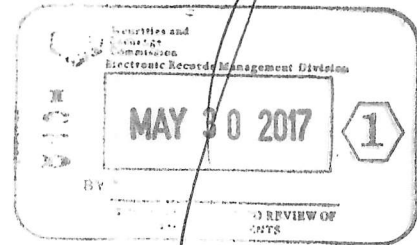




30 May 2017

**SECURITIES AND EXCHANGE COMMISSION**  
Secretariat Building, PICC Complex  
Roxas Boulevard, Metro Manila Philippines



**TO: TERESITA J. HERBOSA**  
*Chairperson*

**RE: The New Manual of Corporate Governance of Nickel Asia Corporation**  
=====X

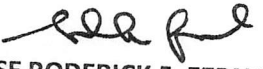
Dear Chairperson Herbosa:

We write to formally submit to your office our Company's, **NICKEL ASIA CORPORATION (NAC)**, new Manual of Corporate Governance that was approved by **NAC's** Board of Directors in a meeting yesterday, 29 May 2017.

This is pursuant to the requirement under SEC Memorandum No. 19 series of 2016 dated 22 November 2016.

We hope that you find the foregoing in order.

Sincerely yours,

  
**JOSE RODERICK F. FERNANDO** *Ce*  
*Chief Compliance Officer*  
*Vice President for Legal and Special Projects*



## **NICKEL ASIA CORPORATION**

### **MANUAL OF CORPORATE GOVERNANCE**

**Adopted May 29, 2017**

## TABLE OF CONTENTS

I.	Governance Statement	
	Commitment to Good Governance .....	4
	Governance Framework .....	4
	Mission and Vision .....	5
	Core Values .....	5
II.	Definitions .....	6
III.	Board of Directors Governance Responsibilities	
	A. Establishing a Competent Board .....	7
	Board composition .....	8
	Policy on Training for Directors .....	8
	Policy on Board Diversity .....	8
	The Corporate Secretary .....	9
	The Compliance Officer .....	10
	B. Establishing clear roles and responsibilities of the Board of Directors	
	Fiduciary duties; due diligence, care and loyalty .....	11
	Sustaining the Company's long-term viability and strength .....	11
	The Chairman .....	11
	Effective succession program .....	12
	Remuneration of Directors and key Officers .....	12
	Nomination and Election Policy .....	12
	Related Party Transactions .....	12
	Management Team and control functions;	
	selection and assessment .....	13
	Internal control system .....	13
	Enterprise Risk Management .....	14
	Board Charter .....	14
	C. Establishing Board Committees .....	14
	The Audit Committee .....	14
	The Corporate Governance Committee	
	(functions as the Remuneration Committee) .....	17
	The Board Risk Oversight Committee .....	18
	The Related Party Transactions Committee .....	20
	Committee Charters .....	21
	D. Fostering commitment .....	21
	E. Reinforcing Board Independence .....	22
	F. Assessing Board Performance .....	24
	G. Strengthening Board Ethics .....	25
IV.	Disclosure and Transparency	
	A. Enhancing Company Disclosure Policies and Procedures .....	25



B.	Strengthening the External Auditor's Independence and Improving Audit Quality .....	26
C.	Increasing focus on non-financial and sustainability reporting .....	27
D.	Promoting a comprehensive and cost-efficient access to relevant information .....	27
V.	Internal Control System and Risk Management Framework	
A.	Strengthening the Internal Control System and Enterprise Risk Management Network .....	27
	The Chief Audit Executive .....	28
	The Chief Risk Officer .....	29
VI.	Cultivating A Synergic Relationship With Shareholders .....	30
A.	Promoting Shareholder Rights .....	30
	Shareholders rights	
	Right to nominate candidates for election to the Board	
	Right to propose holding of meetings and agenda items for shareholders' meetings	
VII.	Duties to Stakeholders .....	32
A.	Respecting rights of stakeholders and effective redress for violation of stakeholder rights .....	32
B.	Encouraging employees' participation .....	32
C.	Encouraging sustainability and social responsibility .....	33

**Appendices** (integral part of this Manual on Corporate Governance)

"1" – Policy on Board Nominations and Election of Directors

"2" – Policy and System Governing Related Party Transactions

"3" – Internal Audit Charter

"4" – Charter of the Board of Directors

**Committee Charters**

"5" - Charter of the Audit Committee

"6" - Charter of the Corporate Governance Committee

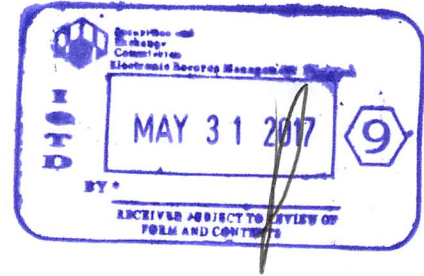
"7" – Charter of the Nominations Committee

"8" – Charter of the Board Risk Oversight Committee

"9" – Charter of the Related Party Transactions Committee

The **Code of Business Conduct and Ethics of Nickel Asia Corporation** is available on the Company's website

## Article I GOVERNANCE STATEMENT



### Commitment to Good Corporate Governance

The Board of Directors, Management, Officers and Employees of Nickel Asia Corporation (the "Company", or "Nickel Asia" or "NAC"), commit themselves to the principles and sound best practices of Corporate Governance and dedicate themselves to a continuing effort towards ensuring awareness of, and compliance with, Corporate Governance principles and best practices at all levels of the corporate organization, including its subsidiaries and all corporations within the Nickel Asia Group of Companies, recognizing that the objective of Corporate Governance is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders, and the nation.

### Governance Framework

This Corporate Governance Manual, adopted by the Board of Directors of Nickel Asia Corporation on 29 May 2017 pursuant to the Code of Corporate Governance for Publicly Listed Companies (the "CG Code for PLCs")<sup>1</sup>, adopts principles and best practices of good and transparent governance.<sup>2</sup> This Manual supplements and complements and does not supersede the Company's Articles of Incorporation and By-Laws and all amendments to such constitutive documents of the Company; the Corporation Code of the Philippines, the basic law governing Philippine corporations; and the Securities Regulation Code (Republic Act 8799) and its implementing rules and regulations.

At the same time, the Company's Board of Directors, Management, Officers and Employees commit themselves to the **VISION** and **MISSION** formulated and reviewed annually by the Company's Board of Directors in line with 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 long-term best interests of its shareholders and other stakeholders.

In the performance of their work, the Company's Board of Directors, Management, Officers, and Employees will be guided by the Company's **CORE VALUES** of Competence, Efficiency, Responsibility to all Stakeholders, Teamwork, Integrity and Honesty, Financial Growth, and Dedication.

<sup>1</sup> SEC Memorandum Circular No. 19, Series of 2016.

<sup>2</sup> Key reference material used in the drafting of this CG Code for PLCs, which is guided by the G20/Organisation for Economic Co-operation and Development (OECD) Principles of Corporate Governance and the Association of Southeast Asian Nations Corporate Governance Scorecard.

## **Vision**

To be a diversified, world-class mineral resource company that has exemplary relationships with all of our stakeholders.

## **Mission**

Using best global industry practices, we are committed to:

- Optimizing our current operations;
- Exploring and developing additional deposits for Nickel and other metals to sustain our growth;
- Delivering to our customers quality products in a timely manner;
- Nurturing our employees and providing a safe and healthy workplace for them to achieve their full potential;
- Uplifting the quality of life of our host communities;
- Protecting the environment in all our operations; and
- Adopting the highest standards of corporate governance.

## **CORE VALUES**

- Competence
- Efficiency
- Responsibility to all Stakeholders
- Teamwork
- Integrity and Honesty
- Financial Growth
- Dedication

## **Article II DEFINITIONS<sup>3</sup>**

- 2.1. **Corporate Governance** means the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal, and social obligations towards their stakeholders.
- Corporate governance is a system of direction, feedback, and control using regulations, performance standards, and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behaviour – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society. Its purpose is to maximize the organization's long-term success, creating sustainable value for its shareholders, stakeholders, and the nation.
- 2.2. **Board of Directors** is the governing body elected by the stockholders of the Company that exercises the corporate powers of the corporation, conducts all its business, and controls and holds its properties.
- 2.3. **Board Committees** means the Audit Committee, Board Risk Oversight Committee, the Nominations Committee, the Corporate Governance Committee (which shall act as the Remuneration Committee), the Related Party Transactions Committee, and such other Committees which the Board may constitute from time to time.
- 2.4. **Commission or the "SEC"** means the Philippine Securities and Exchange Commission.
- 2.5. **Company or NAC** means Nickel Asia Corporation.
- 2.6. **Conglomerate** is a group of corporations that has diversified business activities in varied industries, whereby the operations of such businesses are controlled and managed by a parent corporate entity. The Nickel Asia Group of Companies has diversified businesses under the parent corporate entity, Nickel Asia Corporation.
- 2.7. **Director/s** means duly elected member/s of the Board of Directors of the Company.
- 2.8. **Enterprise Risk Management** means a process, effected by the Company's Board of Directors, management, and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within its risk appetite, and provide reasonable assurance regarding the achievement of entity objectives.
- 2.9. **Exchange or "PSE"** means the Philippine Stock Exchange.
- 2.10. **Executive Director ("ED")** is a member of the Board of Directors who has executive responsibility of day-to-day operations of a part or the whole of the organization.
- 2.11. **Independent Director ("ID")** is a member of the Board of Directors of the Company and is a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director.

---

<sup>3</sup> SEC Memorandum Circular No. 19, Series of 2016

- 2.12. **Internal control** is a process designed and effected by the Board of Directors, Senior Management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.
- 2.13. **Management** means the group of executives given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the Corporation.
- 2.14. **Non-executive Director ("NED")** is a member of the Board of Directors who has no executive responsibility and does not perform any work related to the operations of the Corporation.
- 2.15. **Officer/s** means those with rank of Vice President and above.
- 2.16. **Related Party** shall cover the Company's subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliates and special purpose entities), that the Company exerts direct or indirect control over or that exerts direct or indirect control over the Company; the Company's Directors; officers; shareholders and related interests (DOSRI), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Company.
- 2.17. **Related Party Transactions** refers to a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
- 2.18. **Stakeholders** refer to any individual, organization or society at large who can either affect and/or be affected by the Company's strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

**Article III**  
**THE BOARD OF DIRECTORS**  
**GOVERNANCE RESPONSIBILITIES**

**A. Establishing a competent Board of Directors**

The Company shall be headed by a competent, working Board 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 long term best interests of its shareholders and stakeholders.

The Board of Directors exercises the corporate powers of the Company, conducts all business, and holds and controls all property of the Corporation. In the exercise of such authority, the Board shall use its best judgment and at all times act in a manner consistent with the Corporation Code, the Articles of Incorporation and By-Laws of the Company, and this Corporate Governance Manual.

## **1. Board composition**

- 1.1. The Board shall be composed of nine (9) Directors or such number of Directors as may be provided in the event of any amendment to the Company's Articles of Incorporation.
- 1.2. The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company's businesses. The Board shall ensure that it has an appropriate mix of competence and expertise and that its members are and shall remain qualified for their positions individually and collectively, to enable it to fulfil its roles and responsibilities and respond to the needs of the corporate organization based on the evolving business environment and strategic direction.
- 1.3. 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 towards the protection of the Company's interests over the interests of the individual shareholders.

## **2. Policy on Training for Directors, including orientation for new Directors and continuing annual training for all Directors**

To promote effective Board performance and continuing qualification of the Directors in carrying-out their duties and responsibilities, there shall be a training program for Directors which shall include an orientation program for first-time Directors and relevant annual continuing training for all Directors

- 2.1. There shall be an orientation program for first-time Directors which shall cover SEC-mandated topics on corporate governance, an introduction to the Company's business, Articles of Incorporation, and Code of Conduct, and shall meet the specific needs of the Company and of the individual Director to aid the new Director in effectively performing his or her functions.

The duration of such orientation and training shall be eight (8) hours or such reasonable period of time as shall enable the new Director to be appropriately apprised of the business of the Company and of their duties and responsibilities before beginning their directorships.

- 2.2. All Directors shall undergo an annual continuing training program to make certain that Directors are continuously informed of the developments in the business and the regulatory environment, including emerging risks relevant to the Company. The Company shall assess its training and development needs in determining the coverage of the continuing training program.

The continuing annual training program for Directors shall be at least four (4) hours or such reasonable period of time as may be necessary or appropriate for the purpose.

## **3. Policy on Board Diversity**

The Company recognizes and embraces the benefits of having a diverse Board to ensure optimal decision-making and to make good use of differences in perspectives, skills and background of the Directors.

Selection of candidates will include consideration of a range of diverse perspectives, including but not limited to gender, age, skills, regional and industry experience, professional background, ethnicity and other distinctions between Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

The selection of candidates for election to the Board shall be made on merit, but within that principal consideration of merit, candidates that bring diversity to the Board will be considered towards making the Board effective taking into account the beneficial effects of a diverse Board.

#### **4. The Corporate Secretary**

The Board shall be assisted in its duties by a Corporate Secretary, who shall be a separate person from the Compliance Officer and shall not be a member of the Board of Directors.

4.1. The Corporate Secretary shall annually attend training on corporate governance.

4.2. The Corporate Secretary shall be primarily responsible to the Company and its shareholders, and shall work with the Chairman, the President and the Board to whom the Corporate Secretary shall also be responsible. The Corporate Secretary shall have, among others, the following duties and responsibilities:

- a) Assist 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;
- b) Prepare, safe keep, and preserve the integrity of, the minutes of the meetings of the Board and its Committees, as well as other official records of the Corporation;
- c) Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advise the Board and the Chairman on all relevant issues as they arise;
- d) Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its Committees, and the Board and its shareholders and as appropriate its stakeholders.
- e) Advise on the establishment of Board Committees and their terms of reference;
- f) Inform members of the Board, in accordance with the By-laws, of the agenda of their meetings as practicable at least five (5) working days in advance, and shall ensure that the members have accurate information

that will enable them to arrive at intelligent decisions on matters that require their approval;

- g) Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent attendance;
- h) Perform required administrative functions;
- i) Oversee the drafting of the By-laws and ensures that they conform with regulatory requirements; and
- j) Perform such other duties and responsibilities as may be provided by law or the appropriate regulatory authority.

## **5. The Chief Compliance Officer**

The Board shall appoint a Chief Compliance Officer to assist it in its duties. The Chief Compliance Officer shall have the rank of Vice President or an equivalent position with adequate stature and authority in the Company and shall not be a member of the Board of Directors.

