

## CHARTER OF THE BOARD OF DIRECTORS

This Charter of the Board of Directors (“Board Charter”) sets out the respective roles, responsibilities and authorities of the Board of Directors (the “Board”) of **House of Investments, Inc.** (the “Corporation”) in setting the direction, the management and the control of the Corporation.

### Section 1. COMPOSITION OF THE BOARD

- 1.1 **Number of Directors.** The Board shall be composed of at least five (5) but not more than fifteen (15) members who are elected by the stockholders. It shall have at least three independent directors, or such number as to constitute at least one-third of the members of the Board, whichever is higher.<sup>1</sup>
- 1.2 The Board shall be composed of a majority of non-executive directors who possess the necessary qualifications to effectively participate and help secure objective independent judgment on corporate affairs and to substantiate proper checks and balances.<sup>2</sup>
- 1.3 The Board may designate, as necessary, a lead director among the independent directors.<sup>3</sup>
- 1.4 In consonance with the policy on board diversity, the Company will strive to have at least one woman independent director to sit in the Board.<sup>4</sup>

### Section 2. QUALIFICATION OF BOARD OF DIRECTORS<sup>5</sup>

2.1 A Director shall:

- i. own at least one (1) share of the capital stock of the Company;
- ii. be at least a college graduate or have an equivalent academic degree;
- iii. have a practical understanding of the business of the Company;
- iv. be a member in good standing in relevant industry, business or professional organization;
- v. have previous business experience;
- vi. For first-time directors, he must have undergone orientation programs of at least 8 hours and for all other directors, relevant annual continuing training of at least four (4) hours.

### 2.2 QUALIFICATION OF INDEPENDENT DIRECTORS:

An Independent Director refers to a person who, ideally:

- i. Is not, or has not been a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company;<sup>6</sup>

<sup>1</sup> Article III, Section (1) A of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

<sup>2</sup> Article III, Section (2) A of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

<sup>3</sup> Article III, Section (3) A of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

<sup>4</sup> Article III, Section (4) A of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

<sup>5</sup> Article III, Section D of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

<sup>6</sup> Article III, Section (1)D of HI’s 2022 Revised Manual on Corporate Governance (“CG Manual”)

- ii. Is not, and has not been in the three years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;<sup>7</sup>
- iii. Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus", "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three years immediately preceding his election;<sup>8</sup>
- iv. Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;<sup>9</sup>
- v. Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;<sup>10</sup>
- vi. Is not acting as a nominee or representative of any director of the covered company or any of its related companies;<sup>11</sup>
- vii. 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-dealer;<sup>12</sup>
- viii. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;<sup>13</sup>
- ix. 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 shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, 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;<sup>14</sup>
- x. Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and<sup>15</sup>

<sup>7</sup> Article III, Section (2)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>8</sup> Article III, Section (3)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>9</sup> Article III, Section (4)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>10</sup> Article III, Section (5)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>11</sup> Article III, Section (6)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>12</sup> Article III, Section (7)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>13</sup> Article III, Section (8)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>14</sup> Article III, Section (9)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>15</sup> Article III, Section (10)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

## Board Charter

### House of Investments, Inc.

**Property of House of Investments, Inc.** This document and the information contained herein is proprietary and for internal use of House of Investments, Inc. No part of this document may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the House of Investments, Inc.

- xi. Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.<sup>16</sup>

Related companies, as used in this section, refer to (a) the covered entity's holding/parent company; (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.<sup>17</sup>

### 2.3 INDEPENDENT DIRECTORS

- i. Independent Directors shall be elected to the Board of Directors whenever required under Republic Act No. 8799, otherwise known as the Securities Regulation Code, or under any applicable law. The nomination and election of independent directors shall be conducted in accordance with Rule 38 of the Implementing Rules and Regulations of the Securities and Regulation Code, as may be amended from time to time.<sup>18</sup>
- ii. An independent director is a person who, apart from shareholdings and fees received from the corporation, is independent of management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with the exercise of independent judgment in carrying out the responsibilities as a director.
- iii. Independent directors must be elected by the shareholders present or entitled to vote in absentia during the election of directors.<sup>19</sup>

### 2.4. LEAD INDEPENDENT DIRECTORS

A lead independent director shall be appointed among the independent directors in case the Chairperson is not independent from Management, such as when the position of the Chairperson and CEO is held by one person<sup>20</sup>

## Section 3. DISQUALIFICATION OF BOARD OF DIRECTORS

- 3.1 No person shall be qualified or be eligible for nomination or election to the Board of Director if he is engaged in any business that competes with or is antagonistic to that of the Corporation, its subsidiaries or affiliates, as may be determined by the Board of Directors, in the exercise of its judgment in good faith, by at least a majority vote. Without limiting the generality of the foregoing, a person shall be deemed as so engaged<sup>21</sup>:
  - i. If he is an employee, manager, officer, or controlling person, or the owner (either of record or beneficially) of at least ten percent (10%) or more of any outstanding class of shares, of any corporation (other than in which the Corporation owns at least [30%] of the capital stock] or entity engaged in a business that the Board of Directors, by at least a majority vote, determines to be

