



REVISED MANUAL ON CORPORATE GOVERNANCE
OF
CENTURY PROPERTIES GROUP INC.
(Formerly East Asia Power Resources Corporation)
(As Amended on May 29, 2017)

PREAMBLE

CENTURY PROPERTIES GROUP INC.'s ("CPGI" or the "Company") corporate governance of is principally contained in the Company's Articles of Incorporation and By-Laws and their amendments. These constitutive documents has, among others, the basic structure of governance, minimum qualifications of directors, and the principal duties of the Board of Directors and officers of the Corporation. The function of this Manual of Corporate Governance is to supplement and complement the Corporation's Articles and By-Laws by setting forth principles of good and transparent governance.

The Board of Directors and Management of CENTURY PROPERTIES GROUP INC. ("CPGI" or the "Company") hereby commit themselves to the principles and best practices of corporate governance contained in this Manual, and acknowledge that the same may guide the attainment of the Company's corporate goals.

The Philippine Corporation Code lays down the basic legal framework for corporate governance of every Philippine corporation and supplemented by: (1) the Securities Regulation Code (Republic Act No. 8799), (2) the implementing rules and regulations issued by the Securities and Exchange Commission ("SEC" or "Commission"), (3) the Code of Corporate Governance (SEC Memorandum Circular No. 2, Series of 2002),(4) the Revised Code of Corporate Governance (SEC Memorandum Circular No. 6, Series of 2009), and the Amendment to the Revised Code of Corporate Governance (SEC Memorandum Circular No. 9, Series of 2014). All the terms used herein are used with the meanings assigned to them by said laws and implementing rules and regulations. *(As Amended on May 29, 2017)*

ARTICLE 1. DEFINITIONS OF TERMS

Board of Directors	means the collegial body that exercises the corporate powers of all corporations formed under the Corporation Code of the Philippines. It conducts all business and controls or holds all property of the Company. The Board of Directors may sometimes be referred to in this Manual as the “Board”.
Board Committees	means the Audit Committee, Executive Committee, Risk Management and Corporate Governance Committee, Nomination, Compensation and Remuneration Committee and such other committees that the Board may constitute from time to time.
Commission	means the Securities and Exchange Commission of the Republic of the Philippines.
Corporation Code	means Batas Pambansa Bilang 68, otherwise known as the Corporation Code of the Philippines.
Corporate Governance	means the framework of rules, systems and processes in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.
Exchange	means the Philippine Stock Exchange.
Executive Director	means a director who is at the same time appointed to head a department or unit within the Company organization.
Independent Director	means a person other than an officer or employee of the Company, its parent company or subsidiaries, or any other individual having any relationship with the Company, which would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. This means that apart from the directors’ fees and shareholdings, the independent director should be independent of management and free from any business or other relationship which could

materially interfere with the exercise of his independent judgment.

Internal Audit	means an independent and objective assurance activity designed to add value to and improve the corporation's operations, and help it accomplish its objectives by providing a systematic and disciplined approach in the evaluation and improvement of effectiveness of risk management, control and governance processes;
Internal Audit Department	means department or unit of the corporation and its consultants, if any, that provide independent and objective assurance services in order to add value to and improve the corporation's operations;
Internal Auditor	means the position in the corporation responsible for internal audit activities. If internal audit activities are performed by outside service providers, he is the person responsible for overseeing the service contract, the overall quality of these activities, and follow-up of engagement results.
Internal Control	means the system established by the Board of Directors and Management for the accomplishment of the corporation's objectives, the efficient operation of its business, the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;
Internal Control System	means the framework under which internal controls are developed and implemented (alone or in concert with other policies or procedures) to manage and control a particular risk or business activity, or combination of risks or business activities, to which the corporation is exposed;
Management	means the body given the authority to implement the policies determined by the Board of Directors in directing the course of business or business activities of the Company.
Non-executive Director	means a member of the Board with non-executive functions
Non-audit Work	means the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll,

bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor;

ARTICLE 2. OBJECTIVE

This Manual shall institutionalize the principles of good corporate governance in the entire organization of the Company.

The Board of Directors of CPGI believes that corporate governance is a necessary component of what constitutes sound strategic business management. CPGI undertakes every effort necessary to create awareness and promote best governance standards. The Company's Articles of Incorporation and By-laws, including its amendments, constitute the basic structures of governance, primary duties of the Board of Directors and Officers while the Manual of Corporate Governance supplements these Articles of Incorporation and By-laws in setting forth the principles of good and transparent governance. The company has only one class of shares and each share carries one vote.