5.1. The Chief Compliance Officer shall annually attend training on corporate governance.

5.2. The Chief Compliance Officer shall be a member of the Company's management team in charge of the compliance function. The Compliance Officer is primarily liable to the Company and its shareholders, and shall work with the Chairman or President of the Company, to whom he shall also be responsible. The Compliance Officer shall have, among others, the following duties and responsibilities:

- a) Ensure proper orientation of new Directors as provided in this Manual;
- b) Monitor, review, evaluate, and ensure the compliance by the Company, its Officers and Directors, with the relevant laws, the Corporate Governance Manual, the rules and regulations, and all governance issuances of regulatory agencies;
- c) Report to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d) Ensure the integrity and accuracy of all documentary submissions to regulators;
- e) Appear before the Securities and Exchange Commission (SEC) when summoned in relation to compliance with the Corporate Governance Code;
- f) Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g) Identify possible areas of compliance issues and work towards the resolution of the same;



- h) Ensure the attendance of Board members and key officers to relevant trainings; and
- i) Perform such other duties and responsibilities as may be provided by the SEC and competent authority.

## **B. Establishing clear roles and responsibilities of the Board of Directors**

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the Corporation Code and relevant laws, the Company's Articles of Incorporation and By-Laws and other legal pronouncements and guidelines, including Philippine case law and jurisprudence, shall be clearly made known to the Directors, shareholders and other stakeholders.

### ***Fiduciary duties; due diligence, care and loyalty***

1. Board members shall at all times act on a fully informed basis, in good faith, with due diligence and care, and loyalty in the best interest of the Company and all shareholders.

### ***Sustaining the Company's long-term viability and strength***

2. The Board 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.
  - 2.1. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; set performance objectives and oversee major capital expenditures, acquisitions and divestments.

### ***The Chairman***

3. The Board shall be headed by a competent and qualified Chairman, whose roles and responsibilities shall include, among others:
  - 3.1. Ensure that the meeting agenda focuses on strategic matters, including enterprise risks, considering the developments in the business and regulatory environments, key governance concerns, and important issues that could significantly affect operations;
  - 3.2. Ensure that the Board receives accurate, timely, relevant, concise and clear information to enable it to make sound decisions;
  - 3.3. Facilitate discussions on key issues and encourage discussion and debate;
  - 3.4. Encourage the Board to inquire on reports submitted and representations made by Management;
  - 3.5. Assure the availability of proper orientation for first-time Directors and continuing training opportunities for all Directors; and

- 3.6. Ensure that performance of the Board is evaluated at least once a year and discussion/follow up on such evaluation.

#### ***Effective succession program***

4. The Board shall adopt an effective succession planning program for Executive Directors, key Officers, and Management towards ensuring growth and continued increase in the shareholders' value. The Board shall adopt a policy on retirement age for Executive Directors and Officers as part of Management succession and to promote dynamism in the Company.

#### ***Remuneration of Directors and key Officers***

5. The Board shall adopt policies towards aligning the remuneration of key Officers and Board members with the long-term interests of the Company, including a policy specifying the relationship between remuneration and performance. No Director should participate in deliberations involving his own remuneration.

#### ***Nomination and Election policy***

6. The Board shall adopt a formal and transparent Board nomination and election policy and process that shall be aligned with the strategic direction of the Company and shall include:
  - 6.1. The right of minority shareholders to nominate candidates for the Board of Directors;
  - 6.2. The review and evaluation of the qualifications of all persons nominated to the Board of Directors;
  - 6.3. An assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a Director. In addition, it shall include a process of identifying the quality of Directors.

The **Policy on Board Nomination and Election of Directors** is attached to this Corporate Governance Manual as Annex "1" and is an integral part of this Manual.

#### ***Related Party Transactions***

7. The Board shall have the overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions, particularly those which pass thresholds of materiality as recommended by the Related Party Transactions Committee and approved by the Board. The Company shall adopt a policy on related party transactions which shall:
  - 7.1. Include the appropriate review and approval of material or significant RPTs, which guarantee fairness and transparency of the transactions;
  - 7.2. Encompass all entities within the group, taking into account their size, structure, risk profile and complexity of operations; and

- 7.3. Include the definition of related parties; the coverage of the RPT policy; guidelines in ensuring arm's-length terms; identification and prevention or management of potential or actual conflicts of interest which arise; adoption of materiality thresholds; internal limits for individual and aggregate exposures; whistle-blowing mechanisms; and restitution of losses and other remedies for abusive RPTs.

**The Policy and System Governing Related Party Transactions** of the Nickel Asia Group of Companies is attached to this Corporate Governance Manual as Annex "2" and is an integral part of this Manual. The Board shall have the authority to amend or modify this Policy or to adopt an entirely new Policy consistent with law, regulation and corporate governance best practices.

***Management Team and control functions; selection and assessment***

8. The Board shall be primarily responsible for approving the selection and assessment of the Management led by the Chief Executive Officer (CEO), and the control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive).
  - 8.1. In the selection process, fit and proper standards are to be applied on key personnel and due consideration is given to integrity, technical expertise and experience in the institution's business, either current or planned.
  - 8.2. The Board shall monitor and assess the performance of the Management Team based on established performance standards that are consistent with the Company's strategic objectives, and shall conduct a regular review of the Company's policies with the Management Team.
9. The Board shall establish an effective performance management framework that will ensure that the performance of the Management, including the Chief Executive Officer, and of the Officers and employees is at par with the standards set by the Board and Senior Management.
  - 9.1. The results of performance evaluation shall be linked to other human resource activities such as training and development, remuneration, and succession planning.
  - 9.2. These should likewise form part of the assessment of the continuing fitness and propriety of Management, including the Chief Executive Officer, and personnel in carrying out their respective duties and responsibilities.

***Internal control system***

10. The Board shall oversee that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board members, and shareholders.
  - 10.1. In the performance of the Board's oversight responsibility, the minimum internal control mechanisms shall include overseeing the implementation of the key control functions, such as risk management, compliance and internal audit, and reviewing the corporation's human resource policies,

conflict of interest situations, compensation program for employees and management succession plan.

- 10.2. The Board shall approve the Internal Audit Charter, which shall include mechanisms for monitoring potential conflicts of interest of Board Members, Management, and shareholders.

The Company's **Internal Audit Charter** is attached to this Corporate Manual and is an integral part hereof as Annex "3"

### ***Enterprise Risk Management***

11. The Board shall oversee that a sound enterprise risk management (ERM) framework is in place to effectively identify, monitor, assess and manage key business risk, which shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.

- 11.1. The Board shall be responsible for defining the Company's level of risk tolerance and for providing oversight over its risk management policies and procedures.

### ***Board Charter***

12. The Board shall adopt a Board Charter that will formalize and clearly state its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the Directors in the performance of their functions and should be publicly available and posted on the Company's website.

The **Charter of the Board of Directors of Nickel Asia Corporation** is attached to this Manual of Corporate Governance as Annex "4" and is an integral part of this Manual.

## **C. Establishing Board Committees**

1. The Board shall establish Board Committees to support the effective performance of the Board's functions, to allow for specialization in issues and to lead to a better management of the Board's workload. Such Committees shall include Audit, Risk Management, Related Party Transactions, Corporate Governance, other key corporate governance concerns, such as Nominations and Remuneration, and such other Committees as the Board may deem appropriate. The composition, functions and responsibilities of all Board Committees shall be contained in the respective Charters of the Committees, which shall be made publicly available.

### ***The Audit Committee***

2. The Board shall establish an Audit Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.

The Audit Committee shall be responsible for overseeing the Senior Management in establishing and maintaining an adequate, effective and efficient internal

control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

- 2.1. The Audit Committee shall be composed of at least three (3) appropriately qualified Non-Executive Directors, the majority of whom, including the Chairman, shall be Independent Directors.
- 2.2. All of the members of the Audit Committee shall have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance. The Chairman of the Audit Committee should not be the Chairman of the Board or of any other Committees.
- 2.3. The Audit Committee shall have the following duties and responsibilities, among others:

***Internal Audit***

- a) Recommend approval of the Internal Audit Charter (IA Charter), which shall formally define the role of Internal Audit and the audit plan, as well as oversee the implementation of the IA Charter;
- b) Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. The Committee shall ensure that well-designed internal control procedures and processes that will provide a system of checks and balances are in place in order to (a) safeguard the company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations;
- c) Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee shall approve the outsourcing internal audit services if such is necessary and shall approve the terms and conditions thereof;
- d) Establish and identify the reporting line of the Chief Audit Executive to enable him to properly fulfil his duties and responsibilities. For this purpose, the Chief Audit Executive should directly report to the Audit Committee;
- e) Review and monitor Management's responsiveness to the findings and recommendations of Internal Audit;

***Audit by Independent External Auditor***

- f) Prior to the commencement of the audit, discusses with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;

- g) Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The Committee should disallow any non-audit work that will conflict with duties as an External Auditor or may pose a threat to the External Auditor's independence.<sup>4</sup> The non-audit work, if allowed, should be disclosed in the Corporation's Annual Report and Annual Corporate Governance Report;
- h) Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Areas where a significant amount of judgment has been exercised
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements
- i) Review the disposition of the recommendations in the External Auditor's management letter.

2.4. Further, the Audit Committee shall:

- a) Perform oversight functions over the Company' Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all pertinent and relevant records, properties and personnel to enable them to perform their respective audit functions;
- b) Coordinate, monitor and facilitate compliance with laws, rules and regulations; and
- c) Recommend to the Board the appointment, reappointment, removal and fees of the External Auditor, who must be duly accredited by the SEC, who shall undertake an independent audit of the Company and provide an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

- 2.5. The Audit Committee shall meet with the Board as deemed necessary or appropriate without the presence of the CEO or other Management team members, and shall periodically meet with the head of the Internal Audit.

The **Charter of the Audit Committee of Nickel Asia Corporation** is an integral part of this CG Manual and is attached hereto as Annex "5".

---

<sup>4</sup> As defined under the Code of Ethics for Professional Accountants

### ***The Nominations Committee***

3. The Board shall establish a Nominations Committee that shall be tasked to assist the Board in the review and evaluation of the qualifications of all persons nominated to be a Director of the Company and of all nominees to other positions in the Company requiring appointments by the Board.

The **Charter of the Nominations Committee of Nickel Asia Corporation** is an integral part of this CG Manual and is attached hereto as Annex "6".

### ***The Corporate Governance Committee (functions as the Remuneration Committee)***

4. The Board shall establish a Corporate Governance Committee that shall be tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to the Compensation or Remuneration Committee.
  - 4.1. The Corporate Governance Committee shall be composed of at least three (3) members, two (2) of whom shall be Non-executive Directors and one (1) shall be an Independent Director.
  - 4.2. The Corporate Governance Committee (CG Committee) shall be tasked with ensuring compliance with and proper observance of corporate governance principles and practices. It shall have the following duties and functions, among others:

#### ***Corporate Governance Framework***

- a) Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of any material changes to the Company's size, complexity and business strategy, as well as its business and regulatory environments;

#### ***Performance Evaluation***

- b) Oversee the periodic performance evaluation of the Board and its Committees as well as executive management, and conducts an annual self-evaluation of its performance;
- c) Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

#### ***Training for Directors and Officers***

- d) Recommend continuing education/training programs for Directors consistent with or supplemental to the Training Program for Directors as contained in this Manual; assignment of tasks/projects to Board Committees, succession plan for the Board members and Senior Officers, and remuneration packages for corporate and individual performance;
- e) Propose and plan relevant trainings for the members of the Board;

### ***Corporate governance policies***

- f) Recommend corporate governance policies for approval by the Board of Directors and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

### ***Functions as Remuneration or Compensation Committee***

- g) Establish a formal and transparent procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Corporation's culture and strategy as well as the business environment in which it operates.
- h) To review and recommend, with delegated responsibility, the remuneration packages of Directors and Officers, keeping in mind the Board's corporate goals, objectives and strategies. This shall include, without limitation, basic salaries, deferred compensation, stock options and any benefits in kind, pension rights, incentive payments and any other compensation payments;
- i) To ensure that no Director is involved in determining his own remuneration, recommendations of the Committee increasing the remuneration of the Board, if eventually approved, shall not take effect until after the expiration of the term of the Board;
- j) To administer and oversee the Company's stock option plan and policy, if any, in accordance with the terms and conditions of the stock option policy, including the granting of stock options to the Company's Directors and Officers and the exercise of options by them thereunder (including, but not limited to, number of options, exercise price, option period, minimum period which must be held before the options can be exercised and performance targets which must be met before the options can be exercised), and/or to administer and oversee any other share incentive policy or other equity-based compensation in place from time to time;

The **Charter of the Corporate Governance Committee** of Nickel Asia Corporation is an integral part of this CG Manual and is attached hereto as Annex "7".

### ***The Board Risk Oversight Committee***

- 5. Enterprise risk management is integral to an effective corporate governance process and the achievement of a company's value creation objectives. The Board shall establish a separate Board Risk Oversight Committee (BROC) that will be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.
  - 5.1. The BROC shall be composed of at least three (3) members, the majority of whom shall be Independent Directors, including the Chairman. The Chairman should not be the Chairman of the Board or of any other Committee.



- 5.2. At least one (1) member of the Committee must have relevant thorough knowledge and experience on risk and risk management.
- 5.3. The BROCC shall have the responsibility to assist the Board in ensuring that there is an effective and integrated risk management process in place to enable the Board and top management to make well-informed decisions, having taken into consideration risks related to significant business activities, plans and opportunities. The BROCC shall have the following duties and responsibilities, among others:
- a) Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks, (b) well-defined risk management goals, objectives and oversight, (c) uniform processes of assessing risks and developing strategies to manage prioritized risks, (d) designing and implementing risk management strategies, and (e) continuing assessments to improve risk strategies, processes and measures;
  - b) Oversee the implementation of the enterprise risk management plan through a management risk oversight committee. The BROCC shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;
  - c) Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROCC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments that seriously impact the likelihood of harm or loss;
  - d) Advise the Board on its risk appetite levels and risk tolerance limits;
  - e) Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the company;
  - f) Assess the probability of each identified risk becoming a reality and estimates its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the corporation and its stakeholders;
  - g) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and
  - h) Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary.

The Charter of the Board Risk Oversight Committee of Nickel Asia Corporation is an integral part of this CG Manual and is attached hereto as Annex "8".

### ***The Related Party Transactions Committee***

6. The Board shall establish a Related Party Transaction (RPT) Committee, which shall be tasked to review all material related party transactions of the Company.

6.1. The RPT Committee shall be composed of at least three (3) Non-executive Directors, two (2) of whom shall be Independent Directors. The RPT Committee shall have the following functions and responsibilities, among others:

- a) Evaluate on an on-going basis existing relations between and among businesses and counterparties to ensure that related parties are identified, RPTs are monitored and changes in relationships (e.g. from non-related to related and vice versa) are captured. Such matters should be reflected in the relevant reports to the Board and the regulators.
- b) Evaluate all material RPTs to ensure that these are not undertaken on more favourable economic terms than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions.

