION 28. *Limits to Compensation, Per Diems, Allowances and Incentives.* -Pursuant to Section 23 of the Act:

- (a) The Articles of Incorporation and By-laws of the PMDC to the contrary notwithstanding, the compensation, per diems, allowances and incentives of the Appointive Directors shall be determined by the GCG, using as a reference, among others, Executive Order No. 24, dated February 10,2011; and
- (b) Directors shall not be entitled to retirement benefits acting as such directors.

SECTION 29. *No Gift Policy.* — A Director or Officer shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value ("Gift") from any person where such Gift:

- (a) Would be illegal or in violation of law;
- (b) Is part of an attempt or agreement to do anything in return;
- (c) Has a value beyond what is normal and customary in the PMDC's business;
- (d) Is being made to influence the member of Board's, or Officer's, actions as such; or
- (e) Could create the appearance of a conflict of interest.

The Board shall formally adopt a "No Gift Policy" for PMDC and ensure its full advertisement to the community and its strict implementation by particular set of rules, which the Board may revise and amend from time to time, if and when necessary.

SECTION 30. *Duty of Confidentiality.* — Pursuant to their duties of diligence and loyalty, a member of the Board or an Officer shall not use or divulge confidential or classified information officially made known to them by reason of their office and not made available to the public, either: (1) to further their private interests, or give undue advantage to anyone; or (2) which may prejudice the public interest.

VI.

OBLIGATIONS OF THE PMDC TO DIRECTORS AND OFFICERS

SECTION 31. *Providing for Staff Support to Directors.* — The PMDC shall provide the members of its Governing Board with reasonable support staff and office facilities to allow them to properly discharge their duties and responsibilities.

SECTION 32. *Obtaining of Directors and Officers Liability Insurance (DOLL).* — Having imposed the highest level of responsibility and accountability on the members of the Board and Officers, i.e., that of extraordinary diligence, it is equitable that when the PMDC itself and/or the members of the Board and Management are sued before tribunals on matters that are within the official functions and capacity and on matters where business judgment has been exercised in good faith, that there be proper recovery of the costs of litigation and the judgment liability imposed. It is prudent measure therefore for PMDC to obtain "Directors and Officers Liability Insurance" (DOLI) coverage for itself and the members of the Board and Officers against contingent claims and liabilities that may arise from, as well as the expenses that may be incurred in prosecuting, the actions that may be filed against the PMDC arising from the actions of the Board and/or Management that may cause loss or damage to third parties.

Nothing in this section shall be construed as to authorize the reimbursement or the incurring of costs, such as the payment of premiums on DOLI coverage, by the PMDC on the litigation expenses incurred and the judgment liability decreed against a Director or Officer for breach of any of his fiduciary duties or for fraud committed in the performance of his or her duties to the PMDC and/or its stakeholders.

VII.

CSR AND RELATIONS WITH STAKEHOLDERS

SECTION 33. *Duty to Be Responsive to Stakeholders.*- Every Director and Officer accepts the position fully aware that he assumes certain responsibilities not only to the PMDC and its stockholders, but also with different constituencies or Stakeholders, who have the right to expect that the PMDC is being run in a prudent manner and with due regard to the interests of all Stakeholders. Consequently, members of the Board and Officers shall deal fairly with the PMDC's employees, customers, suppliers and other Stakeholders. No member of the Board or Officer may take unfair advantage of the PMDC's employees, customers, suppliers and other Stakeholders through manipulation, concealment, abuse of confidential or privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

SECTION 34. *CSR Principles.* — As an integral part of the National Government, the PMDC is inherently mandated to be socially responsible, to act and operate as good corporate citizens. The Governing Board shall recognize and perform the obligations the PMDC has towards the National Government, its majority stockholder, as well as the minority stockholders when existing, together with the employees, suppliers, customers and other Stakeholders, and the communities in which it operates.

The Director's, Officers and all its employees are required to abide by ethical policies as mandated by the GCG. The protection of the reputation and goodwill of the PMDC is of fundamental importance, and Directors, Officers and employees should be aware of the disciplinary implications of breaches of policy.

