



## **EAGLE CEMENT CORPORATION CHARTER OF THE BOARD OF DIRECTORS**

### **I. INTRODUCTION**

Eagle Cement Corporation (the “Company”) shall be headed by a competent, working Board of Directors to foster long-term success of the Company, 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.

This Charter of the Board of Directors (the “Board Charter”) formalizes and states the composition, roles, responsibilities, and accountabilities of the Board of Directors of the Company in carrying out its fiduciary duties.

This Board Charter also serves as a guide to the directors in the performance and discharge of their functions.

### **II. COMPOSITION**

#### Board Members; Majority of Non-Executive Directors

The members of the Board of Directors shall be eleven (11), and shall be elected in accordance with the by-laws of the Company and applicable laws and regulations.

The directors shall have all the qualifications and none of the disqualifications of a director as set out in the company by-laws, the Manual on Corporate Governance of the Company (the “CG Manual”), and all applicable laws and regulations.

The Board of Directors shall have a collective working knowledge, experience or expertise that is relevant to the Company’s industry and an appropriate mix of competence and expertise.

The Board of Directors shall be composed of a majority of non-executive directors.

#### Board Diversity

Optimal decision-making in the Board of Directors is achieved with board diversity.

Differences in age, skills, industry experience, background, gender, competence and knowledge, and other distinctions between and among directors will be considered and balanced in determining optimum board composition.

The Board of Directors of the Company will include and make effective use of the above differences.

### Independent Directors; Lead Independent Director

An “Independent Director” is a person other than an officer or employee of the Company, its parent or subsidiaries, or any other individual having relationship with the Company, which would interfere with the exercise of independent judgment in the fulfillment of the responsibilities of a director.

The Company shall have at least three (3) Independent Directors, or such number as to constitute at least one-third of the members of the Board of Directors, whichever is higher, or such other number or percentage as may otherwise be required by the Securities and Exchange Commission (SEC).

The Board of Directors shall additionally designate a lead director from the Independent Directors who shall discharge the functions of a lead independent director as provided in the Eagle CG Manual and all applicable laws and regulations.

The Board of Directors shall ensure that its Independent Directors possess all the qualifications and none of the disqualifications of Independent Directors to hold the position at the time of their election and/or re-election as Independent Directors, as provided in the company By-Laws, CG Manual, and all applicable laws and regulations. Each nominee for Independent Director shall submit a certification to this effect, in such form and substance as may be required by the Securities and Exchange Commission, before his election.

### **III. DUTIES AND RESPONSIBILITIES**

#### Board of Directors

The Board of Directors 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. It is responsible for formulating the Company’s vision, mission, strategic objectives, policies, and procedures that shall guide its activities, including the means to effectively monitor Management’s performance.

The Board of Directors shall discharge its functions and perform its responsibilities as set out in the company by-laws, the Eagle CG Manual, and all applicable laws and regulations, with utmost honesty and integrity.

#### Directors

A director’s office is one of trust and confidence. A director shall act in a manner characterized by transparency, accountability and fairness, and in the best interest of the Company and all its shareholders. He shall exercise leadership, prudence and integrity in directing the Company towards sustained progress.

Members of the Board of Directors are duty-bound to apply high ethical standards and act on a full informed basis, in good faith, and with due diligence and care, and in the best interest of the Company and all shareholders and other stakeholders.

To show his full commitment, a director shall devote the time and attention necessary to properly and effectively perform his duties and responsibilities, including sufficient time to be familiar with the Company’s business.

Each director shall discharge his functions and perform his responsibilities as set out in the company by-laws, the Eagle CG Manual, and all applicable laws and regulations.

#### The Chairperson

The Board of Directors shall be headed by a competent and qualified Chairperson.

The positions of Chairperson of the Board of Directors and the Chief Executive Officer shall be held by separate individuals and each shall have clearly defined responsibilities and accountabilities.