In evaluating RPTs, the Committee shall take into account: (a) the related party's relationship to the Company and interest in the transaction; (b) the material facts of the proposed RPT, including the proposed aggregate value of such transaction; (c) the benefits to the Corporation of the proposed RPT; (d) the availability of other sources of comparable products or services; and (e) whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company shall exercise due diligence in determining a fair price for RPTs and to extent practicable shall have an effective price discovery system.

- c) Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Company's RPT exposures, and policies on conflicts of interest or potential conflicts of interest.
- d) Report to the Board of Directors on a regular basis the status and aggregate exposures to each related party, as well as the total amount of exposures to all related parties;
- e) Ensure that transactions with related parties, including write-off of exposures, are subject to a periodic independent review or audit process; and
- f) Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

The **Charter of the Related Party Transactions Committee of Nickel Asia Corporation** is an integral part of this CG Manual and is attached as Annex "9".

### **Committee Charters**

7. All established Committees shall have Committee Charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources, and other relevant information. The Charters shall provide the standards for evaluating the performance of the Committees. It should also be fully disclosed on the Company's website.
8. The Charter of each Committee shall clearly define the roles and accountabilities of each Committee to avoid any overlapping functions, towards having a more effective Company Board.
9. The Charters of each of the Committees are attached to this Corporate Governance Manual and are integral parts hereof.

Annex "5":	Audit Committee Charter
Annex "6":	Nominations Committee Charter
Annex "7":	Corporate Governance Committee Charter (functions as the Remuneration or Compensation Committee)
Annex "8":	Board Risk Oversight Committee Charter
Annex "9":	Related Party Transactions Committee Charter

### **D. Fostering commitment**

To show full commitment to the Company, Directors shall devote the time and attention necessary to properly and effectively perform their duties and responsibilities as Directors, including sufficient time to be familiar with the business of the Company.

1. Directors shall attend and actively participate in all meetings of the Board, Committees, and Shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so.
  - 1.1. Directors shall review meeting materials Board and Committee meetings, and if called for, ask the necessary questions or seek clarifications and explanations.
  - 1.2. The absence of a Director in more than fifty per cent (50%) of all regular and special meetings of the Board during his/her incumbency is a ground for disqualification in the succeeding election, unless the absence is due to illness, death in the immediate family, serious accident or other unforeseen or fortuitous events.
2. The Non-executive Directors of the Board shall concurrently serve as Directors to a maximum of five (5) publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Company.

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

#### **E. Reinforcing Board Independence**

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

1. Consistent with the Securities Regulation Code, the Board shall have at least two (2) Independent Directors, or such number as shall constitute twenty per cent (20%) of the members of the Board, whichever is lesser.
2. The Board, principally acting through the Nominations Committee, shall ensure that its Independent Directors possess the necessary qualifications and none of the disqualifications for an Independent Director to hold the position. An Independent Director is a person who:
  - 2.1. Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
  - 2.2. Is not, and has not been in the three (3) years immediately preceding the election, a Director of the Company; a director, officer, employee of the Company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;
  - 2.3. Has not been appointed in the 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 (3) years immediately preceding his election;
  - 2.4. Is not an owner of more than two per cent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates or related companies;
  - 2.5. Is not a relative of a Director, Officer, or substantial shareholder of the 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;
  - 2.6. Is not acting as a nominee or representative of any Director of the Company or any of its related companies;
  - 2.7. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;

- 2.8. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the 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 (3) years immediately preceding the date of his election;
- 2.9. 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 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;
- 2.10. Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and
- 2.11. Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

Related companies, as used herein, refer to (a) the Company's holding/parent company (if any); (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

3. Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with the pertinent rules of the SEC, after which the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a Non-independent Director.
  - 3.1 In the instance that the Company believes it is beneficial to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.
4. The positions of Chairman of the Board and Chief Executive Officer shall be held by separate individuals and each should have clearly defined responsibilities.
  - 4.1. The role and responsibilities of the Chairman are provided under Article III(B)(3) of this Manual
  - 4.2. The Chief Executive Officer shall have the following roles and responsibilities, among others:
    - a) Determine the Company's strategic direction and formulate and implement its strategic plan on the direction of the business;
    - b) Communicate and implement the Company's vision, mission, values and overall strategy and promote any organization or stakeholder change in relation to the same;
    - c) Oversee the operations of the Company and manage human and financial resources in accordance with the strategic plan;

- d) Shall have a good working knowledge of the Corporation's industry and market and keeps up-to-date with its core business purpose;
  - e) Direct, evaluate, and guide the work of the key officers of the Company;
  - f) Manage the Corporation's resources prudently and ensure a proper balance of the same
  - g) Provide the Board with timely information and interface between the Board and the employees;
  - h) Build the corporate culture and motivate the employees of the Company; and
  - i) Serve as the link between internal operations and external stakeholders.
5. If the Chairman of the Board is not an Independent Director, the Board shall designate a lead Director as practicable among the Independent Directors, including if the positions of the Chairman of the Board and Chief Executive Officer are held by one person.
  6. A Director with a material interest in any transaction affecting the Company shall abstain from taking part in the deliberations for the same.
  7. The Non-executive Directors (NEDs) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance, and risk functions, without any Executive Directors present to ensure that proper checks and balances are in place within the Corporation. The meetings should be chaired by the lead Independent Director, if one has been designated.

#### **F. Assessing Board Performance**

The best measure of the Board's effectiveness is through an assessment process. The Board shall regularly carry out evaluations to appraise its performance as a body, and whether it possesses the mix of backgrounds and competencies as shall be appropriate for the business of the Company.

1. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members, and Committees. Every three (3) years, as much as practicable, the assessment should be supported by an external facilitator.
2. The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual Directors, Committees and such system should allow for a feedback mechanism from the shareholders.

#### **G. Strengthening Board Ethics**

Members of the Board shall be duty-bound to apply high ethical standards, taking into account the interests of all shareholders as well as stakeholders.

1. The Board has adopted a Code of Business Conduct and Ethics, which would provide standards for professional and ethical behaviour, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings. The Code shall be properly disseminated to the Board, Management, Officers and Employees.

**The Code of Business Conduct and Ethics of Nickel Asia Corporation is posted on the Company's website and is available to the public.**

2. The Board should ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.

#### **ARTICLE IV DISCLOSURE AND TRANSPARENCY**

##### **A. Enhancing Company Disclosure Policies and Procedures**

1. The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to shareholders and other stakeholders that give a fair and complete picture of the Company's financial condition, results, and business operations.

1.1. The Company's disclosure policies and procedures shall be practical and in accordance with best practices and regulatory requirements.

1.2. The Company's disclosure policies and procedures shall comply with the requirements as provided under Rule 68 of the Securities Regulation Code, the rules of the Philippine Stock Exchange, and the Securities and Exchange Commission, and shall be timely and comprehensive in accordance with law and the best interests of the Company and its shareholders

2. **Policy on reporting of dealings of Directors and Officers in shares of stock of the Company.**

All Directors and Officers of the Company are required to, and must, disclose/report all their dealings in the shares of the Company within three (3) business days.

3. The Board shall fully disclose all relevant and material information on individual Board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment. Disclosure shall include Directors and Key Officers' qualifications, share ownership in the Company, membership of other boards, other executive positions, continuous trainings attended, and identification of Independent Directors.
4. The Company shall provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report. Further, the Company shall

disclose such policies in an appropriate manner, including termination and retirement provisions.

5. The Company shall disclose its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance. The material or significant RPTs reviewed and approved during the year should be disclosed in its Annual Corporate Governance Report. Directors and Key Executives shall report to the Board when there are RPTs that could influence their judgment.
6. The Company should make a full, fair, accurate, and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. Moreover, where the Company is the offeree company, where practicable, the Board shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.
7. The Company's Corporate Governance policies, programs, and procedures are contained in its Manual on Corporate Governance and the Annexes of the Manual forming an integral part thereof, which shall be submitted to regulators and posted on the Company's website.

#### **B. Strengthening the External Auditor's Independence and Improving Audit Quality**

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

1. The Audit Committee shall establish a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the shareholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the Company website and required disclosures.
2. The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.

The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.

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



### **C. Increasing focus of non-financial and sustainability reporting**

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

1. The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability. The Company shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

### **D. Promoting a comprehensive and cost-efficient access to relevant information**

The Company shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information, which channel is crucial for informed decision-making by investors, shareholders, stakeholders and other interested users.

1. The Company shall include media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.

## **Article V**

### **INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK**

#### **A. Strengthening the Internal Control System and Enterprise Risk Management Network**

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

1. The Company shall have an adequate and effective internal control system and an enterprise risk management framework in the conduct of its business, taking into account its size, risk profile and complexity of operations.
2. The Company shall have in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the Company's operations. The internal audit function shall include among others:
  - 2.1. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics; (2) ensuring effective performance management and accounting in the organization; (3) communicating risk and control information; and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
  - 2.2. Perform regular and special audit as contained in the annual audit plan and/or based on the Company's risk assessment;

- 2.3. Perform consulting and advisory services related to governance and control as appropriate for the organization;
- 2.4. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
- 2.5. Review, audit and assesses the efficiency and effectiveness of the internal control system of all areas of the Company;
- 2.6. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
- 2.7. Evaluate specific operations at the request of the Board or Management, as appropriate; and
- 2.8. Monitor and evaluate governance processes.

The Company's internal audit activity shall be a fully resourced activity housed within the corporate organization or, as may be deemed necessary or appropriate, may be outsourced to qualified independent third party service providers.

The **Internal Audit Charter of the Company** is an integral part of and attached to this Manual as an integral part hereof as Annex "3".

3. The Company shall have a qualified Chief Audit Executive (CAE) appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including any portion that is outsourced to a third party service provider.
4. The CAE, in order to achieve the necessary independence to fulfil duties and responsibilities, directly reports functionally to the Audit Committee and administratively to the CEO. The following shall be the responsibilities of the CAE, among others:
  - 4.1. Periodically review the Internal Audit Charter and present it to Senior Management and the Board Audit Committee for approval;
  - 4.2. Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization's goals;
  - 4.3. Communicate the internal audit activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to Senior Management and the Audit Committee for review and approval;
  - 4.4. Spearhead the performance of the internal audit activity to ensure it adds value to the organization;
  - 4.5. Report periodically to the Audit Committee on the internal audit activity's performance relative to its plan; and

- 4.6. Present findings and recommendations to the Audit Committee and gives advice to Senior Management and the Board on how to improve internal processes.
5. The Company shall have a separate risk management function to identify, assess and monitor key risk exposures. The risk management function shall include the following activities, among others:
  - 5.1. Defining a risk management strategy;
  - 5.2. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance (EESG) factors and the achievement of the organization's strategic objectives;
  - 5.3. Evaluating and categorizing each identified risk using the Company's predefined risk categories and parameters;
  - 5.4. Establishing a risk register with clearly defined, prioritized and residual risks;
  - 5.5. Developing a risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;
  - 5.6. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
  - 5.7. Monitoring and evaluating the effectiveness of the organization's risk management processes.
6. The Company shall have a Chief Risk Officer (CRO), who shall manage the Company's Risk Management System. The CRO shall be the ultimate champion of Enterprise Risk Management (ERM) and shall have adequate authority, stature, resources and support to fulfil his responsibilities, subject to the Company's size, risk profile and complexity of operations.
7. The CRO shall have the following functions, among others:
  - 7.1. Supervise the entire ERM process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation;
  - 7.2. Communicate the top risks and the status of implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
  - 7.3. Collaborate with the CEO in updating and making recommendations to the Board Risk Oversight Committee;
  - 7.4. Suggest ERM policies and related guidance, as may be needed; and
  - 7.5. Provide insights on the following:
    - a) Risk management processes are performing as intended;

- b) Risk measures reported are continuously reviewed for effectiveness;
- c) Established risk policies and procedures are being complied with.

There shall be clear communication between the Board Risk Oversight Committee and the CRO.

## ARTICLE VI CULTIVATING A SYNERGIC RELATIONSHIP WITH SHAREHOLDERS

### A. Promoting shareholder rights

The Company shall treat all shareholders fairly and equitably, and recognize, protect and facilitate the exercise of their rights.

1. The Board shall ensure that basic shareholder rights are disclosed in the Manual on Corporate Governance and on the Company's website.
2. The Board shall adopt a policy informing the shareholders of all their rights and to encourage them to exercise their rights by providing clear-cut processes and procedures for them to follow. Shareholders' rights relate to the following, among others:
  - 2.1. **Pre-emptive rights**, consistent with the Corporation Code and the Company's Articles of Incorporation.
  - 2.2. **Right to vote** consistent with the Corporation Code, relevant laws and jurisprudence, and the Company's Articles of Incorporation and By-Laws.
  - 2.3. **Right to dividends**, consistent with the Corporation Code and Philippine jurisprudence. The dividend policy of the Company shall be disclosed in the Company's Annual Report.

**Policy on the period for payment of cash dividends:** Cash dividends shall be paid to shareholders within thirty (30) days from declaration.
  - 2.4. **Right of shareholders, including minority shareholders, to nominate candidates to the Board of Directors** in accordance with law and consistent with the Company's nominations policies and processes and the rules and regulations of the SEC pertinent to the nomination of candidates.
3. Shareholders holding at least ten per cent (10%) of the Company's outstanding capital stock shall have the right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Shareholders' Meeting.
4. The nomination process and voting procedures that govern the Annual and Special Shareholders' Meeting shall be disclosed in the Company's Information Statement circulated to the shareholders prior to annual and special meetings of the shareholders and shall be timely posted on the Company's website.

- 4.1. The Company shall fully and promptly disclose all information regarding the experience and background of the candidates to enable the shareholders to study and conduct their own background check as to the candidates' qualification and credibility.
5. Shareholders shall be given sufficient information in a timely manner prior to voting to encourage and enable participation in the voting on fundamental corporate changes such as:
  - 5.1. Amendments to the Articles of Incorporation and By-Laws of the Company;
  - 5.2. The authorization to increase in authorized capital stock; and
  - 5.3. Extraordinary transactions, including the transfer of all or substantially all assets that in effect result in the sale of the company.
6. In all instances of voting by shareholders:
  - 6.1. The right to vote by proxy as provided by law shall be respected and proxy materials shall be timely distributed within the periods and in the manner that are allowed by law and are consistent with corporate governance best practices, including to the extent possible or practicable, the electronic distribution of proxy materials; (NOTE: sending materials by email is convenient but is not consistent with the Corporation Code)
  - 6.2. Voting procedure shall be explained;
  - 6.3. Voting shall be by poll (balloting) and votes shall be tabulated and announced at the stockholders' meeting.
7. The Board should encourage active shareholder participation by:
  - 7.1. Sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least twenty eight (28) days before the meeting. The Notice and relevant information regarding the Shareholders' Meeting, including the Proxy Statement, shall be posted on the Company's website
  - 7.2. Making the result of the votes taken, with approving and dissenting votes indicated, during the most recent Annual or Special Shareholders' Meeting publicly available the next working day by posting such results on the Company website.
  - 7.3. Making the Minutes of the Annual and Special Shareholders' Meeting available on the Company website within five business days from the end of the meeting. Such Minutes shall include:
    - a) A description of the voting and the vote tabulation procedures used;
    - b) The opportunity given to shareholders to ask questions, as well as a record of the questions and the answers received;

- c) The matters discussed and the resolutions reached;
  - d) A record of the voting results for each agenda item;
  - e) A list of the Directors, Officers and, as practicable, shareholders who attended the meeting; and
  - f) Dissenting opinion on any agenda item that is considered significant in the discussion process
8. The Board shall make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner, which shall be included in the company's Manual on Corporate Governance.
9. The Board shall establish an Investor Relations Office (IRO) to ensure constant engagement with its shareholders. The IRO shall be present at every shareholders' meeting.