The Board of Directors and the Officers ensures adherence to mandated regulatory compliances, corporate principles and best practices. The corporate powers, business and property of the corporation are exercised and controlled by the Board of Directors. The Company follows and adheres to the following policies under the revised Amended Corporate Governance Manual as submitted to the Honorable Commission on July 2014 in compliance with SEC Memo 9 series 2014.

It is the primary duty of the Board of Directors to promote shareholders' rights. The Management on the other hand is responsible for guiding the Company towards its goals. The Chief Compliance Officer oversees the Corporate Compliance Program, functioning as an independent and objective body that reviews and evaluates compliance issues and concerns within the Company. The Compliance Officer ensures that relevant and accurate information are timely disclosed to the stockholders, the investing public and regulatory agencies, and ensures that the Board of Directors, management and employees are in compliance with the rules and regulations of regulatory agencies, that company policies and procedures are being followed, and that behavior in the organization meets the company's Standards of Conduct.

ARTICLE 3. GOVERNANCE

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with the Board's fiduciary responsibility, which the Board shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. (As amended on July 31, 2014 and May 31, 2017)

A. Composition of the Board

As per the Amended By-laws of the Corporation, the Board of Directors shall be composed of TEN (10) members who are elected by the stockholders.

The Company shall have at least two (2) independent directors or such number of independent directors that constitute twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2).

The membership of the Board shall be a combination of executive and non-executive directors (which include independent director) in order that no director or small group of directors can dominate decision-making process.

The non-executive directors should possess such qualifications and stature that would enable them to effectively participate in deliberations of the Board.

B. Multiple Board Seats

The Chief Executive Officer and other executive directors of the Company shall submit themselves to a low indicative limit on membership in other corporate boards, within the limit as may be allowed by the Securities Regulations Code and relevant rules on Corporate Governance. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. An exception to this rule may be applied to memberships in the corporate boards of subsidiaries or affiliates of the Company. In any case, the capacity of directors to serve the Company with diligence shall not be compromised. (As Amended on May 31, 2017)

C. The Chairman and Chief Executive Officer

The roles of the Chair and CEO shall, as much practicable, be separate to foster an appropriate balance of power, increased accountability and better capacity for independent decision making by the Board. A clear delineation of functions shall be made between the Chair and CEO upon their election.

However, if the positions of Chair and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.

The duties and responsibilities of the Chair in relation to the Board shall include, among others the following:

- (1) Ensure that the meetings of the Board are held in accordance with the By-laws or as the Chair may deem necessary;
- (2) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors; and
- (3) Shall maintain qualitative and timely lines of communication and information between the Board and Management

D. Qualifications of Directors

The company strives to promote diversity within the Board. Positions which are not taken up by the major shareholders are filled by members who have relevant experience and can bring ideas and opinions that is both beneficial for the Company and its shareholders.

The qualifications of directors shall be in accordance with the qualifications for membership provided for in the Corporation Code, Securities Regulation Code and other relevant laws which include among others, the following:

- (1) The candidate shall be a holder of at least one (1) share of stock of the Company;
- (2) The candidate shall at least be a college graduate or shall have sufficient experience in managing the business of the Company to substitute and compensate for such formal education;
- (3) The candidate shall be at least twenty-one (21) years of age;

- (4) The candidate shall possess proven integrity and probity;

Independent Directors

An independent director shall mean a person other than an officer or employee of the corporation, its parent or its subsidiaries, or any other individual having a relationship with the corporation as would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Company's Independent Directors have confirmed to the Corporate Secretary that they do not hold any interests affiliated with the Company, or any of the controlling shareholders at the time of their appointment and election.

Qualifications of Independent Directors:

Apart from the regular qualifications of the Directors of the Company as mandated by the Corporation Code and relevant rules, the company's independent directors should be well versed in corporate matters, experts in the field of financial, law and industry matters. They should have the adequate understanding of the real estate industry and competence in managing relevant industry and professional organizations.

Term of Office of Independent Directors

In compliance with the SEC Memorandum circular no 9 series of 2011, the Company's independent director has a term limit of five years. After the 5 year term limit, a two year (2) grace period is implemented with no term limits.