Every member of the PMDC is encouraged to promptly report any potentially illegal, improper and/or unethical conduct that they become aware of at their workplace or in connection with their work. The PMDC should have an environment that enables its people to raise genuine and legitimate concerns internally. However, in the event that the people/staff/employee of the PMDC, and/or the stockholders believe their reporting to management may result in harassment, or undue distress, they may contact the GCG support to report such matters. The GCG provides for an opportunity for concerns to be investigated and ensures appropriate action is taken to resolve the matter effectively.

SECTION 35. *Formal Recognition of the Stakeholders.* — The PMDC, as the corporate mining arm of the State, recognizes and observes the following duties and obligations it has towards its stakeholders:

To the State

The PMDC recognizes the right and interest of the State as the owner of "all lands of the public domain, waters, minerals, coal, petroleum, and other mineral oils, all forces of potential energy, fisheries, forests or timber, wildlife, flora and fauna, and other natural resources." - Art. XII, Sec. 2 of the 1987 Philippine Constitution.

The PMDC shall develop, promote and manage mining projects and build productive partnerships with its partners/operators in order to contribute to the revenues of the National Government.

To the Community

The PMDC recognizes the rights and interests of the host communities and/or Local Government Units (LGU) as to health, education, rural infrastructure, livelihood and the conservation of the environment, considering that they are within the mining areas under the supervision of the PMDC and are directly affected by the operation of its mining assets.

The PMDC is committed to advance the enrichment of the life of the people and the protection of the environment of its project host communities and/or LGUs.

To its Partners-Operators

The PMDC recognizes the importance of its partners-operators' role in the development and operation of its various mining assets in order to contribute to the revenues of the National Government. Further, the PMDC recognizes the active and meaningful participation of its partners-operators in every intervention and in the empowerment of the people in the communities as a way to ensure the sustainability of all development efforts.

PMDC is committed not only to monitor but to ascertain that the provisions (terms and conditions) of the Joint Operating Agreement with the partner-operator is adhered to and complied with utmost good faith, ensure that appropriate revenues for the National Government are generated on time, and host communities benefit therefrom.

To the Regulatory Agencies

The PMDC undertakes to submit timely reports to the various government agencies concerned, such as, but not limited to, the Department of Environment and Natural Resources (DENR), Mines and Geosciences Bureau (MGB), Privatization Council (PrC), Department of Finance (DOF), Commission on Audit (COA), Bureau of Internal Revenue (BIR), Governance Commission for GOCCs (GCG) and Securities and Exchange Commission (SEC).

To the Partner Government Agencies

The PMDC shall coordinate with its partner government agencies for possible support and involvement in the development and operation of all PMDC mining assets.

Conflict Resolution

The protection of the foregoing rights and interests is of primary importance to PMDC. In view thereof, PMDC provides the following avenues within which to address any conflict arising from the foregoing are resolved, thus:

1. Information and Education Campaign;
2. Public Hearing; and
3. Community Consultation.

The PMDC shall adopt its rules on arbitration with the supplementary application of Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004.

The PMDC, in the pursuit of its mandate and primary purpose under its Articles of Incorporation and consistent with the policy of the state on poverty reduction and PMDC's motto of "Creating Wealth, Enriching Lives" shall adhere to the ideals and standards of responsible mineral development and shall enrich lives in mining communities by generating employment and by adopting the best practices in environmental conservation and enhancement.

SECTION 36. *Employees.* — Every employee in the PMDC is encouraged to -

- (a) Remember that the biggest stakeholder is the Government;
- (b) Share the vision of the PMDC;
- (c) Be accountable to the public;
- (d) Listen and learn from his/her co-employees;
- (e) Think and act as a team;
- (f) Focus on the customers and strive for customer satisfaction;
- (g) Respect others;
- (h) Communicate with stockholders and customers;
- (i) Deliver results and celebrate success;
- (j) Protect the reputation of the PMDC.

There should be employee development discussions and structured training programs for continuing personal and professional development for employees.