## **ARTICLE VII DUTIES TO STAKEHOLDERS**

### **A. Respecting rights of stakeholders and effective redress for violation of stakeholder rights**

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

1. The Board shall identify the Company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability.
2. The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.
3. The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the Company and to obtain redress for the violation of their rights.

### **B. Encouraging employees' participation**

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

1. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.
  - 1.1. Such policies and programs shall cover:

- a) Health, safety and welfare;
- b) Training and development; and
- c) Reward/compensation for employees that encourages employees to perform better and motivates them to take a more dynamic role in the corporation.

1.2. To further foster active participation, the Company shall recognize the firm-specific skills of its employees and their potential contribution in corporate governance. The employees' viewpoint in certain key decisions may also be councils or employee representation in the board.

2. The Board shall adopt an anti-corruption policy and program in its Code of Conduct. Further, the Board shall disseminate the policy and program to employees across the organization through trainings to embed them in the company's culture.
3. The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall supervise and ensure its enforcement.

The Company's **Whistle Blowing Policy** is contained in the Company's Code of Business Conduct and is available on the Company's website.


#### **C. Encouraging sustainability and social responsibility**

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

1. The Company recognizes and places importance on the interdependence between business and society, and shall promote a mutually beneficial relationship that allows the Company to grow its business, while contributing to the advancement of the society where it operates.
2. The Company shall comply with existing regulations and as appropriate voluntarily employ value chain processes that take into consideration economic, environmental, social and governance issues and concerns. In considering sustainability concerns, the Company plays an indispensable role alongside the Government and other sectors in contributing solutions to complex global challenges like poverty, inequality, unemployment and climate change.

**This Corporate Governance Manual was adopted by the Board of Directors of Nickel Asia Corporation on 29 May 2017.**

Attest:



MANUEL B. ZAMORA, JR.  
Chairman of the Board



BARBARA ANNE C. MICALLOS  
Corporate Secretary



JOSE RODERICK F. FERNANDO  
Chief Compliance Officer



## **NICKEL ASIA CORPORATION**

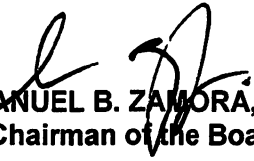
### **Policy requiring Directors and Officers of the Company to report any dealings in the shares of stock of the Company within three (3) business days**

Recognizing that Directors and Officers of the Company often have access to material inside information regarding the Company and its business affairs, the Board of Directors of Nickel Asia Corporation (the "Company") hereby adopts this policy to reduce the risk of insider trading.

1. All Directors and Officers of the Company are hereby required to report any dealings in the shares of stock of the Company within three (3) business days from the date of the transaction.
2. For compliance with and implementation of this policy:
  - 2.1. Directors and Officers shall report any transaction in Company shares to the Chief Compliance Officer immediately upon effecting such transaction and in no case later than two (2) business days after the transaction.
  - 2.2. The Chief Compliance Officer shall, immediately upon receipt of a report from a Director or Officer of a transaction in Company shares, immediately and in no case later than three (3) business days from the date of the transaction, report such dealing or transaction in shares of the Company to the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE).
3. Directors and Officers are likewise required to comply with the reporting requirements under the Securities Regulation Code (SRC) including Section 18 on Reports by five per cent (5%) holders of equity securities (if applicable) and Section 23 on Transactions of Directors, Officers, and Principal Shareholders, and the rules and regulations of the SEC to implement the provisions of the SRC.
4. The Compliance Officer shall put in place the administrative requirements for the reports mandated under this Policy.
5. The Company's Policy on Insider Trading (Annex "B" of the Code of Business Conduct and Ethics of Nickel Asia Corporation), is hereby amended accordingly.

**Approved and adopted this 29<sup>th</sup> day of May 2017**

Attest:



MANUEL B. ZAIRA, JR.  
Chairman of the Board



BARBARA ANNE C. MIGALLOS  
Corporate Secretary



JOSE RODERICK F. FERNANDO  
Chief Compliance Officer

## **POLICY ON NOMINATION AND ELECTION OF DIRECTORS**

### **A. The Responsibility of the Board**

This Policy on Nomination and Election of Directors is adopted pursuant to the responsibility of the Company's Board of Directors to develop a policy on Board nomination. This Policy is an integral part of the Company's Corporate Governance Manual and shall remain in force and effect unless and until it is duly amended or modified by the Board of Directors.

### **B. Right of Minority Shareholders to nominate Candidates for election to the Board and the effective exercise of such right**

1. Minority shareholders have the right to nominate candidates for election to the Board. The Company recognizes and respects this right, regardless of number of shares of stock held.
2. Toward the effective exercise of this right:
  - 2.1. The Company shall make a timely disclosure to the SEC and the PSE of the deadline for nominations of candidates for election to the Board and shall post such information on the Company's website.
  - 2.2. Nominations made by any shareholder shall be submitted to the Office of the Corporate Secretary at the Company's principal office on or before the deadline for nominations as disclosed to the SEC and the PSE, and posted on the website of the Company.
  - 2.3. Nominations should be accompanied by:
    - a) A profile of the nominee, which shall include biographical information and contact information of the nominee and further shall focus on the nominee's academic qualifications; professional and work experience; current business, profession activities and employment; and knowledge, experience and expertise that will significantly contribute to the performance by the Board of its tasks of overseeing the management and governance of the Company and of fulfilling its responsibility to foster the long-term success of the Company and sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders;
    - b) Written consent of the nominee to the nomination; and
    - c) References of the nominee with contact information and the written consent of the nominee for the Company to communicate with such references for verification purposes.

### **C. Review of review qualifications of nominated candidates for the Board**

1. The **Nominations Committee** shall be responsible for the review and evaluation of the qualifications of persons nominated to the Company's Board of Directors, including nominees for Independent Director of the Company. In compliance with such responsibility the Nominations Committee shall:
  - 1.1. Review the qualifications of all nominees for election to the Company's Board of Directors and evaluate their qualifications and competence to be elected to the Board, including whether candidates possess:
    - a) The knowledge, skills, experience, and particularly in the case of Non-executive Directors, independence of mind given their responsibilities to the Board and in light of the entity's business and risk profile
    - b) A record of integrity and good repute;
    - c) Sufficient time to carry out their responsibilities; and
    - d) The ability to promote a smooth interaction between Board members.
  - 1.2. Prepare a Final List of Candidates for Election as Directors of the Company, consistent with the Company's By-Laws and the pertinent SEC rules and regulations, which Final List shall be included in the Company's Information Statement to be disseminated to the shareholders for the annual shareholders' meeting and any meeting of shareholders at which Directors shall be elected in accordance with law.
2. In the performance of its duties and responsibilities, the Nominations Committee shall have discretion and authority:
  - 2.1. To weed out, and not to include in the Final List of Candidates, the names of nominees who have any of the disqualifications for election to the Company's Board or whose nomination shall, in the reasonable determination of the Committee (subject to consultations with the Board), be detrimental to the long-term interests of the Company, such where the nominee has publicly expressed antagonism towards the Company and the business or industry in which the Company is engaged or has acted in a manner prejudicial to the Company's interests;
  - 2.2. To use professional search firms or external sources as practicable in searching for candidates to the Board where in the judgment of the Committee the use of such firms is necessary.

### **D. Disqualifications (permanent or temporary) for election as directors**

1. The following shall grounds for permanent disqualification for election as Director:
  - 1.1. Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that: (a) involves the purchase or sale of securities, as defined in the Securities Regulation Code; (b) arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal, distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or (c) arises out of his fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;

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

The disqualification should also apply if (a) such person is 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, the Securities Regulation Code or any other law administered by the SEC or BSP, or under any rule or regulation issued by the Commission or BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person is 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;

- 1.3. 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;
- 1.4. 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, counseled, 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 SEC or BSP;
- 1.5. Any person judicially declared as insolvent;
- 1.6. Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated previously;
- 1.7. 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; and
- 1.8. Other grounds as the SEC may provide.
2. The following shall be grounds for temporary disqualification for election as a Director:
- 2.1. Absence in more than fifty per cent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification will apply for purposes of the succeeding election.

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

### **3. Independent Directors**

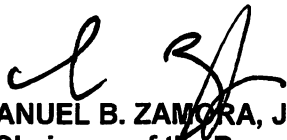
- 3.1. An Independent Director is a member of the Board of Directors of the Company and is person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a Director.
- 3.2. Consistent with the Company's Manual on Corporate Governance, an Independent Director is a person who:
  - a) Is not, or has not been a senior officer or employee of the Company unless there has been a change in the controlling ownership of the Company;
  - b) Is not, and has not been in the three (3) years immediately preceding the election, a director of the Company; a director, officer, employee of the Company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the Company's substantial shareholders and its related companies;
  - c) Has not been appointed in the 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 (3) years immediately preceding his election;
  - d) Is not an owner of more than two per cent (2%) of the outstanding shares of the Company, its subsidiaries, associates, affiliates or related companies;
  - e) Is not a relative of a Director, Officer, or substantial shareholder of the 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;
  - f) Is not acting as a nominee or representative of any Director of the Company or any of its related companies;

- g) Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- h) Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the 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 (3) years immediately preceding the date of his election;
- i) 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 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;
- j) Is not affiliated with any non-profit organization that receives significant funding from the Company or any of its related companies or substantial shareholders; and
- k) Is not employed as an executive officer of another company where any of the Company's executives serve as directors.

Related companies, as used herein, refer to (a) the Company's holding/parent company (if any); (b) its subsidiaries; and (c) subsidiaries of its holding/parent company.

**This POLICY ON NOMINATION AND ELECTION OF DIRECTORS was adopted and approved by the Board of Directors of NICKEL ASIA CORPORATION on 29 May 2017.**

**Attest:**

  
**MANUEL B. ZAMORA, JR.**  
 Chairman of the Board

  
**BARBARA ANNE C. MIGALLOS**  
 Corporate Secretary

  
**JOSE RODERICK F. FERNANDO**  
 Chief Compliance Officer

## **Policy and System Governing Related Party Transactions**

### **I. Policy Statement**

It is the policy of **Nickel Asia Corporation** (the "Company") that transactions between the Company or any of its subsidiaries and a Related Party as defined herein shall be subject to review and approval to assure that they are (1) at arms-length basis; (2) occur at market prices; and (3) under terms and conditions that are fair and will redound to the best interest of the Company, its subsidiaries and shareholders.

Related party transactions (RPTs) shall be reviewed, approved, reported, and disclosed in accordance with this Policy and consistent with the principles of transparency and fairness, all applicable accounting standards, disclosure requirements, and principles of good corporate governance

The Company shall at all times observe and adhere to the provisions of the Corporation Code, its Articles of Incorporation and By-Laws, and other relevant laws, rules and regulations as may be applicable in the review, approval, and disclosure of RPTs, and shall observe, uphold, and respect the rights of the shareholders as a whole.

The Company recognizes that RPTs are not *per se* prohibited. They can serve important business purposes and offer legitimate advantages. However, in recognition of potential conflicts of interest, such transactions must be done on fair and arms-length terms for the benefit of the Company and its stockholders as a whole, considering the relevant circumstances. In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

### **II. Coverage**

This Policy covers related party transactions between the Company and a Related Party as defined below, or between a subsidiary or affiliate of the Company and a Related Party as defined below. The Company shall ensure that its subsidiaries shall carry out the review and approval of RPTs review in accordance with this Policy.

### **III. Definitions<sup>1</sup>**

1. A **related party** is a person or entity that is related to the Company or any of its subsidiaries or affiliates ("covered entity")

---

<sup>1</sup> The definitions of "Related Parties" and "Related Party Transactions" are based on Philippine Accounting Standard (PAS) 24.



- a. A person or a close member of that person's family is related to a covered entity if that person:
- (i) has control or joint control over the covered entity;
  - (ii) has significant influence over the covered entity; or
  - (iii) is a member of the key management personnel of the covered entity or of a parent of the covered entity.
- b. An entity is related to a covered entity if any of the following conditions applies:
- (i) The entity and the covered entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate<sup>2</sup> or joint venture<sup>3</sup> of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the covered entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the covered entity.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity or any member of a group of which it is a part provides key management personnel services to the covered entity or to the parent of the covered entity.<sup>4</sup>

---

<sup>2</sup> As defined in PAS 28, an associate is an entity, including an unincorporated entity such as a partnership, over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture.

<sup>3</sup> As defined in PAS 31, a joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control.

<sup>4</sup> Annual improvements to International Financial Reporting Standards, 2010-2012 Cycle, effective for annual reports beginning on or after 1 July 2014

2. A **related party transaction** is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Please see **Annex "A"** for a list of who are not deemed related parties within the context of this Policy and what are considered related party transactions when performed with a Related Party.

Please see **Annex "B"** on Related Party Transactions that are not covered.

3. **Close members of the family of a person** are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse.

4. **Control** is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. **Joint control** is the contractually agreed sharing of control over an economic activity.
5. **Key management personnel** are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity.
6. **Material RPTs** are transactions with a Related Party which involve an aggregate amount or value equal to or greater than Fifty Million Pesos (Php 50,000,000.00) over a twelve (12) month calendar year period or such amount as may be recommended by the RPT Committee and approved by the Board of Directors of the Company.
7. **Significant influence** is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies. Significant influence may be gained by share ownership, statute or agreement.
8. **Subsidiary** is a corporation more than fifty per cent (50%) of the voting stock of which is owned or controlled, directly or indirectly, through one or more intermediaries, by another corporation, which thereby becomes the parent corporation.
9. **Affiliate** is a corporation that directly or indirectly, through one or more intermediaries, is controlled by, or is under common control with, another corporation.