---

<sup>16</sup> Article III, Section (11)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>17</sup> Article III, Par.2 of Section (11)D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>18</sup> Section 1 of Article III, By-Laws

<sup>19</sup> *Ibid.*

<sup>20</sup> *Ibid.*

<sup>21</sup> Par 3, Section 6 of Article II, By-Laws

competitive or antagonistic to the business of the Corporation or any of its subsidiaries or affiliates;<sup>22</sup> or

- ii. If he is an employee, manager, officer, director, or controlling person, or the owner (either of record or beneficially) of at least ten percent (10%) or more of any outstanding class of shares, of any corporation or entity engaged in any line of business similar to that of the Corporation or any of its subsidiaries or affiliates, when in the judgment of the Board of Directors by at least a majority vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board;<sup>23</sup>
- iii. (iii) If the Board of Directors, in the exercise of its judgment in good faith, determines by at least a majority vote, that he is a nominee of any person set forth in (i) or (ii) above.<sup>24</sup>

3.2 In determining whether or not a person is a controlling person, beneficial owner, or the nominee of another, the Board of Directors may take into account such factors as business and family relationships.<sup>25</sup>

### 3.3 PERMANENT DISQUALIFICATION<sup>26</sup>

The following are the grounds for the permanent disqualification of a director.

- i. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:<sup>27</sup>
  - a. involves the purchase or sale of securities, as defined in the Securities Regulation Code (SRC);<sup>28</sup>
  - 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<sup>29</sup>
  - 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.<sup>30</sup>
- ii. Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (SEC), Bangko Sentral ng Pilipinas (BSP) or any court or administrative body of competent jurisdiction from:<sup>31</sup>
  - a. acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker;<sup>32</sup>

<sup>22</sup> Subsection i, Section 6 of Article II, By-Laws

<sup>23</sup> Subsection ii, Section 6 of Article II, By-Laws

<sup>24</sup> Subsection iii, Section 6 of Article II, By-Laws

<sup>25</sup> Par 7, Section 6 of Article II, By-Laws

<sup>26</sup> Article III, Paragraph 1, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>27</sup> Article III, Paragraph 1(a), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>28</sup> Article III, Paragraph 1(a)1, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>29</sup> Article III, Paragraph 1(a)2, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>30</sup> Article III, Paragraph 1(a)3, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>31</sup> Article III, Paragraph 1(b), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>32</sup> Article III, Paragraph 1(b)1, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

- b. acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;<sup>33</sup>
- c. engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.<sup>34</sup>

The disqualification shall also apply if such person is currently the subject of an order of the SEC, BSP 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 Commission or Bangko Sentral ng Pilipinas (BSP), or under any rule or regulation issued by the Commission or 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.

- iii. 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.<sup>35</sup>
- iv. Any person who has been adjudged by final judgment or order of the SEC, BSP, court or competent administrative body to have willfully violated, or willfully aided, abetted, counselled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the Commission or BSP, or any of its rule, regulation or order.<sup>36</sup>
- v. Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation.<sup>37</sup>
- vi. Any independent director that has served the Board for a maximum cumulative term of nine years<sup>38</sup> (9) years, subject to extension on a case to case basis as explained by the Board. <sup>39</sup>
- vii. Any person judicially declared as insolvent.<sup>40</sup>
- viii. 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 in item nos. 3.1.1 to 3.1.5.<sup>41</sup>

<sup>33</sup> Article III, Paragraph 1(b)2, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>34</sup> Article III, Paragraph 1(b)3, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>35</sup> Article III, Paragraph 1(c), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>36</sup> Article III, Paragraph 1(d), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>37</sup> Article III, Paragraph 1(e), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>38</sup> Reckoning of the cumulative nine-year term is from 2012, in connection with SEC Memorandum Circular No. 9, Series of 2011

<sup>39</sup> Article III, Paragraph 1(f), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>40</sup> Article III, Paragraph 1(g), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>41</sup> Article III, Paragraph 1(h), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

## Board Charter

### House of Investments, Inc.

**Property of House of Investments, Inc.** This document and the information contained herein is proprietary and for internal use of House of Investments, Inc. No part of this document may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the House of Investments, Inc.

- ix. 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 (5) years prior to the date of his election or appointment.<sup>42</sup>
- x. Others grounds as the SEC may provide.<sup>43</sup>

#### 3.4 TEMPORARY DISQUALIFICATION<sup>44</sup>

The Board may provide for temporary disqualification of a director for any of the following reasons:

- i. Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. The disqualification shall be in effect as long as the refusal persists.<sup>45</sup>
- ii. Absence in more than fifty (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purposes of the succeeding election.<sup>46</sup>
- iii. Persons convicted for offenses involving dishonesty, breach of trust or violation of laws but whose conviction has not yet become final and executory.
- iv. Directors disqualified for failure to observe/discharge their duties and responsibilities prescribed under existing regulations. This qualification applies until the lapse of the specific period of disqualification or upon approval by the appropriate supervising and examining department of such director's election/re-election.<sup>47</sup>
- v. Directors who are dismissed or terminated for cause as director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.<sup>48</sup>
- vi. The non-executive directors (NEDS) of the Board who served, concurrently, as directors to a maximum of five publicly listed companies, except on a case to case basis as explained by the Board.<sup>49</sup>
- vii. If the beneficial equity ownership of an independent director in the Company or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.<sup>50</sup>