E. Disqualification of Directors

(1) Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

- a. Any person finally convicted judicially of any offense involving moral turpitude or fraudulent acts or transgressions;
- b. Any person finally found by the Commission or court of law or administrative body to have wilfully violated, or wilfully aided, abetted, counselled, induced or procured the violation of, any provision of the Securities Regulation Code, the Corporation Code, or any other law

administered by the Commission or the Bangko Sentral ng Pilipinas, or any rule, regulation or order of the Commission or the Bangko Sentral ng Pilipinas;

- c. Any person judicially declared to be insolvent;
- d. Any person finally found guilty by a foreign court or tribunal or equivalent financial regulatory authority of acts, violations or misconduct similar to any of the acts, violations or misconduct enumerated in the foregoing paragraphs a, b, and c;
- e. Conviction by final judgment of an offense punishable by imprisonment for a period exceeding six (6) years, or a violation of the Securities Regulation Code or the Corporation Code committed within five (5) years prior to the date of the director's nomination, election or appointment; and
- f. If the independent director becomes an officer or employee of the Company, such independent director shall be automatically disqualified from being an independent director.

(2) Temporary Disqualification

Any of the following shall be a ground for the temporary disqualification of a director:

- a. Refusal to fully disclose the extent of his business interests as required by the Securities Regulation Code and its implementing Rules and Regulations. This disqualification shall be in effect as long as the director's refusal persists;
- b. Absence or non-participation for whatever reason for more than fifty percent (50%) of all Board meetings, both regular or special, of a member of the Board of Directors during his incumbency, or any twelve (12) month period during said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification applies for purposes of the succeeding election;
- c. Dismissal or termination from directorship in another listed corporation for cause. This disqualification shall be in effect until he has cleared himself of any involvement in the alleged irregularity;
- d. Being under preventive suspension by the Company, if and executive director;

- e. Conviction of any of the grounds for the disqualification of directors that has not yet become final; and
- f. Beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates of more than two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. Failure to do so for unjustified reasons shall disqualify the director permanently.

F. RESPONSIBILITIES, DUTIES AND FUNCTIONS OF THE BOARD

(1) General Responsibility

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in a manner consistent with the Board's fiduciary responsibility, including the means to effectively Management's performance, which the Board shall exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities.

(2) Duties and Functions

To insure a high standard of best practice for the Company, its shareholders and stakeholders, the Board shall: (as amended on July 31, 2014)

- a. Install, through the Nomination and Remuneration Committee, a process of selection that will ensure a mix of competent directors and officers;
- b. Determine the Company's purpose, its mission and vision, and strategies to carry out the Company's objectives;
- c. Ensure that the Company complies with all relevant laws, rules and regulations, and codes of best business practices;

- d. Appoint a Compliance Officer who shall have the rank of at least vice president, In the absence of such appointment, the Corporate Secretary and/or the Assistant Corporate Secretary shall act as Compliance Officer.
- e. Identify the Company's **major and other stakeholders**, and formulate a clear policy on communicating or relating with them through an effective investor relations program; (as amended on July 31, 2014)
- f. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the corporation. If feasible, the corporation's CEO or Chief Financial Officer shall exercise oversight responsibility over this program
- g. Adopt a system of internal checks and balances;
- h. Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the corporation and its parent company, joint venture, subsidiaries, associates, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- i. Identify key risk areas and key performance indicators, and monitor these factors with due diligence;
- j. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- k. Proper discharge Board functions by meeting regularly. Independent views during the Board meetings shall be given due consideration and all such meetings shall be duly minuted; and
- l. Keep Board authority within its powers, as prescribed in the Articles of Incorporation and By-Laws of the Company and in relevant laws, rules and regulations.
- m. Establish and maintain an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.

G. Specific Duties and Responsibilities of a Director

A director's office is one of trust and confidence. A director shall act in a manner characterized by transparency, accountability and fairness. He should exercise leadership, prudence and integrity in directing the corporation towards sustained progress.

A director shall have the following duties and responsibilities:

- (1) Conduct fair business transactions with the Company, and ensure that personal interest does not bias the Board decisions;
- (2) Devote time and attention necessary to properly discharge his duties and responsibilities;
- (3) Act judiciously;
- (4) Exercise independent judgment;
- (5) Have a working knowledge of the statutory and regulatory requirements affecting the Company including the contents of the Company's Articles of Incorporation and By-Laws, the requirements of the Commission, and the requirements of their regulatory agencies;
- (6) Observe confidentiality; and
- (7) Ensure the continuing soundness, effectiveness and adequacy of the Company's control environment.