#### IV. **Review of Related Party Transactions by the Related Party Transaction Committee**

1. Material RPTs shall be subject to review by the Related Party Transaction Committee (the "RPT Committee") to determine whether they are in the best

interests of the Company and shareholders, for endorsement to the Board of Directors for approval, except transactions not covered as set forth in Annex "B" of this Policy.

2. In the review of RPTs, the following shall be considered:
  - a) The terms of the transaction, which shall be fair and arms-length;
  - b) The aggregate value of the transaction;
  - c) The purpose and timing of the transaction;
  - d) The benefits to the Company of entering into the transaction;
  - e) The extent of the Related Party's interest in the transaction;
  - f) Whether the terms of the transaction are no less favorable than those generally available to non-related parties under the same or similar circumstances; and
  - g) Any material information or other factors as may be deemed relevant.
3. The RPT Committee may establish guidelines to manage potential, and monitor actual conflicts of interest of Management, Board Directors and shareholders, including misuse of corporate assets and abuse in RPTs

#### **V. Disclosure**

The Company shall provide a mechanism for the proper and timely disclosure of all RPTs consistent with the rules of the Securities and Exchange Commission (SEC) and the Philippine Stock Exchange (PSE), and shall comply with the disclosure requirements under PAS No. 24.

The Chief Compliance Officer shall be responsible for the full and timely disclosure of all RPTs in the annual and quarterly reports to the SEC and in the Notes to the Financial Statements (annual and quarterly) as required under PAS 24 and, where appropriate, in a current report as may be required under SEC and PSE rules.

#### **VII. Notification and Dissemination**

The Chief Compliance Officer shall give notice of and disseminate this Policy to each of the Company's subsidiaries and affiliates. The Company shall work with its subsidiaries and affiliates to implement this Policy and to adopt their own policy on related party transactions consistent with this Policy

#### **VIII. Whistleblowing Mechanism**

The Company has an existing whistleblowing mechanism that allows employees to freely communicate confidentially and without fear of retaliation, legitimate concerns about illegal, unethical or questionable transactions that would include RPTs. The Board shall supervise and ensure its enforcement.

**IX. Restitution for losses and other remedies for abusive RPTs**

Whenever applicable, the Company shall discontinue a related party transaction if found abusive and demand restitution of losses or opportunity costs it incurred from such related party transaction.

**X. Effectivity**

This Policy on Related Party Transactions was approved by the Board of Directors at its meeting held on 29 May 2017 and shall take effect immediately.

This Policy supersedes policies, systems or related guidelines previously adopted by the Company that are inconsistent with this Policy and System Governing Related Party Transactions.

**Attest:**



**GERARD H. BRIMO**  
Chief Executive Officer



**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary



**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

**ANNEX A of Policy on Related Party Transactions****I. Who are not related parties in the context of this Policy**

- (1) Two entities simply because they have a director or other member of key management personnel in common or because a member of key management personnel of one entity has significant influence over the other entity;
- (2) Two venturers simply because they share joint control over a joint venture;
- (3) Providers of finance;
- (4) Trade unions,
- (5) Public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
- (6) A customer, supplier, franchisor, distributor or general agent with whom an entity transacts a significant volume of business, simply by virtue of the resulting economic dependence.

**II. Transactions that are considered as RPTs when performed with a Related Party:**

- (1) Purchases or sale of goods
- (2) Purchases or sale of properties or other assets
- (3) Rendering or receiving of services
- (4) Lease
- (5) Transfers of research and development
- (6) Transfers under license agreements
- (7) Transfers under finance agreements (including loans and equity contributions in cash or in kind)
- (8) Provisions of advances, donations, guarantees or collateral
- (9) Settlement of liabilities on behalf of the entity or by the entity on behalf of that related party

**Annex B of Policy on Related Party Transactions**  
**Transaction that are not covered**

- I. The following transactions shall not be covered by RPT Review:
  - (1) The acquisition as consumer or realization in the ordinary and usual course of business of consumer goods or consumer services from or to a Related Party on normal commercial terms.
  - (2) Any transaction involving a Related Party where the rates or charges involved are determined by competitive bids
  - (3) Any transaction with a Related Party for the provision of goods, products or services where the prices or rates are based on a publicly quoted index or system that is consistently applied.
  - (4) The sharing of administrative services between the Company and a Related Party, where the cost of the service is identifiable and allocated to the parties on a fair and equitable basis.
  - (5) Other transactions similar to the foregoing.
- II. Transactions not covered by RPT review shall not be subject to review by the Independent Directors or by the Audit Committee but should be reported to the Audit Committee for purposes of monitoring.

## **INTERNAL AUDIT CHARTER**

### **I. Introduction**

This Internal Audit Charter of **NICKEL ASIA CORPORATION** (the "Company") sets forth among others the purpose, objectives, authority, scope, duties and responsibilities, and accountability of the Internal Audit Department (the "IAD") as prescribed by the Company's Audit Committee Charter (the "ACC") and Manual on Corporate Governance (the "Manual").

### **II. Purpose**

Internal auditing is an important management tool and is one of the ways the Company's Management maintains the integrity, efficiency, and effectiveness of its financial, operational, information, and other management control systems. Internal Audit operates as an independent yet integral part of Management, conducting its duties professionally and with objectivity.

Internal Audit assists the Board in ensuring that the Company's operations are conducted according to the highest standards by providing an independent and objective assurance and consulting function, and by advising on leading practices. Through a systematic and disciplined approach, the IAD helps the Board accomplish its objectives by evaluating and improving the effectiveness of risk management, control, and governance processes, and discharging other duties and powers as may be delegated to the Committee by the Board, and as required under the Manual, the Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and listing rules of the Philippine Stock Exchange (PSE).

### **III. Independence and Objectivity**

The IAD shall remain free from interference by any element, including matters of audit selection, scope, procedure, frequency, timing, or report content, to permit maintenance of a necessary independent and objective mental attitude.

The IAD must exhibit the highest level of professional objectivity in gathering, evaluating, and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all the relevant circumstances and shall not be unduly influenced by their own interests or by others in forming judgments.

#### **IV. Organization**

The Company shall have a qualified Chief Audit Executive (CAE) appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including any portion that is outsourced to a third party service provider.

The IAD and the CAE report functionally to the Audit Committee and administratively to the Chief Executive Officer (CEO).

All decisions regarding the qualifications, performance evaluation, appointment, or removal of the CAE, as well as the CAE's annual compensation and salary adjustments shall be subject to the approval of the Board through the Audit Committee.

#### **V. Authority**

Internal Audit aims to promote effective controls at reasonable cost. To achieve this, the Committee, through its internal audit department, is authorized, in the course of its activities, to:

1. Enter all areas of the Company's subsidiaries and affiliates, and have access to any documents and records considered necessary for the performance of its functions; and
2. Require all members of staff and management to supply such information and to explain, as may be needed, within a reasonable period of time.

Heads of subsidiaries, affiliates, and/or departments must inform the internal audit department without delay of any significant incident concerning security and/or compliance with regulations and procedures.

#### **VI. Functions**

Consistent with the roles and responsibilities cited in the charter of the Audit Committee, the IAD shall provide independent and objective assurance and consulting services designed to add value and improve the company's operations. The IAD functions shall include among others:

1. Provide an independent risk-based assurance service to the Board, Audit Committee, and Management, focusing on reviewing the effectiveness of the governance and control processes in (1) promoting the right values and ethics; (2) ensuring effective performance management and accounting in the organization; (3) communicating risk and control information; and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
2. Perform regular and special audit as contained in the annual audit plan and/or based on the company's risk assessment;
3. Perform consulting and advisory services related to governance and control as appropriate for the organization;
4. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, which could have a significant impact on the organization;
5. Review, audit and assesses the efficiency and effectiveness of the internal control system of all areas of the Company;



6. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;
7. Evaluate specific operations at the request of the Board or Management, as appropriate; and
8. Monitor and evaluate governance processes.

## **VII. Duties and Responsibilities**

The following shall be the duties and responsibilities of the IAD, among others:

1. Develop a flexible annual audit plan using an appropriate risk-based methodology including any risk or control concerns identified by management and submit that plan to the Audit Committee for review and approval as well as periodic updates.
2. Implement the annual audit plan, as approved, including as appropriate, any special task or project requested by management and the Audit Committee that are considered as part of the consulting activity of Internal Audit.
3. Conduct fieldwork in a professional and timely manner.
4. Maintain a professional audit staff with sufficient knowledge, skills, experience, and professional certifications and establish a formal training and development program that will assist the group in achieving its objectives and meet the requirements of this charter.
5. Review and evaluate significant merging/consolidating functions, and new or changing services, processes, operations, and control processes in line with their development, implementation, and/or expansion in relation to risk based audit.
6. Issue periodic written reports to the Audit Committee and management summarizing results of audit activities.
7. Keep the Audit Committee informed of emerging trends and successful practices in internal auditing.
8. Provide a list of significant measurement goals and results to the Audit Committee.
9. Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Committee of the results.
10. Consider the scope of work of the external auditors and regulators as appropriate for the purpose of providing optimal audit coverage to the organization at a reasonable overall cost.
11. Ensure there is appropriate mechanism in place for the anonymous submission of employee concerns or complaints on questionable accounting or auditing matters and notify the Audit Committee of the status and disposition of reported complaints.
12. Establish a quality assurance program for the IAD by which the CAE assures the operation of internal auditing activities.
13. Perform consulting services, beyond internal auditing's assurance services such as advisory on process improvements, to assist Management in attaining its objectives.

The following shall be the responsibilities of the CAE, among others:

1. Periodically review the Internal Audit Charter and present it to senior management and the Board Audit Committee for approval;
2. Establish a Risk-Based Internal Audit Plan, including policies and procedures, to determine the priorities of the Internal Audit Activity, consistent with the organization's goals;
3. Communicate the Internal Audit Activity's plans, resource requirements and impact of resource limitations, as well as significant interim changes, to Senior Management and the Audit Committee for review and approval;
4. Spearhead the performance of the Internal Audit Activity to ensure it adds value to the organization;
5. Periodically report to the Audit Committee on the Internal Audit Activity's performance relative to its plan; and
6. Present findings and recommendations to the Audit Committee and gives advice to Senior Management and the Board on how to improve internal processes.

#### **VIII. Accountability**

The IAD, in the discharge of its duties, shall be accountable to the Committee and the Board to:

1. Provide periodically an assessment on the adequacy and effectiveness of the Company and its subsidiaries' and/or affiliates' processes for controlling their activities and managing their risks in the areas set forth under the mission and scope of work;
2. Report significant issues related to the processes for controlling the activities of the Company and its subsidiaries and/or affiliates, including potential improvements to those processes information concerning such issues through resolution;
3. Periodically provide information on the status and results of the Annual Audit Plan and the sufficiency of group resources; and
4. Coordinate with, and provide oversight over other control and monitoring functions (risk management, compliance, security, legal, ethics, environment, external audit).

#### **IX. Amendment**

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

This INTERNAL AUDIT CHARTER of NICKEL ASIA CORPORATION was adopted and approved on 29 May 2017.

Attest:



**FREDERICK Y. DY**  
Chairman of the Audit Committee



**BARBARA ANNE C. MIGALOS**  
Corporate Secretary



**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

## **CHARTER OF THE BOARD OF DIRECTORS**

### **Section 1: INTRODUCTION**

The Board of Directors of **NICKEL ASIA CORPORATION** (the "Company" or "NAC") is the governing body of the Company elected by the stockholders and mandated by law to exclusively exercise the powers of the corporation, conduct all its business and control its properties. The Board is the ultimate authority in the Company in matters of governance and in managing the corporate business. The Board, acting as a Board, has full power and authority to manage the business of the Company and to exercise their best business judgment consistent with the fiduciary duties of the Board and its members.

This Charter of the Board of Nickel Asia Corporation formalizes and clearly states its roles, responsibilities and accountabilities in carrying out the fiduciary duties of the Board. This Charter is adopted to serve as a guide to Board and the directors in the performance of their functions as such.

This Charter supplements and complements, and does not supersede, the Company's Articles of Incorporation and By-Laws, the Corporation Code of the Philippines, and relevant rules, regulations, and policies promulgated by competent government authority, among them the Code of Corporate Governance for Publicly Listed Companies (Memorandum Circular No. 19, Series of 2016), promulgated by the Securities and Exchange Commission ("SEC").

### **Section 2: COMPOSITION OF THE BOARD OF DIRECTORS**

#### **2.1. Number of Directors**

The Board shall be composed of nine (9) members or such number of directors as may be provided in an amendment to its Articles of Incorporation, a majority of whom shall be non-executive directors.

#### **2.2. Board competency**

The Board shall be composed of Directors with a collective working knowledge, experience or expertise that is relevant to the Company's industry/sector, with an appropriate mix of competence and expertise, each of whom can add value and independent judgment in the formulation of sound corporate strategies and expertise and that its members remain qualified for their positions individually and collectively, to enable it to fulfil its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction.

Each Director must possess the necessary qualifications to effectively participate in, and help secure independent judgment on, corporate affairs and to provide proper checks and balances.

### **2.3. Board diversity**

Directors are elected on the basis of merit. Within that key principle of merit, there shall be diversity among the members of the Board as to gender, age, ethnicity, background, skills, business and other experience, and other distinctions among directors.

### **2.4. Qualifications and Disqualifications of Directors**

The qualifications and disqualifications for election to the Board of Directors are set forth in the Company's **Policy on Nomination and Election of Directors, Annex "1"** and an integral part of the **Corporate Governance Manual of Nickel Asia Corporation**.

### **2.5. Independent Directors**

The Board shall have at least two (2) Independent Directors, or such number of Independent Directors as may be consistent with law. To be considered independent, a Director shall be independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.

The qualifications and disqualifications of an Independent Director are set forth in the **Corporate Governance Manual of Nickel Asia Corporation, specifically Article III (Board of Directors Governance Responsibilities), Part E[2] on Reinforcing Board Independence**.

## **Section 3: Directors' Term of Office; Term Limits for Independent Directors**

- 3.1. Directors shall hold office for a term of one (1) year, immediately upon their election and until their successors shall have been duly elected and qualified in accordance with the By-Laws of the Corporation and the Corporation Code.
- 3.2. Independent Directors shall serve for a maximum cumulative term of nine (9) years, reckoned in accordance with the pertinent rules of the SEC, after which the Independent Director shall be perpetually barred from re-election as such in the Company, but may continue to qualify for nomination and election as a non-independent director.

In the instance that the Board in its best judgment believes that it is beneficial to the Company to retain an Independent Director who has served for nine (9) years, the Board shall provide meritorious justification/s and seek shareholders' approval during the annual shareholders' meeting.