<sup>42</sup> Article III, Paragraph 1(i), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>43</sup> Article III, Paragraph 1(j), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>44</sup> Article III, Paragraph 2, Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>45</sup> Article III, Paragraph 2(a), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>46</sup> Article III, Paragraph 2(b), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>47</sup> Article III, Paragraph 2(c), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>48</sup> Article III, Paragraph 2(d), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>49</sup> Article III, Paragraph 2(e), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>50</sup> Article III, Paragraph 2(f), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

#### Board Charter

House of Investments, Inc.

**Property of House of Investments, Inc.** This document and the information contained herein is proprietary and for internal use of House of Investments, Inc. No part of this document may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the House of Investments, Inc.

- viii. Those under preventive suspension.<sup>51</sup>
- ix. Persons with derogatory records with the National Bureau of Investigation (NBI), court, police, Interpol and monetary authority (central bank) of other countries (for foreign directors and officers) involving violation of any law, rule or regulation of the Government or any of its instrumentalities adversely affecting the integrity and/or ability to discharge the duties of a bank officer. This disqualification applies until they have cleared themselves of involvement in the alleged irregularity.<sup>52</sup>
- x. If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.<sup>53</sup>

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.<sup>54</sup>

#### **Section 4. MULTIPLE BOARD SEATS<sup>55</sup>**

- 4.1 The Chief Executive Officer and other executive directors may submit themselves to an indicative limit on membership in other corporate Boards. The same limit may apply to independent, non- executive directors who serve as full-time executives in other corporations. In any case, the capacity of directors to diligently and efficiently perform their duties and responsibilities to the boards they serve shall not be compromised.

#### **Section 5. NOMINATION AND ELECTION OF THE BOARD**

- 5.1 Each stockholder shall have the right to nominate any director who possesses all of the qualifications and none of the disqualifications under this by-laws, the law or relevant regulations.<sup>56</sup>

All nominations for election of directors by the stockholders shall be submitted in writing to the President and the Corporate Secretary at the Corporation's principal place of business at least sixty (60) working days before the regular or special meeting of stockholders for the purpose of electing directors.<sup>57</sup>

- 5.2 The following provisions shall govern the election of directors:
  - a) At all elections of directors, there must be present, either in person or through remote communication or in absentia or through a representative authorized to act by written proxy, the owners of majority of the outstanding capital stock of the corporation. A stockholder who

<sup>51</sup> Article III, Paragraph 2(g), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>52</sup> Article III, Paragraph 2(h), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>53</sup> Article III, Paragraph 2(i), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>54</sup> Article III, Paragraph 2(j), Section E of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>55</sup> Article III, Section B of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>56</sup> Par 1, Section 6 of Article II, By-Laws

<sup>57</sup> Par 6, Section 6 of Article II, By-Laws

participates through remote communication or in absentia shall be deemed present for purposes of quorum.<sup>58</sup>

- b) The members of the Board of Directors must have at least one (1) share of the capital stock of the corporation. The corporation shall conform with the requirement to have such number of independent directors as may be required by law or regulations, and with the procedures for the nomination and election of independent directors as presented by law or regulations.<sup>59</sup>
- c) Said stockholders may:
  - i. vote such number of shares for as many persons as there are directors to be elected<sup>60</sup>;
  - ii. cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares owned<sup>61</sup>; or
  - iii. distribute them on the same principle among as many candidates as he may see fit; provided, that the total number of votes cast by him shall not exceed the number of shares owned by the stockholders as shown in the books of the Corporation multiplied by the whole number of directors to be elected; provided, however, that no delinquent stock shall be voted.<sup>62</sup>
  - iv. may also vote through remote communication or in absentia, in which case, they shall be deemed present for purposes of quorum. Provided, however, that the votes are received by the Secretary before the Corporation finishes the tally of votes.<sup>63</sup>
- d) Candidates receiving the highest number of votes shall be declared elected. If no election is held, or the owners of majority of the outstanding capital stock or majority of the members entitled to vote are not present in person, by proxy, or through remote communication or not voting in absentia at the meeting, such meeting may be adjourned.<sup>64</sup>
- e) The non-holding of elections and the reasons therefor shall be reported to the SEC within thirty (30) days from the date of the scheduled election. The report shall specify a new date for the election, which shall not be later than sixty (60) days from the scheduled date. If no new date has been designated, or the rescheduled election is likewise not held, the SEC may, upon the application of a shareholder, and after verification of the unjustified non-holding of the election, summarily order that an election be held.<sup>65</sup>

## Section 6. TERM OF DIRECTORS

- 6.1 Directors are to hold office for a term of one (1) year immediately upon their election at the Corporation's Annual Stockholders' Meeting (ASM) and until the next election when their successor shall have been

