



## **EAGLE CEMENT CORPORATION**

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## **COMPLIANCE PROGRAM**

### **1. Policy Statement**

Eagle Cement Corporation (ECC) adheres to the highest standards of corporate governance and professionalism in the conduct of its business. To this end, ECC commits that its board of directors, executives, officers and employees, comply with all applicable laws, rules, regulations, orders and issuances (collectively, “laws and regulations”), and ensures that appropriate training and awareness initiatives are in place to facilitate clear understanding of and strict adherence to all relevant laws and regulations.

### **2. Corporate Compliance Structure**

#### a) Board of Directors (The “Board”)

The Board ensures a high standard of best practice for ECC, its stockholders and other stakeholders.<sup>1</sup> It shall conduct itself with honesty and integrity in the performance of its duties and functions, and shall ensure that ECC faithfully complies with all applicable laws and regulations, and the best business practice.

#### b) Corporate Governance Committee (The “Committee”)

The Committee assists the Board in ensuring compliance with, and proper observance of, corporate governance principles and practices.<sup>2</sup> It shall oversee the implementation of the Compliance Program to ensure that it remains appropriate in the light of material changes in the business and regulatory environments. It shall adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented across the organization.

#### c) Compliance Officer (Co)

The CO monitors, reviews, evaluates and ensures the compliance by ECC, its officers and directors with the relevant laws, the Code of Corporate Governance, rules and regulations and all governance issuances of regulatory agencies.<sup>3</sup> The CO assists the management in the development and implementation of policies, procedures, forms and system controls to ensure compliance with relevant laws and regulations.

### **3. Training and Communication**

ECC promotes compliance awareness and a strong compliance culture in ECC by providing and conducting trainings, orientations and activities to educate its employees on company rules and

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<sup>1</sup> Art. 5.2, ECC Manual on Corporate Governance (MCC).

<sup>2</sup> Art. 7.3., MCC.

<sup>3</sup> Art. 6.3, MCC; Recommendation 1.6, Code of Corporate Governance for PLCs (CCG).

policies, and relevant laws and regulations, and to ensure that they conduct themselves in a proper and professional manner.

a) Employee Orientation and Brush-Up Program

ECC's policies, such as the Code of Ethics, Anti-Fraud Policy, Whistleblowing Policy, Gifts and Gratuity Policy, Workplace Ethical Relations Policy, Policy on Anti-Sexual Harassment and Data Privacy Policy, among others, are cascaded to new employees during the onboarding session and to incumbent employees via the annual Brush-up Program.

b) Trainings and Seminars

Selected employees attend trainings and seminars for growth and development, and to be abreast with the developments and updates on relevant laws and regulations, and reportorial requirements, as applicable to their business units and activities.

c) Legal Updates and Advisory

The Legal and Compliance Department (LCD) provides regular updates, compliance advisory and guidance to all concerned units and personnel, including the management, as there are changes and developments in relevant laws and regulations.

#### **4. Continuing Training of the Board**

To promote effective board performance and ensure continuing qualification and education of the directors in carrying out their duties and responsibilities, ECC provides orientation program for first-time directors and relevant annual continuing training for all directors and key officers.<sup>4</sup> The trainings cover relevant topics to ensure that directors are continuously informed of the developments in the business and regulatory environments of ECC.

#### **5. Corporate Governance Performance Assessment**

To determine the performance of the Board, it shall conduct an annual self-assessment of its performance, including the performance of the chairman, individual directors and committees. Every three years, the assessment should be supported by a third-party external facilitator to increase the objectivity of the assessment process.<sup>5</sup>

#### **6. Oversight Monitoring**

a) Reportorial Requirements

To ensure that ECC is compliant with the reportorial requirements of regulatory agencies, the Legal and Compliance Department provides oversight monitoring of all regulatory reports on a monthly, quarterly and annual basis. This compliance oversight is aimed at avoiding any regulatory agency action, fines or sanctions. It also fosters professional accountability on the part of key personnel who are responsible for the proper and timely action and submission of reports.

b) External Communications

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<sup>4</sup> Art. 3.2, MCC.

<sup>5</sup> Recommendation 6.1, CCG.

All written communications and correspondence to and from regulatory agencies shall be handled and/or reviewed by Legal and Compliance Department. It shall ensure that such communications are properly and timely addressed.

c) Contracts and Other Documents

All contracts, documents containing restrictive covenants, letters of comfort, undertakings, guarantees and the like are subject to review or clearance of Legal and Compliance Department. Standard documents and contracts should be reviewed every 2 years to reflect new developments in law and regulations, industry practice and good governance.

**7. Compliance Program Initiatives**

The Compliance Officer shall ensure that ECC has compliance initiatives and activities in accordance with the Compliance Program. The initiatives shall be set at the start of the year and to be updated as there are developments and changes in laws and regulations. The Compliance Officer shall render a report on the accomplishments of the compliance initiatives at the end of the year.

**8. Annual Review**

The ECC Compliance Program shall be subject to annual review to ensure its relevance, adequacy and effectiveness. The Corporate Governance Committee shall oversee the implementation and assessment of the Compliance Program.