## **Section 4: Duties and Responsibilities of the Board**

### **General responsibilities of the Board and directors**

- 4.1. The Board shall exercise the corporate powers, conduct the business, and control the properties of the Company and shall be responsible for fostering the long-term success of the Company and securing its sustained competitiveness in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

- 4.2. Consistent with the director's three-fold duty of obedience, diligence and loyalty to the Company, a Director shall:
- a) Act within the scope of power and authority of the Company and the Board as prescribed in the Articles of Incorporation, By-Laws, and in existing laws, rules and regulations;
  - b) Exercise the best care, skill and judgment, and observe utmost good faith in the conduct and management of the business and affairs of the Company; and,
  - c) Act in the best interest of the Company and for the common benefit of the Company's stockholders and other stakeholders.

#### **Specific duties and responsibilities of the Board**

- 4.3. To ensure a high standard of governance for the Company, and to promote and protect the interest of the Company, its stockholders and other stakeholders, the Board shall:
- a) 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.
  - b) Adopt and implement an effective succession planning program for Executive Directors, key Officers and Management towards ensuring growth and continued increase in the shareholders' value and shall adopt a policy on retirement age for key Officers.
  - c) Implement a process of selection of Directors to ensure a mix of knowledge, expertise and experience and balance among Independent, Non-executive and Executive Directors in the context of the needs of the Board, and that each Director can add value and contribute independent judgment to the formulation of sound corporate strategies and policies;
  - d) Align as practicable the remuneration of key Officers and of Directors with the long-term interests of the Company and oversee Management's adoption of compensation plans and professional development programs for Officers and succession planning for senior Management;
  - e) Adopt a formal and transparent Board nomination and election policy and process that shall be aligned with the strategic direction of the Company and shall include: (i) the right of minority shareholders to nominate candidates for the Board of Directors; (ii) the review and evaluation of the qualifications of all persons nominated to the Board of Directors; and (iii) an assessment of the effectiveness of the Board's processes and procedures in the nomination, election, or replacement of a Director. In addition, it shall include a process of identifying the quality of Directors.
  - f) Constitute an Audit Committee, a Board Risk Oversight Committee, a Nominations Committee, a Compensation Committee, a Corporate Governance Committee, a

Related Party Transactions Committee and such other committees that it deems necessary to assist the Board in the performance of its duties and responsibilities;

- g) Select and appoint the CEO and other Officers of the Company consistent with the Company's By-laws ;
- h) Determine and review, together with Management, the Company's vision, mission and strategic objectives;
- i) Oversee Management's implementation of business strategies, plans and objectives and periodically evaluate Management's overall performance;
- j) Oversee Management's establishment and maintenance of effective and adequate financial reporting and internal control systems;
- k) Oversee Management's adoption and implementation of a system for identifying, monitoring and managing key risk areas, and review Management's reports to the Board on major risk exposures of the Company and the actions taken to monitor, minimize, control or manage such risk;
- l) Ensure that the Company has an internal audit system that can reasonably assure the Board and Management that the Company's organizational and operational controls are complied with;
- m) Ensure that the Company has an independent audit mechanism for the proper audit and review of the Company's financial statements by independent auditors;
- n) Ensure that the Company complies with all relevant laws, rules and regulations and endeavours to adopt best business practices;
- o) Ensure that the Company has an effective investor relations program that will keep stockholders and investors informed of important developments in the Company;
- p) Ensure that the Company has a program for communication with the sectors in the community in which the Company operates or which are directly affected by its operations. The Board, in coordination with Management, shall identify the Company'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;
- q) Ensure that the Company establishes appropriate governance policies and procedures pursuant to the Company's Manual of Corporate Governance, including, but not limited to, policies on conflict of interest and related party transactions, and oversee the effective implementation thereof;
- r) Establish and maintain an alternative dispute resolution system in the Company that can, where practicable or feasible, amicably settle conflicts or difference between the Company and its stockholders and the Company and third parties, including regulatory authorities;

- s) Promote a culture that advocates responsible mining at all times through timely, appropriate and effective corporate social responsibility initiatives, with specific focus on community development, social progress, and environmental management, in accordance with all pertinent Philippine laws, rules and regulations;
- t) Adopt a globally-recognized standard or framework in reporting sustainability initiatives and accomplishments as well as non-financial information through the Annual Sustainability Report, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, to ensure long-term sustainability, social acceptability and financial inclusivity of all stakeholders;
- u) Adopt a Code of Business Conduct and Ethics and oversee effective compliance.

#### **4.4. Specific Duties and Responsibilities of a Director**

A Director should act in a manner characterized by integrity, transparency, accountability and fairness. Consistent with this, a Director shall:

- a) Conduct business transactions with the Company fairly. He shall ensure that his personal interest does not conflict with the interests of the Company or affect his independent judgment and the Board's decisions, and fully and immediately disclose an actual or potential conflict of interest that may arise;
- b) Devote the time and attention necessary to properly and effectively discharge his fiduciary duties and responsibilities;
- c) Act judiciously on matters brought before the Board, thoroughly evaluating the issues involved before making any decision;
- d) Exercise independent judgment;
- e) Have a working knowledge of the statutory and regulatory requirements that affect the Company and its operations, including the provisions of the Company's Articles and By-Laws, the requirements of the SEC and other regulatory agencies having jurisdiction over the Company, and keep abreast with industry developments and business trends; and,
- f) Observe and safeguard confidentiality of non-public information acquired by reason of his position as a Director.

### **5. Board Meetings**

#### **5.1. Frequency**

The Board shall meet at least six (6) times each calendar year as practicable and shall hold meetings before the start of the financial year, immediately after the annual stockholders' meeting, at least once every quarter, and on such other days as may be necessary for the business of the Company.



## 5.2. Schedule of meetings

The schedule of the regular meetings of the Board shall be determined at the beginning of calendar year.

## 5.3. Notice of meetings

Notices and reminders of the scheduled Board meetings shall be sent to directors at least two weeks before the scheduled date by any customary means of communications (e.g. by email, in writing, by telephone, telefax). The notice shall specify the time and place of the meeting.

Notices of special meetings of the Board shall be sent within a reasonable period prior to the date and time of such special meeting.

## 5.4. Agenda and Board materials

The agenda and materials for the Board meeting, as a general rule and to the extent as practicable, shall be distributed to all directors at least five (5) business days prior to each Board meeting.

## 6. The Chairman of the Board

6.1. The Board shall be headed by a competent and qualified Chairman, who shall if practicable be a Non-executive Director.

6.2. The roles and responsibilities of the Chairman shall include:

- a) To ensure that the meeting agenda focuses on strategic matters, including enterprise risks, considering the developments in the business and regulatory environments, key governance concerns, and important issues that could significantly affect operations;
- b) To ensure that the Board receives accurate, timely, relevant, concise, and clear information to enable it to make sound decisions;
- c) To facilitate discussions on key issues and encourage discussion and debate;
- d) To encourage the Board to inquire on reports submitted and representations made by Management;
- e) To assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f) To take appropriate action towards evaluation of Board performance at least once a year and discussion/follow up on such evaluation.

## 7. The Corporate Secretary

7.1. The Corporate Secretary shall be primarily responsible to the Company and its shareholders, and shall work with the Chairman, the President and the Board, to whom the Corporate Secretary is also responsible.

7.2. The Corporate Secretary, among others following duties and responsibilities:

- a) Assist 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;
- b) Prepare, safe keep and preserve the integrity of, the minutes of the meetings of the Board and its Committees, as well as other official records of the Corporation;
- c) Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advise the Board and the Chairman on all relevant issues as they arise;
- d) Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its Committees, and the Board and its shareholders and as appropriate its stakeholders.
- e) Advise on the establishment of Board Committees and their terms of reference;
- f) Inform members of the Board, in accordance with the By-laws, of the agenda of their meetings to the extent possible at least five (5) working days in advance, and shall ensure that the members have accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- g) Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent attendance;
- h) Perform required administrative functions;
- i) Oversee the drafting of the By-laws and ensures that they conform with regulatory requirements; and
- j) Perform such other duties and responsibilities as may be provided by law or the appropriate regulatory authority.

## 8. Directorships in Other Boards

The Board shall consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. In any case, the capacity of Directors to diligently and efficiently perform their duties and responsibilities to the Company should not be compromised. A Director should notify the Board before accepting a directorship in another company.

**9. Orientation and continuing education programs and training for directors**

All Directors shall comply with the Company's Training Program for Directors, as set forth in the Corporate Governance Manual of Nickel Asia Corporation (Article III [B][2], on Establishing a Competent Board).

**10. Compensation of Directors**

Directors shall not receive any compensation as such, except for reasonable per diems for attendance at meetings, unless such compensation is provided in the By-Laws or granted by a vote of the stockholders representing at least a majority of the outstanding capital stock of the Company.

**11. Amendment**

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

**12. Miscellaneous**

**12.1. Access to information**

The Board shall have reasonably free and full access to all relevant information, data, records, properties and personnel of the Company.

**12.2. Technical assistance**

The Board may invite such members of Management and other persons to its meetings and may secure independent expert advice as it may deem desirable or appropriate.

**12.3. Effectivity**

This Charter shall take effect when approved by the Board and shall apply retrospectively.

**This Charter of the Board of Directors of Nickel Asia Corporation was adopted by the Board of Directors of the Company on 29 May 2017**

**Attest:**

  
**MANUEL B. LAMORA, JR.**  
Chairman of the Board

  
**BARBARA ANNE Q. VIGALLOS**  
Corporate Secretary

  
**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

## **CHARTER OF THE AUDIT COMMITTEE**

### **I. Introduction**

This Charter of the Audit Committee (the "AC" or the "Committee") of **NICKEL ASIA CORPORATION** (the "Company") sets forth, among others, the purpose, membership, authority, functions, structure, and procedures, which shall guide the Committee as prescribed by the Company's Manual on Corporate Governance (the "Manual"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

### **II. Purpose**

The primary purpose of the Committee is to enhance the Board's oversight capability over the company's financial reporting, internal control system, internal and external audit processes, discharging other duties and powers as may be delegated by the Committee by the Board, and as required under the CG Manual, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and Listing Rules of the Philippine Stock Exchange (PSE).

### **III. Organization**

#### **A. Membership and Qualifications**

1. The Committee shall be composed of at least three (3) appropriately qualified Non-Executive Directors, a majority of whom, including the Chairman, shall be Independent Directors.
2. Members of the Committee must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing, and finance.
3. The office of a Member shall *ipso facto* be vacated:
  - i. if he resigns as a Member of the Committee or of the Board;
  - ii. if he is removed by a resolution of the Board;
  - iii. if he is declared to be incompetent or of unsound mind; or
  - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if he, upon determination by the Board or Nominations Committee, ceases to meet the qualifications for directorship, or becomes disqualified from directorship based on any grounds for disqualification set forth in the Manual.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

## **B. Meetings, Attendance, Escalation, Resolutions, Minutes**

### **1. Meetings, Notice, Quorum**

The Committee shall meet at least once every calendar quarter, preferably prior to regular meetings of the Board, without the presence of the CEO or other management team members. The Chairman may convene special meetings as circumstances require such as when there is a need to take up critical items requiring attention from or approval of the Committee. Special meetings may also be convened upon the request of a majority of the Members of the Committee.

The relevant members of management and the Company's Internal and External Auditors may be invited to attend the meetings to provide the necessary information for the Committee to perform its functions. The Committee shall also meet separately with the External Auditors, the Chief Audit Executive, and members of Management, at least once a year.

Notice of the regular or special meetings of the Committee shall be given at least five (5) days prior to any such meeting unless all Members unanimously waive such notice; provided, however, that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

Notice shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

The presence of a majority of the members of the Committee, whether in person or via teleconference or videoconference conducted in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001, shall constitute a quorum, provided that the majority must always include an Independent, Non-Executive Director.

### **2. Attendance**

The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee. However, only Members are entitled to vote at Committee meetings.

In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

### **3. Escalation**

The Committee shall timely refer to the Board any matter that in the opinion of the Committee should be brought to the attention of the Board, including but not limited to recommendations requiring Board approval and concerns or issues requiring Board action. In this regard, the Board may require the Committee to prepare such reports or issue such certifications that the Board may deem necessary to address recommendations or concerns regarding critical compliance issues.

### **4. Resolutions**

Resolutions by the Committee shall be passed by a simple majority of votes of the Members present at such meeting, provided that a quorum is present at the time the vote was taken.

A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

### **5. Minutes and Records**

The Committee shall appoint a Secretary who shall prepare minutes of meetings and keep records of the Committee.

The Secretary of the Committee shall keep (a) appointments and resignation of the Members; (b) all agenda and other documents sent to the Members; (c) minutes of proceedings and meetings of the Committee; and (d) such other documents as may be necessary in the performance of the Committee's functions.

Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

Minutes of any meeting of the Committee, if signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

### **C. Remuneration**

The Chairman and Members of the Committee shall receive no fees or remuneration in respect of their services in connection with the Committee, or in respect of their attendance at meetings of the Committee except for reasonable per diems authorized and approved by the Board for such purposes. The amount of such per diems shall not be such as it may jeopardize the independence of the Members of the Committee or may reasonably be perceived to interfere with such independence.

#### **D. Authority**

The Committee shall have the appropriate authority to discharge its functions and responsibilities and shall report directly to the Board on its decisions or recommendations. The Committee shall also have the authority to engage external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall, in consultation with the Board, have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

#### **E. Continuing Education and Training**

Members of the Committee shall keep abreast of developments in financial reporting, accounting, corporate governance, legal and regulatory compliance, technology, business risks, and other relevant areas by seeking continuing professional education and training. The education and training may be provided to the Committee by members of Management, the External Auditors, or by third parties recommended by the Chairman, who shall monitor the needs and opportunities for such continuing education.

### **IV. Functions of the Committee**

The Audit Committee is responsible for overseeing the senior management in establishing and maintaining an adequate, effective, and efficient internal control framework. It ensures that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations, and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee has the following functions, among others:

#### **Internal Audit**

- 4.1. Recommend the approval the Internal Audit Charter (IA Charter), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- 4.2. Through the Internal Audit (IA) Department, monitor and evaluate the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting, and security of physical and information assets. Well-designed internal control procedures and processes that will provide a system of checks and balances should be in place in order to (a) safeguard the Company's resources and ensure their effective utilization, (b) prevent occurrence of fraud and other irregularities, (c) protect the accuracy and reliability of the Company's financial data, and (d) ensure compliance with applicable laws and regulations;
- 4.3. Oversee the Internal Audit Department, and recommends the appointment and/or grounds for approval of an internal audit head or Chief Audit Executive (CAE). The Audit Committee should also approve the terms and conditions for outsourcing internal audit services;



- 4.4. Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. For this purpose, he should directly report to the Audit Committee;
- 4.5. Review and monitor the Management's responsiveness to the Internal Auditor's findings and recommendations.