---

<sup>58</sup> Par 2, Section 6 of Article II, By-Law

<sup>59</sup> Par 3, Section 6 of Article II, By-Law

<sup>60</sup> Section 23, Revised Corporation Code

<sup>61</sup> Section 23, Revised Corporation Code

<sup>62</sup> *Ibid.*

<sup>63</sup> Par 2, Section 5 of Article II, By-Laws

<sup>64</sup> Section 23, Revised Corporation Code

<sup>65</sup> *Ibid*

elected and qualified in accordance with the Corporation's Amended By-Laws and the Revised Corporation Code.<sup>66</sup>

## **Section 7. VACANCY**

- 7.1 If any vacancy shall occur among the directors by death, resignation or otherwise, such vacancy may be filled by the remaining directors at any meeting at which a quorum shall be present. In case of vacancy in the Board, the remaining directors shall continue to act, but if at any time their number be reduced to less than a quorum, the directors shall call a special meeting of the stockholders for the purpose of filling such vacancies.<sup>67</sup>
- 6.2 Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or at a special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors if so stated in the notice of the meeting.<sup>68</sup>

## **Section 8. RESPONSIBILITIES OF THE BOARD**

### **8.1 Powers and Authority of the Board of Directors**

The corporate powers of the Company shall be exercised, its business conducted and all its property shall be controlled and held by its Board of Directors. The powers of the Board of Directors, as conferred by law, are original and cannot be revoked by the stockholders. The Directors hold their office charged with the duty to act for the Company in accordance with their best judgment.<sup>69</sup>

### **8.2 General Responsibility of the Board of Directors<sup>70</sup>**

It is the Board's responsibility to foster the long-term success of the corporation, 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.<sup>71</sup>

The Board shall formulate the Company's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance. It shall oversee the development of and approve the company's business objectives and strategy, and monitor their implementation, in order to sustain the company's long-term viability and strength.<sup>72</sup>

The Board is primarily responsible for the corporate governance of the Company. To ensure good governance of the Company, the Board shall establish strategic objectives, policies and procedures that shall guide and direct the activities of the Company and the means to attain the same as well as the mechanism for monitoring management's performance. It is the responsibility of the Board of Directors to foster the long-term success of the Company and secure its sustained competitiveness.<sup>73</sup>

---

<sup>66</sup> Section 1 of Article III, By-Laws

<sup>67</sup> Section 2 of Article III, By-Laws

<sup>68</sup> Par 2, Section 2 of Article III, By-Laws

<sup>69</sup> Article III, Paragraph 1, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>70</sup> Article III, Paragraph 2, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>71</sup> *Ibid.*

<sup>72</sup> *Ibid.*

<sup>73</sup> *Ibid.*

While the management of the day-to-day affairs of the Company is the responsibility of the management team, the Board of Directors is, however, responsible for monitoring and overseeing management action. The Board of Directors shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The Board shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all its shareholders. It is vitally important that a number of board members be independent from management.<sup>74</sup>

### 8.3 Duties and Functions of the Board of Directors

To ensure a high standard of best practice for the Company and its stockholders and other stakeholders, the Board shall conduct itself with honesty and integrity in the performance of, among others, the following duties and responsibilities<sup>75</sup>:

- a) Implement a process of selection to ensure a 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. Appoint competent, professional, honest and highly motivated management officers.<sup>76</sup>
- b) Adopt an effective succession planning program for directors, key officers and management to ensure growth and continued increase in the shareholder's value. The program shall include a policy on retirement age for directors and key officers as part of management's succession and to promote dynamism in the company.<sup>77</sup>
- c) Implement a formal and transparent board nomination policy that shall include how it accepts nomination from minority shareholders 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 shall be aligned with the strategic direction of the company.<sup>78</sup>
- d) Formulate and implement remuneration plans of key officers and board members specifying the relationship between remuneration and performance. Ensure that no director shall participate in the discussion or deliberations of his remuneration.<sup>79</sup>
- e) Adopt a policy on the training of directors, including an orientation program for first time directors and relevant annual continuing training for all directors.<sup>80</sup>
- f) Provide sound strategic policies and guidelines to the corporation on major capital expenditures.<sup>81</sup>

---

<sup>74</sup> *Ibid.*

<sup>75</sup> Article III, Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>76</sup> Article III, Sub. Par. (a), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>77</sup> Article III, Sub. Par. (b), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>78</sup> Article III, Sub. Par. (c), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>79</sup> Article III, Sub. Par. (d), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>80</sup> Article III, Sub. Par. (e), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>81</sup> Article III, Sub. Par. (f), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