SECTION 37. *Customers.* — Integrity and honesty in dealings with customers is necessary for a successful and sustained business relationship. The PMDC should operate a highly effective and efficient organization, focused on meeting customer objectives with the aim of providing services which give fair value and consistent quality, reliability and safety in return for the price paid for the same. The PMDC should operate policies of continuous improvement, of both processes and the skills of the staff, to take best advantage of advances in all aspect of society in order to ensure that it continues to add value to its customers' businesses.

PMDC should have clear and strong lines of communication which allow them to respond quickly and efficiently to customer and market requirements, as well as the public needs, and for the customers to receive consistent service in order to successfully and consistently deliver what the PMDC is mandated to do.

SECTION 38. *Suppliers.* — As with other relationships with the Stakeholders, the PMDC should aim to develop relationships and improve networking with business partners and suppliers based on mutual trust. The PMDC should aim to offer, through partnership with its suppliers, the best combination of state-of-the-art technology and world-class service, strong customer relations and deep industry knowledge and experience, together with the capacity to implement and deliver value-added solutions on time and within budget.

SECTION 39. *Health and Safety.* — The PMDC should aim to ensure a safe and healthy working environment for all its employees, outside contractors and visitors. The PMDC should comply with all relevant local legislation or regulations, and best practice guidelines recommended by national health and safety authorities. The staff should be informed regarding the policies and practices of the PMDC in order to maintain a healthy, safe and enjoyable environment.

SECTION 40. *Environment.* — The PMDC should consider that there are inevitable environmental impacts associated with daily operations. It shall be the goal of the PMDC to minimize harmful effects and consider the development and implementation of environmental standards to achieve this to be of great importance. As such, the PMDC should strongly encourage 3 R's: "Reduce", "Reuse", and "Recycle".

In the course of the operations of the PMDC, it should identify opportunities to reduce consumption of energy, water and other natural resources. The PMDC should also strive to re-use and recycle where possible and dispose of non-recyclable items responsibly, thereby minimizing their impact on the environment. In doing so, by adopting simple, environmentally friendly initiatives, the PMDC shall raise awareness among the members of the communities it affects.

VIII.

DISCLOSURE AND TRANSPARENCY REQUIREMENTS

SEC. 41. *Transparency as the Essence of Corporate Governance.* — The essence of corporate governance is transparency: the more transparent the internal workings of the PMDC are, the more difficult it will be for the Board and/or Management to mismanage the PMDC or to misappropriate its assets. It is therefore imperative that the PMDC disclose all material information to the National Government and the public, its ultimate stakeholder, in a timely and accurate manner at all times.

SECTION 42. *Mandatory Website.*- In accordance with Section 25 of the Act, the PMDC shall maintain a website and post therein for unrestricted public access:

42.1. On Institutional Matters:

- (a) The Articles of Incorporation and By-laws of PMDC;
- (b) The latest General Information Sheet (GIS) and brief company background including date of incorporation, history, functions and mandate of PMDC;
- (c) List of Subsidiaries and Affiliates: and

- (d) Government Corporate Information Sheet (GCIS) as mandated by the GCG in its Memorandum Circular No. 2012- 01.

42.2. On the Board and Officers:

- (a) Complete listing of the Directors and Officers with attached resume, and their membership in Board Committees;
- (b) Complete compensation package of all the Board members and Officers, including travel, representation, transportation and any other form of expenses or allowances;
- (c) Information on Board Committees and their activities; and
- (d) Attendance record of Directors in Board and Committee meetings.

42.3. On Financial and Operational Matters:

- (a) The latest annual Audited Financial and Performance Report within thirty (30) days from receipt of such Report;
- (b) Audited Financial Statements in the immediate past three (3) years;
- (c) Quarterly, and Annual Reports and Trial Balance;
- (d) Current Corporate Operating Budget (COB);
- (e) Local and foreign borrowings;
- (D) Government subsidies and net lending;
- (g) All borrowings guaranteed by the Government;
- (h) Any material risk factors and measures taken to manage such risks; and
- (k) Performance Evaluation System (PES).