#### **Audit by an Independent External Auditor**

- 4.6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope, and expenses of the audit, and ensure the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts;
- 4.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the non-audit fees paid to the External Auditor in relation to the total fees paid to him and to the Company's overall consultancy expenses. The committee should disallow any non-audit work that will conflict with the External Auditor's duties as such or may pose a threat to his independence<sup>3</sup>. The non-audit work, if allowed, should be disclosed in the Company's Annual Report and Annual Corporate Governance Report;
- 4.8. Review and approve the Interim and Annual Financial Statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices;
  - Areas where a significant amount of judgment has been exercised;
  - Significant adjustments resulting from the audit;
  - Going concern assumptions;
  - Compliance with accounting standards;
  - Compliance with tax, legal and regulatory requirements.
- 4.9. Review the disposition of the recommendations in the External Auditor's management letter;

Further, the Audit Committee shall:

- 4.10. Perform oversight functions over the Company's Internal and External Auditors. It ensures the independence of Internal and External Auditors, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
- 4.11. Coordinate, monitor, and facilitate compliance with laws, rules and regulations; and

- 4.12. Recommend to the Board the appointment, reappointment, removal, and fees of the External Auditor, duly accredited by the Commission, who undertakes an independent audit of the Company and provides an objective assurance on the manner by which the financial statements should be prepared and presented to the stockholders.

## V. Performance Evaluation and Assessment

In order to ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Corporate Governance Code, the Manual, and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance through the self-assessment worksheet provided in the Guidelines, and under the mechanics provided therein.

## VI. Amendment

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

This Charter of the Audit Committee of Nickel Asia Corporation was approved and adopted on 29 May 2017.

Attest:



**FREDERICK Y. DY**  
Chairman of the Audit Committee



**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary



**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

## **CHARTER OF THE NOMINATIONS COMMITTEE**

### **I. Introduction**

This Charter of the Nominations Committee (the "Committee") of **Nickel Asia Corporation** (the "Company") contains the purpose, authority, duties and responsibilities, structure, and procedures of the Committee.

This Charter is adopted pursuant to the Code of Corporate Governance for Publicly Listed Companies (SEC Memorandum Circular No. 19, Series of 2016). The Nominations Committee is tasked to assist the Board in the review of the qualifications of every person nominated to be a Director of the Company. This is in furtherance of the Board's responsibility to ensure that the Company is headed by a competent working Board in order to foster the long-term success of the Company and to sustain its competitiveness and profitability consistent with its corporate objectives and the long term best interest of its shareholders as well as its stakeholders.

### **II. Purpose, Authority, Duties and Responsibilities**

#### **1. Purpose**

The primary purpose of the Committee is to assist the Board in dealing with matters relating to the appointment and removal of directors, to formulate and review the Company's Nomination and Election Policy for the Board's consideration, and to implement such approved Policy.<sup>1</sup>

#### **2. Authority**

- 2.1 The Committee shall report directly to the Board on its decisions or recommendations.
- 2.2 The Committee may require the Management to provide it with corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3 The Committee shall be authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall, in consultation with the Board, have authority to approve all

---

<sup>1</sup> The Nomination and Election Policy of Nickel Asia Corporation is Annex "1" of the Company's Corporate Governance Manual adopted on 29 May 2017.

reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

### **3. Duties and Responsibilities**

The Committee has the following duties and functions among others:

- 3.1 To review the structure, size, balance, and composition of the Board, at least annually, in accordance with the Company's Board Diversity Policy;
- 3.2 To review the Nomination and Election Policy/ies of the Company and to propose amendments, as the Committee may deem appropriate and consistent with Corporate Governance best practices, for the consideration and approval of the Board;
- 3.3 To identify the candidates suitably qualified to become a Director; to provide the Board and the shareholders sufficient biographical details about the nominated candidates in order to enable them to make an informed decision on the selection of individuals nominated as director; and to recommend qualified candidates to shareholders for election;
- 3.4 To make recommendations to the Board on the succession planning for Executive Directors and/or the Chief Executive Officer;
- 3.5 As much as practicable, to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or imposed by the concerned regulatory authorities;
- 3.6 To report annually, in the Annual Corporate Governance Report, the Board's composition under diversified perspectives and monitor the implementation of the Company's Nomination and Election Policy as well as its Board Diversity Policy<sup>2</sup>; and,
- 3.7 To do any such act necessary to enable the Committee to perform its powers and functions under this Charter and as conferred by the Board.

### **III. Composition**

1. The Committee shall consist of at least three (3) members, each of whom, including the Chairman thereof, shall be appointed by the Board.
2. The Chairman must be either an independent non-executive director or the Chairman of the Board.
3. The office of a Member shall *ipso facto* be vacated:

---

<sup>2</sup> The Company's Board Diversity Policy is contained in the Company's Corporate Governance Manual

- 3.1. If he resigns as a Member of the Committee or of the Board;
- 3.2. If he is removed by a resolution of the Board;
- 3.3. If he is declared to be incompetent or of unsound mind; or
- 3.4. If he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Company's Corporate Governance Manual which was adopted on 29 May 2017.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

#### **IV. Committee Procedures**

##### **1. Meetings**

###### **1.1 Frequency**

The Committee shall meet at least once in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

###### **1.2 Notice**

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

###### **1.3 Quorum**

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time, and place as the Chairman may determine.

## **2. Attendance**

2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers, and/or any other persons who have specific responsibility for, interest, or expertise in the subject under review to attend all or part of any meetings of the Committee.

2.2 Members may participate in a meeting through tele/videoconferencing in accordance with the provisions of the relevant circulars and guidelines issued by the SEC.

2.3 In the absence of the Chairman, the remaining Members present shall elect one of the Members to chair the Committee meeting; provided however that there must at all times be a quorum.

## **3. Escalation**

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

## **4. Resolutions**

4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.

4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

## **5. Minutes and Records**

5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.

5.2 The Secretary of the Committee shall keep the following records:

- a. appointments and resignation of the Members;
- b. all agenda and other documents sent to the Members;
- c. minutes of proceedings and meetings of the Committee; and,
- d. such other documents as may be necessary in the performance of the Committee's functions.

5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

#### **V. Policy on the Board Nomination**

The Committee shall be guided by Nomination and Election Policy of Nickel Asia Corporation, which is part of the Company's Corporate Governance Manual.

#### **VI. Remuneration of Members**

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.


#### **VII. Amendment**

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

This CHARTER of the NOMINATIONS COMMITTEE of NICKEL ASIA CORPORATION was adopted and approved on 29 May 2017.

Attest:

Attest:



MANUEL B. ZAMORA, JR.  
Chairman of the Nominations Committee



BARBARA ANNE D. MIGALLOS  
Corporate Secretary



JOSE RODERICK F. FERNANDO  
Chief Compliance Officer



**CHARTER**  
**CORPORATE GOVERNANCE COMMITTEE**

**I. Introduction**

This Charter of the Corporate Governance Committee (the "Committee") of **NICKEL ASIA CORPORATION** (the "Company") sets forth among others the purpose, membership, authority, functions, structure and procedures, which shall guide the Committee as prescribed by the Company's Manual on Corporate Governance (the "Manual"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

**II. Purpose**

The primary purpose of the Committee is to assist the Board in performing the Board's corporate governance duties, and to ensure compliance with and proper observance of corporate governance principles and practices as required under the Manual, the Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and the listing rules of the Philippine Stock Exchange (PSE).

**III. Organization**

**A. Membership and Qualifications**

1. The Committee shall have a minimum of three (3) Members, two (2) of whom shall be Non-Executive Directors and one shall be an Independent Director.
2. The office of a Member shall *ipso facto* be vacated:
  - i. if he resigns as a Member of the Committee or of the Board;
  - ii. if he is removed by a resolution of the Board;
  - iii. if he is declared to be incompetent or of unsound mind; or
  - iv. if he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Manual.

4. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, or rules and regulations as may be prescribed by the applicable regulatory authority.

5. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

## **B. Meetings, Attendance, Escalation, Resolutions, Minutes**

### **1. Meetings**

The Committee shall meet at least twice every calendar year. The Chairman may convene special meetings as circumstances require such as when there is a need to take up critical items requiring attention from or approval of the Committee. Special meetings may also be convened upon the request of a majority of the Members of the Committee.

Notice of the regular or special meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

Notice shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

The presence of a majority of the members of the Committee, whether in person or via teleconference or videoconference conducted in accordance with the provisions of the Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001, shall constitute a quorum, provided that the majority must always include an Independent, Non-executive Director.

### **2. Attendance**

The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or

interest or expertise in, the subject under review to attend all or part of any meetings of the Committee. However, only Members are entitled to vote at Committee meetings.

In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

### **3. Escalation**

The Committee shall timely refer to the Board any matter that in the opinion of the Committee should be brought to the attention of the Board, including but not limited to recommendations requiring Board approval and concerns or issues requiring Board action. In this regard, the Board may require the Committee to prepare such reports or issue such certifications that the Board may deem necessary to address recommendations or concerns regarding critical compliance issues.

### **4. Resolutions**

Resolutions by the Committee shall be passed by a simple majority of votes of the Members present at such meeting, provided that a quorum is present at the time the vote was taken.

A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

### **5. Minutes and Records**

The Committee shall appoint a Secretary who shall prepare minutes of meetings and keep records of the Committee.

The Secretary of the Committee shall keep (a) appointments and resignation of the Members; (b) all agenda and other documents sent to the Members; (c) minutes of proceedings and meetings of the Committee; and (d) such other documents as may be necessary in the performance of the Committee's functions.

Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

Minutes of any meeting of the Committee, if signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

### **C. Remuneration**

The Chairman and Members of the Committee shall receive no fees or remuneration in respect of their services in connection with the Committee or in respect of their attendance at meetings of the Committee, except for reasonable per diems authorized and approved by the Board for such purposes. The amount of such per diems shall not be such as they may

jeopardize the independence of the Members of the Committee or may reasonably be perceived to interfere with such independence.

#### **D. Authority**

The Committee shall have the appropriate authority to discharge its functions and responsibilities and shall report directly to the Board on its decision or recommendation. The Committee shall also have the authority to engage external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee, in consultation with the Board, shall have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

#### **IV. Functions of the Committee**

The Committee shall be tasked to ensure compliance with and proper observance of the corporate governance principles and practices. It shall have the following functions, among others:

##### **4.1. Corporate Governance Framework**

Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Company's size, complexity, and business strategy, as well as its business and regulatory environments;

##### **4.2. Performance Evaluation**

- a) Oversee the periodic performance evaluation of the Board and its committees as well as selected key officers of the Company (Chief Executive Officer; Chief Compliance Officer; Chief Risk Officer and Chief Audit Executive), and conduct an annual self-evaluation of its performance;
- b) Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;

##### **4.3. Training for Directors and Officers**

- a) Recommend continuing education/training programs for directors;
- b) Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- c) Propose and plan relevant trainings for the members of the Board;

##### **4.4. Corporate Governance Policies**

- a) Recommend corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;

**4.5. Functions as Remuneration or Compensation Committee**

- a) Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers consistent with the Company's culture and strategy, as well as the business environment in which it operates.
- b) Assist the Board in aligning the remuneration of key officers and Board members with the long-term interests of the Company. In doing so, the Committee shall assist the Board in formulating and adopting a policy specifying the relationship between remuneration and performance which includes specific financial and non-financial metrics to measure performance.

**V. Performance Evaluation and Assessment**

To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Corporate Governance Code, the Manual and other relevant regulatory requirements, the Committee shall conduct an annual assessment of its performance, principally using a self-assessment worksheet to be developed by the Committee in coordination with the Company's Corporate Governance Officer.

**VI. Amendment**

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

**This Charter of the Corporate Governance Committee of Nickel Asia Corporation was adopted and approved on 29 May 2017.**

**Attest:**

  
**MANUEL B. ZAMORA, JR.**  
Chairman of the Corporate Governance Committee

  
**BARBARA ANNE C. INGALLOS**  
Corporate Secretary

  
**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

and approved by the Board for such purposes, the amount of which shall not be such as may jeopardize the independence of the Members of the Committee or may reasonably be perceived to interfere with such independence.

#### **D. Authority**

The Committee shall have the authority appropriate to discharge its functions and responsibilities and shall report directly to the Board on its decision or recommendation. The Committee shall also have the authority to engage external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

#### **IV. Functions of the Committee**

The Committee is tasked with overseeing the Company's enterprise risk management system, which is integral to an effective corporate governance process and the achievement of a company's value creation objectives. It has the following functions, among others:

- A. Develop a formal enterprise risk management plan which contains the following elements:
  1. Register of risks;
  2. Well-defined risk management goals, objectives and oversight;
  3. Uniform processes of assessing risks and developing strategies to manage prioritized risks;
  4. Designing and implementing risk management strategies; and
  5. Continuing assessments to improve risk strategies, processes and measures.
- B. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee (MROC). The MROC shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and shall assess how the concerned units or offices are addressing and managing these risks;
- C. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The MROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments in the industry that may seriously impact the likelihood of harm or loss;
- D. Advise the Board on its risk appetite levels and risk tolerance limits;
- E. Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impact on the Company's operations;

- F. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- G. Provide oversight over Management's activities in managing financial, regulatory, strategic, operations risks and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and,
- H. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

**V. Performance Evaluation and Assessment**


To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Corporate Governance Code, the Manual and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance principally through a self-assessment worksheet provided by the Corporate Governance Committee.

**VI. Amendment**

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

**This Charter of the Board Risk Oversight Committee of Nickel Asia Corporation was adopted and approved this 29th day of May 2017.**

**Attest:**

  
**FULGENCIO S. FACTORAN, JR.**  
Chairman of the Board Risk Oversight Committee

  
**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary

  
**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

**CHARTER**  
**BOARD RISK OVERSIGHT COMMITTEE**

**I. Introduction**

This Charter of the Board Oversight Risk Committee (the "BROC" or the "Committee") of **NICKEL ASIA CORPORATION** (the "Company") sets forth among others the purpose, membership, authority, functions, structure and procedures, which shall guide the Committee as prescribed by the Company's Manual on Corporate Governance (the "Manual"). The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions, as it may deem necessary and beneficial to the efficient performance of its functions.

**II. Purpose**

The primary purpose of the Committee is to assist the Board in assessing and managing enterprise risks, including financial, regulatory, strategic and operational risks, and ensuring that there is an effective and integrated risk management process developed for the benefit of the Company and its shareholders, and discharging other duties and powers as may be delegated by the Committee by the Board, and as required under the CG Manual, Code of Corporate Governance of the Securities and Exchange Commission (SEC), and the Corporate Governance Guidelines and the listing rules of the Philippine Stock Exchange (PSE).