- g) Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.<sup>82</sup>
- h) Ensure that the Company complies with all relevant laws, regulations and best business practices.<sup>83</sup>
- i) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or chief financial officer shall exercise oversight responsibility over this program.<sup>84</sup>
- j) Identify the corporation's stakeholders in the community in which it operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.<sup>85</sup>
- k) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system shall be conducted to ensure the integrity of the decision- making and reporting processes at all times. There shall be a continuing review of the corporation's internal control system in order to maintain its adequacy and effectiveness.<sup>86</sup>
- l) Identify key risk areas and key performance indicators and monitor these factors with due diligence to enable the Company to anticipate and prepare for possible threats to its operational and financial viability.<sup>87</sup>
- m) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation 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.<sup>88</sup>
- n) Constitute an Audit Committee and such other committees which are necessary to assist the board in the performance of its duties and responsibilities.<sup>89</sup>
- o) Establish and maintain an alternative dispute resolution system that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including regulatory authorities.<sup>90</sup>
- p) Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings shall be encouraged and given due consideration.<sup>91</sup>

<sup>82</sup> Article III, Sub. Par. (g), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>83</sup> Article III, Sub. Par. (h), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>84</sup> Article III, Sub. Par. (i), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>85</sup> Article III, Sub. Par. (j), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>86</sup> Article III, Sub. Par. (k), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>87</sup> Article III, Sub. Par. (l), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>88</sup> Article III, Sub. Par. (m), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>89</sup> Article III, Sub. Par. (n), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>90</sup> Article III, Sub. Par. (o), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>91</sup> Article III, Sub. Par. (p), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

## Board Charter

### House of Investments, Inc.

**Property of House of Investments, Inc.** This document and the information contained herein is proprietary and for internal use of House of Investments, Inc. No part of this document may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the House of Investments, Inc.

- q) 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.<sup>92</sup>
- r) Appoint a Compliance Officer who shall have the rank of at least Senior Vice President (SVP) or an equivalent position with adequate stature and authority in the corporation.<sup>93</sup>

#### 8.4 Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director shall act in the best interest of the Company in a manner characterized by transparency, accountability and fairness. He shall also exercise leadership, prudence and integrity in directing the Company towards sustained progress.<sup>94</sup>

A director shall have the following duties and responsibilities, among others:

- a. To conduct fair business transactions with the Company and to ensure that his personal interest does not conflict with the interests of the Company;<sup>95</sup>
- b. To devote time and attention necessary to properly discharge his duties and responsibilities;<sup>96</sup>
- c. To act judiciously;<sup>97</sup>
- d. To exercise independent judgment;<sup>98</sup>
- e. To have a working knowledge of the statutory and regulatory requirements affecting the Company, including the contents of its Articles of Incorporation and By-laws, the rules and regulations of the SEC, and where applicable, the requirements of other regulatory agencies.<sup>99</sup>
- f. To observe confidentiality;<sup>100</sup>
- g. To ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.<sup>101</sup>
- h. To notify the Board where he/she is incumbent director before accepting a directorship in another company.<sup>102</sup>
- i. To attend and actively participate in all meetings of the Board, Committees, and shareholders in person or through tele-video conferencing conducted in accordance with the rules and regulations

<sup>92</sup> Article III, Sub. Par. (q), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>93</sup> Article III, Sub. Par. (r), Paragraph 3, Section F of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>94</sup> Article III, Paragraph 1, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>95</sup> Article III, Sub. Par. (1), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>96</sup> Article III, Sub. Par. (2), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>97</sup> Article III, Sub. Par. (3), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>98</sup> Article III, Sub. Par. (4), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>99</sup> Article III, Sub. Par. (5), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>100</sup> Article III, Sub. Par. (6), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>101</sup> Article III, Sub. Par. (7), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>102</sup> Article III, Sub. Par. (8), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

of the Commission, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevents him/her from doing so. In board and committee meetings, he/she shall review meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.<sup>103</sup>

#### 8.5 Specific Duties and Responsibilities of a Lead Independent Director<sup>104</sup>

A lead director has the following duties and responsibilities, among others:<sup>105</sup>

- a. Serves as an intermediary between the Chairperson and the other directors, if and when necessary;<sup>106</sup>
- b. Convenes and chairs meetings of the non-executive directors with the external auditor and heads of internal audit, compliance and risk, as may be needed; and<sup>107</sup>
- c. Contributes to the performance evaluation of the Chairperson, as required.<sup>108</sup>

#### 8.6 Internal Control Responsibilities of the Board<sup>109</sup>

The control environment of the corporation consists of:

- a. The Board which ensures that the corporation is properly and effectively managed and supervised.<sup>110</sup>
- b. A management that actively manages and operates the corporation in a sound and prudent manner.<sup>111</sup>
- c. The organizational and procedural controls supported by effective management information and risk management reporting systems.<sup>112</sup>
- d. An independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.<sup>113</sup>
- e. The Company shall establish an internal audit system that assures the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The corporation has an Internal Audit Department tasked to perform the audit function and report

---

<sup>103</sup> Article III, Sub. Par. (9), Paragraph 2, Section G of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>104</sup> Article III, Section D of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>105</sup> Ibid.

<sup>106</sup> Ibid.

<sup>107</sup> Ibid.

<sup>108</sup> Ibid.