H. Internal Control Responsibilities of the Board

The control environment of the Company consists of (a) the Board which ensures that the Company is properly and effectively managed and supervised; (b) a Management that actively manages and operates the Company in a sound and prudent manner; (c) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (d) an independent audit mechanism to monitor the adequacy and effectiveness of the corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

- (1) The minimum internal control mechanisms for the performance of the Board's oversight responsibility may include:

- a. Definition of the duties and responsibilities of the CEO who is ultimately accountable for the corporation's organizational and operational controls;
 - b. Selection of the key personnel who possesses the ability, integrity and expertise essential for the position of CEO;
 - c. Evaluation of proposed management appointments;
 - d. Selection and appointment of qualified and competent management officers; and
 - e. Review of the Company's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.
- (2) The Board shall oversee the establishment of internal systems of organizational and operational controls of the Company best suited for its industry.
- (3) Establish an internal audit system that shall assure the Board, Management and stockholders that its key organizational and operational controls are faithfully complied with. The Board may appoint an Internal Auditor to perform audit function, and may require him to report to a level in the organization that allows internal audit activity to fulfil its mandate. The Internal Auditor shall be guided by the International Standards on Professional Practice of Internal Auditing.

The Internal Auditor shall report to the Audit Committee.

- (a) The minimum internal control mechanisms for management's operational responsibility shall center on the Chief Executive Officer, being ultimately accountable for the Company's organizational and procedural controls.
- (b) The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors: the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance. These factors shall be taken into consideration every review, or in the event of total revision, of the Company's Controller's Policies and Procedure Manual.

I. Board Meetings and Quorum Requirement

The members of the Board shall attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the Commission.

Independent directors shall always attend Board meetings. Unless otherwise provided in the by-laws, in their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one independent director in all its meetings.

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

J. Remuneration of Directors and Officers

The levels of remuneration of the Company shall be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on the corporate or individual performance.

The Company shall establish a formal and transparent procedure for the development of a policy on executive remuneration or determination of remuneration levels for individual directors or officers depending on the particular needs of the Company. No director should participate in deciding on his remuneration.

The Company's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

To protect the funds of the Company, the Commission may, in exceptional cases, e.g., when the Company is under receivership or rehabilitation, regulate the payment of the compensation, allowances, fees and fringe benefits of its directors and officers.

K. Board Committees

In order to ensure the compliance by the Company with the principles of good governance, the Board shall constitute the following committees:

1. Nomination and Remuneration Committee

The Board shall create a Nomination and Remuneration Committee which shall have at least three (3) members of the Board and one (1) non-voting member in the person of the Human Resources Director or Manager and/or a qualified appointee of the Board who shall have the rank of VP.

The Nomination and Remuneration Committee shall pre-screen and shortlist all candidates nominated to become a member of the Board of Directors, in accordance with the minimum qualifications and disqualifications hereunder set forth. The Nomination and Remuneration Committee may include additional qualifications and disqualifications as it may deem fit for good corporate governance.

In consultation with the Board or the executive or management committees, re-define the roles, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirements of the business as a going concern and further expansionary prospects of the Company within the realm of good governance at all times, if the need arises.

The Nomination and Remuneration Committee shall consider the following in the determination of the number of directorships in other corporations for the members of the Board:

- (a) The nature of the business of the corporation in which the director is also a member of the board;
- (b) The age of the director;
- (c) The number of directorships or active memberships and officerships in other corporations or organizations; and
- (d) Possible conflict of interest.

The optimum number shall be related to the capacity of a director, on a case-to-case basis, to perform his duties diligently in general.

The Chief Executive Officer and other executive directors of the Company shall submit themselves to a low indicative limit on membership in other corporate boards. The same low limit shall apply to independent, non-executive directors who serve as full-time executives in other corporations. An exception to this rule may be applied to memberships in the corporate boards of subsidiaries or affiliates of the Company. In any case, the capacity

of directors to serve the Company with diligence shall not be compromised.