The duties and responsibilities of the Chairperson in relation to the Board of Directors may include, among others, the following:

- a) make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Company, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b) guarantee that the Board of Directors receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c) facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
- d) ensure that the Board of Directors sufficiently challenges and inquires on reports submitted and representations made by Management;
- e) assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f) make sure that performance of the Board of Directors is evaluated at least once a year and discussed/followed up on.

#### The Chief Executive Officer

To clearly define and delineate the responsibilities and accountabilities between the Chairman and Chief Executive Officer, the duties and responsibilities of the Chief Executive Officer shall include, among others, the following:

- a) determine the Company's strategic direction and formulates and implements its strategic plan on the direction of the business;
- b) communicate and implement the Company's vision, mission, values, and overall strategy and promotes any organization or stakeholder change in relation to the same;
- c) oversee the operations of the Company and manages human and financial resources in accordance with the strategic plan;
- d) have a good working knowledge of the Company'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 Company's resources prudently and ensure a proper balance of the same;
- g) provide the Board of Directors with timely information and interfaces between the Board of Directors and the employees;
- h) build the corporate culture and motivates the employees of the Company; and
- i) serve as the link between internal operations and external stakeholders.

#### Meetings

The directors shall attend and actively participate in all meetings of the Board of Directors, the board committees, and shareholders in person or through tele-/video-conferencing conducted in accordance with the rules and regulations of the SEC, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent them from doing so. In board and committee meetings, the director shall review meeting materials and, if called for, ask the necessary questions or seek clarifications and explanations.

The presence of a majority of the directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors.

The regular meetings of the Board of Directors shall be held quarterly at such times as may be fixed by resolution of the Board of Directors.

A special meeting of the Board of Directors shall be called by the Chairman, the President, or by the Secretary at the request of any two (2) directors. The notice of a special meeting shall be given at least one week before the meeting date.

#### Independent Directors

Independent Directors shall always attend board meetings. The absence of Independent Directors in board meetings shall not affect the quorum requirement, unless otherwise provided in the by-laws and applicable laws, rules, and regulations. However, the Board of Directors may, to promote transparency, require the presence of at least one Independent Director in all its meetings.

#### Non-Executive Directors

The non-executive directors 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 Company.

The meetings shall be chaired by the Lead Independent Director.

#### **IV. ASSESSMENT**

The Board of Directors shall conduct an annual self-assessment of its performance, including the performance of the Chairperson, the individual members, and the Board Committees, provided, that every three (3) years, the Company shall engage a third party external facilitator to support the Board of Directors in the conduct of the assessments.

The Board of Directors shall have in place a system that provides, at the minimum, criteria and processes to determine the performance of the Board of Directors, the individual directors, and the Board Committees, and such a system shall allow for a feedback mechanism from the shareholders.

#### **V. TRAINING**

The Board of Directors, together with the key officers, the Compliance Officer and such other officers of the Company as the SEC may require, shall attend an annual continuing training on corporate governance (or as often as may be legally required), which shall include courses on the developments in the business and regulatory environments and emerging risks relevant to the Company.

First-time directors shall attend an orientation program to ensure that they are appropriately apprised of their duties and responsibilities before beginning their directorships. The orientation program shall cover SEC-mandated topics on corporate governance and an introduction to the Company's business, articles of incorporation, by-laws, and the Code of Conduct and Ethical Business Policy.

#### **VI. PERFORMANCE EVALUATION; CHARTER REVISION**

The Board of Directors shall periodically assess its effectiveness by comparing its performance with the requirements of this Charter and the CG Manual to ensure compliance with this Charter, the CG Manual, and best practice. The assessment will also form the basis for the formulation of objectives and plans for the improvement its performance.

The Board of Directors shall also review and assess the adequacy of this Charter annually or as conditions dictate to ensure that this Charter is continuously aligned and consistent with its objectives and responsibilities. It shall and approve any revisions as may be necessary.