<sup>109</sup> Article III, Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>110</sup> Article III, Sub. Par. (1), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>111</sup> Article III, Sub. Par. (2), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>112</sup> Article III, Sub. Par. (3), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>113</sup> Article III, Sub. Par. (4), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

the findings to the Audit Committee. The Internal Auditors are guided by the International Standards on Professional Practice of Internal Auditing.<sup>114</sup>

- f. The minimum internal control mechanism for the performance of the Board's oversight responsibility may include:<sup>115</sup>
  - i. Definition of the duties and responsibilities of the CEO who is ultimately accountable for the organizational and operational controls;<sup>116</sup>
  - ii. Selection of the person who possesses the ability, integrity, and expertise essential for the position of CEO;<sup>117</sup>
  - iii. Evaluation of proposed senior management appointments;<sup>118</sup>
  - iv. Selection and appointment of qualified and competent management officers; and<sup>119</sup>
  - v. Review of the corporation's human resource policies, conflict of interest situations, compensation program of employees, and management succession plan.<sup>120</sup>

## Section 9. BOARD COMMITTEES

- 9.1 Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.<sup>121</sup>
- 9.2 The Board of Directors shall constitute various committees to achieve the basic principles of good corporate governance such as, but not limited to, the following:<sup>122</sup>

### A) Executive Committee

The Executive Committee shall be composed of a Chairman of the Board and at least two (2) members to be elected by the Board of Directors from among themselves. The Executive Committee shall act by majority vote of all its members, on such specific matters within the competence of the board, as may be delegated to it except with respect to:<sup>123</sup>

- i. approval of any action which stockholder's approval is also required;

---

<sup>114</sup> Article III, Sub. Par. (5), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>115</sup> Article III, Sub. Par. (6), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>116</sup> Article III, Sub. Par. (6a), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>117</sup> Article III, Sub. Par. (6b), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>118</sup> Article III, Sub. Par. (6c), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>119</sup> Article III, Sub. Par. (6d), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>120</sup> Article III, Sub. Par. (6e), Section H of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>121</sup> Principle 3, 2016 SEC Code of Corporate Governance for Publicly-Listed Companies

<sup>122</sup> Article III, Section K of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>123</sup> Section 8 of Article III, By-Laws

- ii. the filling of vacancies in the board;
- iii. the amendment or repeal of by-laws or the adoption of new by-laws;
- iv. the amendment or repeal of any resolution of the board which by its express terms is not amenable or repealable; and
- v. distribution of cash dividends to the shareholders.

**B) Corporate Governance, Nomination and Related Party Transactions Committee**

- i. The Corporate Governance, Nomination and Related Party Transactions Committee shall have at least three (3) members, all of whom must be independent directors, including the Chairman. It shall have such duties and responsibilities as may be provided in its charter and in the Company's Manual on Corporate Governance.<sup>124</sup>

**C) Remuneration Committee**

- i. The Remuneration Committee shall be composed of at least three (3) members, one of whom shall be independent. It is tasked with, among others, fixing the remuneration packages of corporate officers and directors.<sup>125</sup> It shall have such duties and responsibilities as may be provided in its charter and in the Company's Manual on Corporate Governance.

**D) Board Risk Oversight Committee**

- i. The Board Risk Oversight Committee shall be composed of at least three directors, majority of whom must be independent directors, including the Chairman. At least one member of the committee must have relevant thorough knowledge and experience on risk and risk management. It shall have such duties and responsibilities as may be provided in its charter and in the Company's Manual on Corporate Governance.<sup>126</sup>

**E) Audit Committee**

- i. The Audit Committee shall be composed of at least three properly qualified non-executive directors, the majority of whom, including the Chairman shall be independent. All committee members must have relevant background, knowledge and experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee shall not be a chairman of the Board or any other committees. The Audit Committee shall have such duties and responsibilities as may be provided in its charter and in the Company's Manual on Corporate Governance.<sup>127</sup>

9.3 The Board of Directors may create other committees as it may consider necessary or advisable for the proper operation of the affairs of the corporation, with the powers to be determined by the Board

---

<sup>124</sup> Section 11a of Article III, By-Laws

<sup>125</sup> Section 11b of Article III, By-Laws

<sup>126</sup> Section 11c of Article III, By-Laws

<sup>127</sup> Section 11d of Article III, By-Laws

of Directors. Once constituted, it may adopt and promulgate such rules and procedures for the transaction of any business that may properly come before them.<sup>128</sup>

## Section 10. CHAIRMAN OF THE BOARD

10.1 The Board should be headed by a competent and qualified Chairman.<sup>129</sup> The Chairman shall preside over all meetings of the Board of Directors and the stockholders.<sup>130</sup>

10.2 The positions of the Chairperson and CEO shall be held by separate individuals to foster an appropriate balance of power, increased accountability and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the Chairperson and CEO upon their election.<sup>131</sup>

10.3 The Chairperson shall have the following duties and responsibilities, among others:<sup>132</sup>

- a. Responsible for the efficient functioning of the Board. The Chair will decide on all matters to be included in the agenda and preside at all meetings of the stockholders and Board of Directors.<sup>133</sup>
- b. Ensures active participation and sufficiently deep professional involvement of all members of the Board of Directors.<sup>134</sup>
- c. Makes certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations.<sup>135</sup>
- d. Guarantees that the Board receives accurate, timely, relevant, insightful, concise and clear information to enable it to make sound decisions.<sup>136</sup>
- e. Facilitates discussion on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors.<sup>137</sup>
- f. Ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by Management.<sup>138</sup>

---

<sup>128</sup> Par. 5, Section 11 of Article III, By-Laws

<sup>129</sup> Recommendation 2.3, Principle 2, I-ACGR.