42.4. On Governance Matters:

- (a) Charter Statement/Mission-Vision Statements;
- (b) Performance Scorecards and Strategy Map;
- (c) Organizational Chart;
- (d) Manual of Corporate Governance;
- (e) CSR Statement; and
- (f) Balance Scorecard.

42.5. Such other information or report that the GCG may require.

SECTION 43. *The PMDC Must Be Active Participant in the Integrated Corporate Reporting System.* - In the pursuit of national development and providing better service to the public, and to ensure the PMDC's faithful performance of its mandate using the standards of good governance, transparency, accountability and responsibility, the National Government, through the GCG, shall develop an Integrated Corporate Reporting System (ICRS) to provide an extensive database and comprehensive information on PMDCs, pursuant to the following parameters:

43.1. The ICRS shall provide a platform for the electronic submission by PMDCs of various reportorial requirements such as financial statements, list of directors and officers, compensation, operating budgets and performance commitments;

43.2. Reports provided under the Disclosure and Transparency Requirements in the Ownership and Operations Manual for PMDCs and the government corporate standards governing PMDCs shall also be incorporated into the System;

43.3. The ICRS shall also be linked initially to National Government Agencies with FMDC dealings, such as with the Commission on Audit (COA), Department of Finance (DOF), the Department of Budget and Management (DBM), and eventually to the Public Financial Management System and the Government Integrated Financial Management Information System (GIFMIS); and

43.4. The PMDC, acting through its Board and Management, shall ensure that it becomes an active and responsible member and contributor to the ICRS.

SECTION 44. *Mandatory Reports.* — The Board shall regularly submit, as may be required by the GCG and other Government Agencies, the following:

- (a) Performance Scorecards;
- (b) Implementation of the audit recommendations of COA; and
- (c) Compliance with commitments on servicing loans to, and borrowings guaranteed by, the National Government.

SECTION 45. *Other Reportorial Requirements.* — The Corporation shall also submit to the GCG periodically in electronic form to the GCG the following:

- (a) Common Form financial statements based on annual audited financial statements within thirty (30) days from receipt of the report;
- (b) Dividend computations and payments in accordance with Republic Act No. 7656, also known as The Dividends Law;"
- (c) Cash and investment balances;
- (d) Capital expenditure program;
- (e) Statement of Financial Operations;
- (f) Acquisition or disposition of assets;
- (g) Off Balance Sheet transactions; and
- (h) Reports for the annual corporate budget call such as but not limited to the following:

- (1) Physical and Financial Performance reports (the immediately preceding three (3) years); and
- (2) Sources and Uses of Funds (the immediately preceding three (3) years and the proposal for the coming year).

SECTION 46. The format and schedule of submission for the above-mentioned various reports shall be in accordance with the format, schedule, rules and regulations set by the GCG.

IX.

HIGHEST STANDARDS PRINCIPLE

SECTION 47. Public service being a public trust, nothing in the Code and this Manual of Corporate Governance shall be construed as:

47.1. Corporate Government Standards: Relieving or excusing the PMDC, its Directors and Officers, from complying with more rigorous standards of corporate governance as those required by regulatory agencies having jurisdiction over PMDC's business enterprise or the industry in which PMDC operate, such as the Mines and Geosciences Bureau (MGB), Securities and Exchange Commission (SEC), etc.

47.2. Reportorial Requirements: A waiver of the separate reportorial requirements mandated by the regulatory agencies that have jurisdiction over the PMDC and its business operations.

47.3. Administrative and Criminal Liabilities: A waiver of the administrative or criminal liabilities imposed by existing laws, rules and regulations, such as the Anti-Graft and Corrupt Practices Act, and the Code of Conduct and Ethical Standards for Public Officials and Employees for Government Officials for offenses or breach of ethical standards committed by Directors, Officers and employees of the PMDC.

X.

MISCELLANEOUS PROVISIONS

SECTION 48. Effectivity. – This PMDC Manual of Corporate Governance Code shall be effective upon approval of the Board of Directors and after evaluation thereof by the GCG that the same complies with the Code.