**III. Organization**

**A. Membership and Qualifications**

1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof, shall be appointed by the Board.
2. The majority of the members of the Committee (the "Members") shall be Independent Directors of the Company, including the Chairman.
3. At least one (1) member of the Committee must have relevant thorough knowledge and experience on risk and risk management.
4. The office of a Member shall *ipso facto* be vacated:
  - 4.1. If he resigns as a Member of the Committee or of the Board;
  - 4.2. If he is removed by a resolution of the Board;
  - 4.3. If he is declared to be incompetent or of unsound mind; or
  - 4.4. If he is subsequently disqualified from becoming a Member.



A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Manual.

5. The Board may, from time to time, vary the composition of the Committee as may be required by the Securities and Exchange Commission (SEC) or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
6. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

## **B. Meetings, Attendance, Escalation, Resolutions, Minutes**

### **1. Meetings, Notice, Quorum**

The Committee shall meet at least twice in a calendar year. The Chairman may convene special meetings as circumstances require, such as when there is a need to take up critical items requiring attention from or approval of the Committee. Special meetings may also be convened upon the request of a majority of the Members of the Committee.

Notice of the regular or special meetings of the Committee will be given at least five (5) days prior to any such meeting being held, unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.

Notice shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with the Secretary of the Committee.

The presence of a majority of the members of the Committee, whether in person or via teleconference or videoconference conducted in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001, shall constitute a quorum, provided that the majority must always include an Independent, Non-executive Director.

### **2. Attendance**

The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee. However, only Members are entitled to vote at Committee meetings.

In the absence of the Chairman and/or an appointed deputy, the remaining Members present shall elect one of the Members to chair the Committee meeting.

### **3. Escalation**

The Committee shall timely refer to the Board any matter that in the opinion of the Committee should be brought to the attention of the Board, including but not limited to recommendations requiring Board approval and concerns or issues requiring Board action. In this regard, the Board may require the Committee to prepare such reports or issue such certifications that the Board may deem necessary to address recommendations or concerns regarding critical compliance issues.

### **4. Resolutions**

Resolutions by the Committee shall be passed by a simple majority of votes of the Members present at such meeting, provided that a quorum is present at the time the vote was taken.

A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held, and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

### **5. Minutes and Records**

The Committee shall appoint a Secretary who shall prepare minutes of meetings and keep records of the Committee.

The Secretary of the Committee shall keep (a) appointments and resignation of the Members; (b) all agenda and other documents sent to the Members; (c) minutes of proceedings and meetings of the Committee; and (d) such other documents as may be necessary in the performance of the Committee's functions.

Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.

Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

### **C. Remuneration**

The Chairman and Members of the Committee shall receive no fees or remuneration in respect of their services in connection with the Committee or in respect of their attendance at meetings of the Committee except for reasonable per diems authorized

and approved by the Board for such purposes, the amount of which shall not be such as may jeopardize the independence of the Members of the Committee or may reasonably be perceived to interfere with such independence.

#### **D. Authority**

The Committee shall have the authority appropriate to discharge its functions and responsibilities and shall report directly to the Board on its decision or recommendation. The Committee shall also have the authority to engage external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

### **IV. Functions of the Committee**

The Committee is tasked with overseeing the Company's enterprise risk management system, which is integral to an effective corporate governance process and the achievement of a company's value creation objectives. It has the following functions, among others:

- A. Develop a formal enterprise risk management plan which contains the following elements:
  1. Register of risks;
  2. Well-defined risk management goals, objectives and oversight;
  3. Uniform processes of assessing risks and developing strategies to manage prioritized risks;
  4. Designing and implementing risk management strategies; and
  5. Continuing assessments to improve risk strategies, processes and measures.
- B. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee (MROC). The MROC shall conduct regular discussions on the Company's prioritized and residual risk exposures based on regular risk management reports and shall assess how the concerned units or offices are addressing and managing these risks;
- C. Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness. The MROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stay abreast of significant developments in the industry that may seriously impact the likelihood of harm or loss;
- D. Advise the Board on its risk appetite levels and risk tolerance limits;
- E. Review at least annually the Company's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impact on the Company's operations;

- F. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Company and its stakeholders;
- G. Provide oversight over Management's activities in managing financial, regulatory, strategic, operations risks and other risk exposures of the Company. This function includes regularly receiving information on risk exposures and risk management activities from Management; and,
- H. Report to the Board on a regular basis, or as deemed necessary, the Company's material risk exposures, the actions taken to reduce the risks, and recommend further action or plans, as necessary.

**V. Performance Evaluation and Assessment**


To ensure that the Committee continues to fulfill its responsibilities in accordance with global best practices and in compliance with the Corporate Governance Code, the Manual and other relevant regulatory requirements, the Committee shall conduct an assessment of its performance principally through a self-assessment worksheet provided by the Corporate Governance Committee.

**VI. Amendment**

This Charter may be amended or repealed, or a new charter be adopted, by resolution of the Committee duly adopted.

**This Charter of the Board Risk Oversight Committee of Nickel Asia Corporation was adopted and approved this 29th day of May 2017.**

**Attest:**

  
**FULGENCIO S. FACTORAN, JR.**  
Chairman of the Board Risk Oversight Committee

  
**BARBARA ANNE C. MIGALLOS**  
Corporate Secretary

  
**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer

**CHARTER OF THE  
RELATED PARTY TRANSACTIONS COMMITTEE**

**I. Introduction**

This Charter of the Related Party Transactions (RPT) Committee (the "Committee") of **Nickel Asia Corporation** (the "Company") sets forth the Committee's purposes, authority, duties and responsibilities, structure and procedures which shall guide the Committee as prescribed by the Company's Corporate Governance Manual (the "2017 CG Manual") adopted pursuant to the Corporate Governance Code for Publicly Listed Companies (SEC Memorandum Circular No. 19, Series of 2016).

The Committee shall conduct an annual review and assessment of this Charter, and recommend to the Company's Board of Directors (the "Board") revisions as it may deem necessary or beneficial to the efficient performance of its functions.

**II. Purpose, Authority, Duties and Responsibilities**

**1. Purpose**

The primary purpose of the Committee is to assist the Board in reviewing all material related party transactions of the Company.

**2. Authority**

- 2.1. The Committee shall report directly to the Board on its decisions or recommendations.
- 2.2. The Committee may require Management to provide it with such corporate records and other documents as may be necessary or appropriate for the Committee to discharge its functions effectively.
- 2.3. The Committee is authorized to obtain external legal and other independent professional firms with relevant experience and expertise, to assist and advise the Committee on matters it considers necessary. The Committee shall in consultation with the Board have authority to approve all reasonable related fees and terms of engagement of the external advisers/consultants, which fees shall be borne by the Company.

**3. Duties and Responsibilities**

The functions of the RPT Committee are provided in the Company's Corporate Governance Manual under Part III(B) and include the following among others:

- 3.1. Evaluate, on a continuing basis, existing relationships between and among businesses and counterparties to ensure that all related parties are regularly identified, RPTs, as defined under the RPT Policy, are monitored, and subsequent

changes in relationships with counterparties (from non-related to related and vice versa) are captured. Related parties, RPTs and changes in relationships should be reflected in the relevant reports to the Board;

- 3.2. Evaluate all material RPTs to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the company are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with these transactions. In evaluating RPTs, the Committee shall take into account, among others, the following:
  - a. The related party's relationship to the Company and interest in the transaction;
  - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
  - c. The benefits to the Company of the proposed RPT;
  - d. The availability of other sources of comparable products or services; and
  - e. An assessment of whether the proposed RPT is subject to terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Company should exercise due diligence in determining a fair price for RPTs;
- 3.3. Report to the Board of Directors on a regular basis, the status and aggregate exposure to each related party, as well as the total amount of exposure to all related parties;
- 3.4. Ensure that transactions with related parties, including write-off of exposure, are subject to a semi-annual independent review or audit process; and
- 3.5. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of RPT policies and procedures.

#### **4. Guidelines:**

In the review and approval of RPT, the Committee shall at all times abide by the following standards:

- 4.1. That the RPT is "fair and at arm's length" as defined under the Company's RPT Policy; and
- 4.2. That the RPT is in the best interest of the Company and its stockholders, based on relevant circumstances which include as follows:
  - a. Basic terms of the transaction and the related party's interest in the transaction;
  - b. Purpose and timing of the transaction;
  - c. Nature of the Company's participation in the transaction;
  - d. Cost basis and other relevant information if involving sale of assets;
  - e. Information on potential counterparties in the transaction including market price for similar products and services;

- f. Description of any provisions or limitations that may be imposed as a result of the transaction; and,
- g. Any potential reputational risk issues that may arise as a result of or in connection with the transaction.

For purposes of this Policy, a Material and/or Significant RPT is defined as a transaction with a Related Party that involves an aggregate amount or value equal to or greater than Fifty Million Pesos (P50,000,000.00) over one (1) calendar year ("Material and/or Significant RPT) or such other amount as the Board may determine upon recommendation of the Committee.

### **III. Composition**

1. The Committee shall have a minimum of three (3) Members, each of whom, including the Chairman thereof, shall be appointed by the Board.
2. The majority of the members of the Committee (the "Members") shall be Independent Directors of the Company.
3. The Chairman of the Committee shall be an Independent Director.
4. The office of a Member shall *ipso facto* be vacated:
  - (i) If he resigns as a Member of the Committee or of the Board;
  - (ii) If he is removed by a resolution of the Board;
  - (iii) If he is declared to be incompetent or of unsound mind; or
  - (iv) If he is subsequently disqualified from becoming a Member.

A Member shall be disqualified from being part of the Committee during the remainder of his tenure if, upon determination by the Board or Nomination Committee, he ceases to meet the qualifications for directorship, or he becomes disqualified from directorship based on any grounds for disqualification set forth in the Corporate Governance Manual.

5. The Board may, from time to time, vary the composition of the Committee as may be required by the SEC or other codes, rules and regulations as may be prescribed by the applicable regulatory authority.
6. The Company's Corporate Secretary or his/her nominee shall be the Secretary of the Committee.

### **IV. Committee Procedures**

#### **1. Meetings**

##### **1.1 Frequency**

The Committee shall meet at least once in a calendar year. In addition, the Committee's Chairman may convene additional meetings at his discretion, and at such other time as the Committee may consider appropriate and necessary to perform its responsibilities.

##### **1.2 Notice**

- a. Notice of any meetings of the Committee will be given at least five (5) days prior to any such meeting being held unless all Members unanimously waive such notice; provided however that the Chairman of the Committee, *motu proprio* or at the request of the Chairman of the Board or of the CEO, may call the meeting at shorter notice when the circumstances so require. Irrespective of the length of notice being given, attendance in a meeting by a Member shall be deemed a waiver of the notice requirement.
- b. Each Member shall give to the Secretary of the Committee a mailing address, an electronic mail address (e-mail) and a facsimile number for the service of notices of meetings of the Committee.
- c. Notice of a meeting of the Committee shall be deemed duly served upon a Member if it is given to him personally, or sent to him by mail, e-mail or facsimile transmission to his address or facsimile number on file with by the Secretary of the Committee.

### 1.3 Quorum

A majority of the members of the Committee shall constitute a quorum, provided that the majority must always include an independent, non-executive director.

If after the lapse of thirty (30) minutes from the scheduled time of the meeting, a quorum is not reached, the meeting shall be adjourned until such date, time and place as the Chairman may determine.

## 2. Attendance

- 2.1 The Committee may invite the Chairman of the Board, other Directors, external advisers and/or any other persons who have specific responsibility for, or interest or expertise in, the subject under review to attend all or part of any meetings of the Committee.
- 2.2 Members may participate in a meeting through tele/videoconferencing in accordance with the provisions of Securities and Exchange Commission Memorandum Circular No. 15 dated November 20, 2001.
- 2.3 Only Members are entitled to vote at Committee meetings.
- 2.4 In the absence of the Chairman, the remaining Members present shall elect one of the Members to chair the Committee meeting.

## 3. Escalation

The Committee shall timely refer to the Board its recommendations or decisions which require ratification or approval by the Board or as it may deem necessary or proper.

## 4. Resolutions

- 4.1 Every resolution of at least a majority of the Members present during the meeting at which a quorum is present shall be valid.
- 4.2 A resolution in writing signed by all Members shall be as valid and effective for all purposes as a resolution of the Committee passed at a meeting of the Committee duly convened, held and constituted. A written notification of confirmation of such resolution in writing sent by a Member shall be deemed to be his signature to such



resolution in writing for such purpose. Such resolution in writing may be signed in counterparts.

## **5. Minutes and Records**

- 5.1 The Secretary of the Committee shall keep full minutes of all Committee meetings. Draft minutes of meetings of the Committee shall be sent to all Members for their comments within a reasonable time after the meeting. Final version of the minutes, duly signed by the Chairman, shall be sent to all Members for their records.
- 5.2 The Secretary of the Committee shall keep the following records:
- a. Appointments and resignation of the Members;
  - b. All agenda and other documents sent to the Members;
  - c. Minutes of proceedings and meetings of the Committee; and,
  - d. Such other documents as may be necessary in the performance of the Committee's functions.
- 5.3 Any such records shall be open for inspection by any Member at reasonable hours on business days. Demands for inspection must be made in good faith and for a legitimate purpose. Any cost arising from the conduct of inspection shall be borne by the Member requesting for inspection.
- 5.4 Minutes of any meeting of the Committee, if purported to be signed by the Chairman of such meeting, or by the Chairman of the next succeeding meeting, shall be conclusive evidence of the proceedings and resolutions of such meeting.

## **V. Remuneration of Members**

Except for the reasonable per diems approved by the Board for such purposes, no fees or other remuneration shall be payable to the Members in respect of their services under this Charter.

No fees or compensation shall be paid directly or indirectly to any Member or his firm for consultancy or advisory services rendered to the Company directly by the Member or indirectly through his firm. However, this prohibition shall not apply to ordinary compensation paid to a Member or his firm in respect of any business relationship or transaction determined to be at arm's length terms and could not materially interfere with or influence the exercise of his independent judgment.

## **VI. Amendment**

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

**This Charter of the Related Party Transactions Committee of Nickel Asia Corporation was adopted and approved on 29 May 2017.**

**Attest:**

**TAKANORI FUJIMURA**  
**Chairman of the Committee**

**BARBARA ANNE C. MIGALLOS**  
**Corporate Secretary**

**JOSE RODERICK F. FERNANDO**  
**Chief Compliance Officer**

Attest:



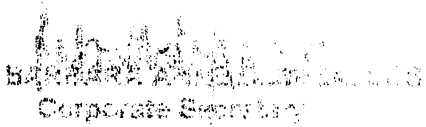
**TAKANORI FUJIMURA**  
Chairman of the Related Party Transactions Committee



**BARBARA ANNE COMISALLOS**  
Corporate Secretary



**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer



**BARBARA ANNE COMISALLOS**  
Corporate Secretary



**JOSE RODERICK F. FERNANDO**  
Chief Compliance Officer