<sup>130</sup> Section 2 of Article IV, By-Laws

<sup>131</sup> Article III, Section (1) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>132</sup> Article III, Section (2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>133</sup> Article III, Section (a2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>134</sup> Article III, Section (b2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>135</sup> Article III, Section (c2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>136</sup> Article III, Section (d2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>137</sup> Article III, Section (e2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

<sup>138</sup> Article III, Section (f2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual").

- g. Assures the availability of proper orientation for first-time directors and continuing training opportunities for all directors.<sup>139</sup>
- h. Makes sure that performance of the Board is evaluated at least once a year and discussed/followed up on.<sup>140</sup>
- i. Supervises the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the Chief Executive Officer (CEO), Management and the directors.<sup>141</sup>
- j. Maintains qualitative and timely lines of communication and information between the board and Management.<sup>142</sup>

## Section 11. CORPORATE SECRETARY

11.1 The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.<sup>143</sup>

11.2 The Corporate Secretary shall be a separate individual from the Compliance Officer. He must not be a member of the Board of Directors and must annually attend a training on corporate governance. He is primarily responsible to the corporation and its shareholders, and not to the Chairman or President of the Company.<sup>144</sup>

### 11.3 Duties and Responsibilities<sup>145</sup>

- a. Assists the Board and the Board Committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings.<sup>146</sup>
- b. Responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board as well as the other official documents, records and other information essential to the conduct of his duties and responsibilities to the Company.<sup>147</sup>
- c. Serve as an adviser of the Board, and assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.<sup>148</sup>
- d. Keeps abreast of relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise.<sup>149</sup>

<sup>139</sup> Article III, Section (g2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>140</sup> Article III, Section (h2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>141</sup> Article III, Section (i2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>142</sup> Article III, Section (j2) C of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>143</sup> Article III, Section (1) L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>144</sup> Article III, Section (2) L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>145</sup> Article III, Section (3) L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>146</sup> Article III, Section (a) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>147</sup> Article III, Section (b) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>148</sup> Article III, Section (c) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>149</sup> Article III, Section (d) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

- e. Works fairly and objectively with the Board, Management, stockholders and other stakeholders and contributes to the flow of information between the Board and management, the Board and its Committees, and the Board and its stakeholders, including shareholders.<sup>150</sup>
- f. Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval.<sup>151</sup>
- g. Advises on the establishment of board committees and their terms of reference.<sup>152</sup>
- h. Performs required administrative functions.<sup>153</sup>
- i. Attends all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so, and maintain record of the same.<sup>154</sup>
- j. Oversees the drafting of the by-laws and ensures that they conform with regulatory requirements.<sup>155</sup>
- k. In all transactions which may lawfully come to the knowledge of the Corporate Secretary involving transfer of voting shares of stock or registration of voting trust agreements, or any form of agreement vesting the right to vote the voting shares of stock of the Company.<sup>156</sup>
- l. Ensure that all Board procedures, rules and regulations are strictly followed by the members.<sup>157</sup>
- m. Performs such other duties and responsibilities as may be provided by the SEC.<sup>158</sup>

## Section 12. BOARD GOVERNANCE

### A. BOARD MEETINGS

13.1 Regular meetings of the Board of Directors shall be held either in the Philippines or outside thereof as the Chairman or other presiding officer shall designate. Regular meetings of the Board of Directors shall be held either in person or by teleconference/videoconference, quarterly on the last Friday of every quarter or on such other day in the month as may be designated by the President

<sup>150</sup> Article III, Section (e) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>151</sup> Article III, Section (f) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>152</sup> Article III, Section (g) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>153</sup> Article III, Section (h) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>154</sup> Article III, Section (i) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>155</sup> Article III, Section (j) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>156</sup> Article III, Section (k) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>157</sup> Article III, Section (l) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>158</sup> Article III, Section (m) 3L of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

or other presiding officer. Meetings may be held at the principal office of the Corporation or at such place in the Philippines or outside thereof as the President or other presiding officer shall designate. With regard to teleconference/videoconference, the provision of SEC Memorandum Circular No. 6 (series of 2020), and other pertinent rules of Securities and Exchange Commission on the matter, as may be applicable from time to time, are hereby incorporated by way of reference.<sup>159</sup>

13.2 Special meetings of the Board of Directors may be called by the Secretary upon order of the President or any two (2) members of the Board of Directors and notices shall be made by personal delivery, regular mail or electronic means at his/her last known residential or office address, or electronic mail address at least two (2) days before such special meeting may be held either in person or by teleconference/videoconference.<sup>160</sup>