The nomination and Remuneration Committee shall further have the following duties and responsibilities relating to compensation and remuneration of the directors, corporate officers and senior management:

- (a) Establish a formal and transparent procedure for developing a policy on executive remuneration packages of corporate officers and directors and for fixing the remuneration packages of individual directors and corporate officers;
- (b) Provide oversight over remuneration of senior management and other key personnel;
- (c) Ensure that the compensation and remuneration for the directors, officers, and senior management is consistent with the Company's culture, strategy and control environment;
- (d) Designate amount of remuneration which shall be in a sufficient level to attract and retain directors and officers who are needed to run the Company successfully;
- (e) Develop a form on Full Business Interest Disclosure as part of the pre-employment requirements for all incoming officers. It shall, among others, compel all officers to declare under the penalty of perjury all their existing business interests or performance of duties once hired;
- (f) Disallow any director to decide his or her own remuneration;
- (g) Provide in the Company's annual reports and information or proxy statements a clear, concise and understandable disclosure of compensation of its executive officers for the previous fiscal year and ensuing year;
- (h) Regularly review the existing Personnel Policy Manual of the company in order to strengthen the provisions on conflict of interest, salaries, and benefits policies, promotion and career advancement directives and compliance of personnel concerned with all statutory requirements that must be periodically met in their respective posts.

2. Audit Committee

The Audit Committee shall be composed of at least three (3) members of the Board, one (1) of whom shall be an independent director who shall serve as the Chairman of the Committee and another with audit experience. Each member shall have adequate understanding at least or competence at most of the Company's financial management systems and environment. The chairman of the Audit Committee must be an independent director of the Company.

The Audit Committee shall have the following functions:

- (a) Check all financial reports against its compliance with both the internal financial management handbook and pertinent accounting standards, including regulatory requirements;
- (b) Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risks of the Company, and crisis management;
- (c) Pre-approve all audit plans, scope and frequency one (1) month before the conduct of external audit;
- (d) Perform direct interface functions with internal and external auditors;
- (e) Elevate to prevalent international standard the accounting and auditing processes, practices and methodologies of the Company, and develop the following in relation to this duty:
- (f) A definitive timetable within which the accounting system of the Company will be one hundred percent (100%) compliant with the International Accounting Standards (IAS); and
- (g) An accountability statement that will specifically identify officers and personnel directly responsible for the accomplishment of such task;
- (h) Regularly review and improve, if necessary, the Company's Controller's Policies and Procedures Manual, in order to provide for a transparent financial management system that will ensure the integrity of internal control activities throughout the Company and the entire organization; and
- (i) Recommend to the stockholders the external auditor of the Company.

3. Executive Committee

The Executive Committee shall be composed of all Executive Directors of the Company, with the Chairman and CEO acting as Chairman for this Committee. The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, shall act by majority vote of all its members on such specific matters within the competence of the Board of Directors as may from time to time be delegated to the Executive Committee in accordance with the Corporation's By-Laws, except with respect to:

- a.) approval of any action for which shareholders' approval is also required;
- b.) the filling of vacancies on the Board or in the Executive Committee;
- c.) the amendment or repeal of By-Laws or the adoption of new By-Laws;
- d.) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable;
- e.) the distribution of cash dividends;
- f.) the exercise of powers delegated by the Board exclusively to other committees, if any.

4. Risk Management and Corporate Governance Committee

The Risk Management and Corporate Governance Committee shall be composed of four (4) members of the Board, at least one of whom should be an Independent Director, and shall also be composed of non-voting members which shall include the Company's Chief Finance Officer, Head of the Risk Management and the Chief Compliance Officer.

The Risk Management and Corporate Governance Committee assists the Board of Directors in fulfilling its responsibility for oversight of the organization's risk management and corporate compliance and governance processes. It reviews and endorses to the Board changes or amendments to the company's policies, as well as the adequacy and effectiveness of the Company's enterprise risk management process. The Risk Management Committee provides a report to the Board on its assessment of the effectiveness of the risk management process and reviews reports from

Internal Audit with regard to the independent validation of compliance with the approved Risk Policy and assessment of current state of Risk Management framework.

Specifically, Risk Management and Corporate Governance Committee shall have the following functions:

- a.) exercise oversight of management's responsibilities, and review the risk profile of the organization to ensure that risk is not higher than the risk appetite determined by the board.
- b.) ensure that the Company is taking appropriate measures to achieve prudent balance between risk and reward in both ongoing and new business activities in compliance as well to the Corporate Governance policies.
- c.) assist the Board in setting risk strategies, policies, frameworks, models and procedures in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and reporting.
- d.) review and assess the quality, integrity and effectiveness of the risk management and compliance systems and ensure that the risk policies and strategies are effectively managed
- e.) provide oversight, identify and assesses significant social, ethical and environmental interdependencies that might impact on the long-term business objective of the Company to be recognized as a responsible and sustainable Corporation in the real estate property sector;
- f.) Guide policy-making in the Corporation's sustainability program, and ensure full Corporation support and alignment with the Company's subsidiaries and affiliates' commitment to sustainable development;
- g.) review and recommend the implementation of structures and procedures to facilitate the Board's independence from management and to avoid conflicts of interest;
- h.) monitor relationships between senior management and the Board, and recommend procedures to allow directors to have access to, and an effective relationship with, senior management;

L. The Corporate Secretary

The Corporate Secretary is an officer of the Company, and perfection on performance and no surprises are expected of him. As a corporate officer, his loyalty to the mission, vision and specific business objectives of the Company come with his duties.

The Corporate Secretary shall be a Filipino citizen and a resident of the Philippines.

The Corporate Secretary must possess administrative and interpersonal skills. The Corporate Secretary must also possess some financial and accounting skills, as well as some legal skills, if not a lawyer.

The Corporate Secretary must possess a working knowledge of the statutory and regulatory requirements applicable to and affecting the Company, including the contents of the Company's Articles of Incorporation and By-Laws, as may be amended from time to time, the requirements of other regulatory agencies.

1. The Corporate Secretary shall have the following duties and responsibilities

(a) Be responsible for safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the corporation;

(b) Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Company;

(c) As to the agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting;

(d) Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations;

(e) Attend all Board Meetings and maintain a record of the same; and

(f) Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of directors during Board meetings.

Work fairly and objectively with the Board, Management, stockholders and other stakeholders.

M. The Compliance Officer

In order to insure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. The Compliance Officer shall have direct reporting responsibilities to the Chairman of the Board.

1. The Compliance Officer shall perform the following duties:
 - (a) Monitor the Company's compliance with the provisions and requirements of this Manual, the Code of Corporate Governance and the rules and regulations of other regulatory agencies, and if any violations are found, report the matter to the Board of Directors;
 - (b) Appear before the Commission upon summon on related matters that need to be clarified by the Commission;
 - (c) Determine any violation of the Manual and recommend penalty for such violation, subject to the review and approval of the Board;
 - (d) Issue a certification no later than January 30 of every year on the extent of the Company's compliance with this Manual for the preceding completed year, and explaining the reasons for the Company's deviation from the Manual; and
 - (e) Identify, monitor and control compliance risks.

The appointment of the Compliance Officer shall be immediately disclosed to the Commission on SEC Form 17-C. All correspondence relative to the functions of the Compliance Officer shall be addressed to the Compliance Officer.

ARTICLE 4: ADEQUATE AND TIMELY INFORMATION

To enable the members of the Board to properly fulfil their duties and responsibilities, Management should provide them with complete, adequate and timely information about the matters to be taken in their meetings.

Reliance on information including the background or explanation on matters brought before the Board, disclosures, budgets, forecasts and internal financial documents volunteered by Management would not be sufficient in all circumstances and further inquiries may have to be made by a member of the Board to enable him to properly perform his duties and responsibilities, hence, members should be given independent access to Management and the Corporate Secretary.

The members, either individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advise at the company's expense.

ARTILCE 5: ACCOUNTABILITY AND AUDIT

A. The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the corporation's performance, position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provide all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management shall formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and internal control in accordance with the following guidelines:

- (1) The extent of its responsibility in the preparation of the financial statements of the corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained;
- (2) An effective system of internal control that will ensure the integrity of the financial reports and protection of the assets of the Company for the benefit of all stockholders and other stakeholders shall be maintained;
- (3) On the basis of the approved audit plans, internal audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of controls that cover the corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, laws, rules and regulations;
- (4) The Company shall consistently comply with the financial requirements of the Commission;
- (5) The external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company, should be changed with the same frequency.

B. The board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the Commission who shall undertake an independent audit of the Company, and shall provide an objective assurance on the

manner by which the financial statements shall be prepared and presented to the stockholders.