13.3 To monitor the directors' compliance with the attendance requirements, the Company shall submit to the SEC, on or before January 30 of the following year, a sworn certification about the directors' record of attendance in Board meetings. The certification may be submitted through SEC Form 17-C or in a separate filing.<sup>161</sup>

## **B. QUORUM**

13.4 A quorum at any meeting of the Directors shall consist of a majority of the entire membership of the Board. A majority of such quorum shall decide any question that may come before the meeting, save and except any such matters in which the laws of the Philippines may require any affirmative vote of greater proportion of the member.<sup>162</sup>

## **C. CHAIRMAN OF THE MEETING**

13.5 The Chairman of the Board shall preside at all meetings of the Board of Directors and Stockholders.<sup>163</sup>

13.6 The Vice Chairman of the Board shall perform all the duties of the Chairman of the Board in the latter's absence or disability. He shall perform such other functions as the Board may assign to him/her from time to time.<sup>164</sup>

## **Section 14. REMUNERATION POLICY**

14.1 Each of the members of the Board of Directors shall be paid per diems for every regular and special meeting attended in such amount as may be approved by resolution of the Board from time to time. In

---

<sup>159</sup> Section 3 of Article III, By-Laws

<sup>160</sup> Section 3 of Article III, By-Laws

<sup>161</sup> Article III, Section (3) I of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>162</sup> Section 5 of Article III, By-Laws

<sup>163</sup> Section 2 of Article III, By-Laws

<sup>164</sup> Section 2a of Article III, By-Laws

no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year.<sup>165</sup>

14.2 Any additional compensation, other than per diems, to be given to the members of the Board of Directors shall be subject to the approval of stockholders representing at least a majority of the outstanding capital stock at a regular or special meeting of the stockholders.<sup>166</sup>

## Section 15. BOARD SUCCESSION PLANNING

15.1 In order to ensure continuity of leadership and that members of the Board of Directors represent the interest of the shareholders and have the required knowledge, expertise and experience relevant to the Company's business, the Board shall implement succession planning for its Board of Directors. The Board of Directors shall be selected and nominated on the basis of ownership structure and following best practices, include independent directors in the Board to provide diversity of experience and outlook.<sup>167</sup>

15.2 The succession planning aims to assure stakeholders of the Company that any change in leadership shall be planned, communicated and implemented by the Board of Directors. Succession planning is an ongoing process to identify, assess and develop people to ensure the organization's continued effective performance through leadership continuity. The plan includes succession for the Board as a whole and the Board's leadership positions as well as committee memberships.<sup>168</sup>

15.3 The Board of Directors shall be responsible for adopting an effective succession planning program for directors. The Corporate Governance, Nomination and Related Party Transactions Committee is tasked to recommend and qualify succession plan candidates for membership to the Board and Board Committees in accordance with Section K Paragraph (2) (b.) Duties and Responsibilities, Nos. 5, 9 and 10 of the Revised Manual on Corporate Governance.<sup>169</sup>

## Section 16. GOVERNANCE SELF-RATING SYSTEM/MONITORING AND ASSESSMENT

16.1 The Board may create an internal self-rating system that measures the performance of the Board and Management led by the Chief Executive Officer (CEO), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive) in accordance with the criteria provided in the Code of Corporate Governance.<sup>170</sup>

16.2 The Board shall conduct an annual assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment may be supported by an external facilitator.<sup>171</sup>

---

<sup>165</sup> Section 6 of Article III, By-Laws

<sup>166</sup> Par. 2, Section 6 of Article III, By-Laws

<sup>167</sup> Article III, Par. 1, Section M of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>168</sup> Article III, Par. 2, Section M of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>169</sup> Article III, Par. 3, Section M of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>170</sup> Article III, Par. 1, Section S of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>171</sup> Article III, Par. 2, Section S of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

16.3 The Board shall put in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and committees. Such a system shall allow for feedback mechanism from shareholders.<sup>172</sup>

16.4 To monitor Company's compliance with the SEC's Revised Code of Corporate Governance as implemented by this Manual, the Company, through its Compliance Office, shall accomplish annually a scorecard on the scope, nature, and extent of the actions taken to meet the objectives of SEC Code.<sup>173</sup>

#### Section 17. REVIEW

17.1 The Board, through the Corporate Governance Committee, shall review and update this Board Charter as may be required and deemed appropriate from time to time. All members of the Board shall be provided copies of this Board Charter and it shall likewise be made publicly available to any requesting party upon prior written request to the Corporate Secretary and shall be posted on the website of the Corporation.

#### Section 18. AMENDMENT

18.1 This Board Charter shall not be amended, altered or varied unless such amendment, alteration or variation shall have been approved by a resolution of the Board.

**Adopted by the Board of Directors of House of Investments, Inc. April 14, 2025.**

---

<sup>172</sup> Article III, Par. 3, Section S of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")

<sup>173</sup> Article III, Par. 4, Section S of HI's 2022 Revised Manual on Corporate Governance ("CG Manual")