The External Auditor shall have the following guidelines for good governance:

- (1) The external auditor shall ensure transparency in the financial records and reports of the Company. The external auditor shall be selected and appointed by the stockholders of the Company, upon recommendation of the Audit Committee.
- (2) The reason/s for resignation, dismissal or cessation from service and the date thereof of the external auditor shall be reported in the Company's annual and current reports. The said reports shall include a discussion of any disagreement with the former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- (3) The external auditor of the Company shall not at the same time provide for the services of an internal auditor to the Company. The Company shall ensure that other non-audit work performed by the external auditor shall not be in conflict with its functions as external auditor.
- (4) The Company's external auditor shall be rotated, or the handling partner be changed every five (5) years or earlier.
- (5) If the external auditor believes that the statements made in the Company's annual report or information or proxy statement filed during his engagement is incorrect or incomplete, the external auditor shall present his views in said report or statement.

ARTICLE 6: STOCKHOLDERS' RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTERESTS

The Company recognizes that the most cogent proof of corporate governance is that which is visible to the eyes of its shareholders. Therefore, the provisions hereunder are issued for the guidance of all internal and external parties concerned, as governance covenant between the Company and all its shareholders.

A. For the protection of shareholders and minority interests, the Board shall be committed to respect the following rights of the stockholders:

- (1) **Voting Right**

- (a) Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts, in accordance with the Corporation Code.
- (b) Cumulative voting shall be used in the election of directors.
- (c) A director shall not be removed without cause, if it will deny minority shareholders of representation in the Board.

(2) **Pre-Emptive Right**

All stockholders shall have pre-emptive rights, unless the same is denied in the Articles of Incorporation, or an amendment thereto, of the Company. All stockholders shall have the right to subscribe to the capital stock of the Company. The Articles of Incorporation shall lay down the specific rights and powers of the shareholders with respect to the particular shares they hold, all of which shall be protected by law so long as they shall not be in conflict with the Corporation Code.

(2) **Power of Inspection**

Subject to reasonable restrictions in accordance with the Corporation Code and jurisprudence, all shareholders shall be allowed to inspect the corporate books and records of the Company, including minutes of Board meetings and stock registries, and shall be furnished with annual reports, including financial statements, without cost.

(3) **Right to Information**

(a) The shareholders shall be provided, upon request, with periodic reports which disclose personal and professional information about the directors and officers of the Company, and certain other matters such as the directors' and officers' holdings of the Company's shares, dealings with the Company, relationships among directors and key officers of the Company, and the aggregate compensation of the directors and officers.

(b) The minority shareholders shall have the right to propose the holding of a stockholder's meeting, and the right to propose items in the agenda of the meeting, provided that the items in the agenda are for legitimate business purposes. Legitimate business purposes shall include information on matters under the immediately succeeding subsection.

(c) The minority shareholders shall have access to any and all information relating to matters for which the management is accountable for and should disclose to the shareholders.

5. **Right to Dividends**

(a) All shareholders shall have the right to receive dividends, subject to the discretion of the Board.

(b) The Company shall be compelled to declare dividends when its retained earnings shall be in excess of one hundred percent (100%) of its paid-in capital stock except in the following cases:

(b.1) When justified by definite corporate expansion projects or programs approved by the Board, or

(b.2) When the Company is prohibited under any loan agreement with any financial institution or creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured, or

(b.3) When it can be clearly shown that such retention is necessary under special circumstances obtaining in the Company, such as when there is a need for a special reserve for probable contingencies.

6. **Appraisal Right**

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

(a) In case an amendment to the Articles of Incorporation of the Company has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respects superior to those of outstanding shares of any class, or of extending or shortening the term of corporate existence;

(b) In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and

(c) In case of merger or consolidation.

- B. It shall be the duty of the Board to promote shareholder rights, remove impediments to exercise of shareholders' rights, and allow possibilities to seek redress for violation of their rights. The Board shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. The Board shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions, subject to legal constraints.

ARTICLE 7: GOVERNANCE SELF-RATING FORM

The Board shall create an internal self-rating system that can measure the performance of the Board and Management in accordance with the criteria provided for in this Code.

The creation and implementation of such self-rating form, including its salient features, may be disclosed in the corporation's annual report.

ARTICLE 8: REPORTORIAL OR DISCLOSURE SYSTEM OF COMPANY'S CORPORATE GOVERNANCE POLICIES

The essence of corporate governance is transparency. The more transparent the internal workings of the Company are, the more difficult it will be for Management and dominant stockholders to mismanage the Company or misappropriate its assets.

It is therefore essential that all material information about the corporation which could adversely affect the viability or the interest of the Company's stockholders and other stakeholders shall be publicly and timely disclosed. Information shall include but not limited to earnings results, acquisition or disposition of assets, off balance sheet transactions, related party transactions and direct and indirect remuneration of the Board and Management.

The Board shall therefore commit at all times to full disclosure of materials information dealings. It shall cause the filings of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders. (as amended on July 31, 2014 and May 31, 2017)

The following are the guidelines of the Company's disclosure system:

- A. The reports or disclosures required under this Manual shall be prepared and submitted to the Commission by the responsible committee or officer through the Company's Compliance Officer

- B. All material information shall be publicly disclosed. Material information shall be anything that could potentially affect share price, and shall include earnings results, acquisition or disposal of assets, board changes, related party transactions, shareholdings of directors and changes in ownership.
- C. Other information that shall always be disclosed includes remuneration, including stock options, of all directors and senior management and off-balance sheets transactions.
- D. All disclosed information shall be released via the approved stock exchange procedure for company announcements, as well as through the current and annual reports.
- E. The Board shall commit at all times to fully disclose material information dealings. The Board shall cause the filing of all required information for the interest of the stakeholders.

ARTICLE 9: COMMITMENT TO GOOD CORPORATE GOVERNANCE

The Board of Directors and its Senior Management shall establish and implement this Manual on Corporate Governance in accordance with the SEC Revised Code of Corporate Governance. The rules embodied in this manual shall be used as reference by the members of the Board and Management.

The following are the guidelines for the effective implementation of this Manual:

A. COMMUNICATION PROCESS

- (1) This Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.
- (2) All directors, executives, and division and department heads of the Company are tasked to ensure the thorough dissemination and communication of this Manual to all employees and related parties and to enjoin compliance in the process.
- (3) An adequate number of printed copies of this Manual must be reproduced by the Human Resources Department, or its equivalent, of the Company, with a minimum of at least one (1) hard copy of the Manual for every department.

B. TRAINING PROCESS

- (1) If necessary, funds shall be allocated for the purposes of conducting an orientation program or workshop to operationalize this Manual
- (2) A director shall, before assuming as such, be required to attend a seminar on corporate governance which shall be conducted by a duly recognized private or government institute.

C. MONITORING AND ASSESSMENT

(1) Each Committee shall report regularly to the Board of Directors.

(2) The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer to employee to the penalty provided under Article 11 of this Manual.

(3) The establishment of such evaluation system, including the features thereof, shall be disclosed in the Company's Annual Report (SEC Form 17-A). The adoption of such performance evaluation system must be covered by Board approval.

(4) This Manual shall be subject to annual review, unless the same frequency is amended by the Board.

(5) All business processes and practices being performed within any department or business unit of the Company that are not consistent with any portion of this Manual shall be revoked, unless upgraded to compliant extent.

ARTICLE 10: REGULAR REVIEW OF THE MANUAL AND SCORECARD

To monitor the compliance of CPGI with this Manual, Commission shall require the Company to accomplish annually a scorecard on the scope, nature and extent of the actions of the Board and Senior Management to meet the objectives of this Manual.

The Commission shall periodically review this Code to ensure that it meets its objectives.

ARTICLE 11: ADMINISTRATIVE SANCTIONS

A fine of not more than Two Hundred Thousand Pesos (PHP200,000) shall, after due notice and hearing, be imposed by the Commission for every year that a covered corporation violates the provisions of this Code, without prejudice to other sanctions that the Commission may be authorized to impose under the law; provided, however, that any violation of the

Securities Regulation Code punishable by a specific penalty shall be assessed separately and shall not be covered by the abovementioned fine.

For the strict observance and implementation the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Company's directors, officers, employees, and subsidiaries and affiliates and their respective directors, officers and employees, in case of violation of any of the provisions of this Manual:

- a. In case of first violation, the subject person is reprimanded.
- b. In case of second violation, suspension from office shall be imposed. The duration of the suspension shall depend on the gravity of the violation; and
- c. For third violation, the maximum penalty of removal from office shall be imposed.

The commission of a third violation of this Manual by any member of the Board of the Company or its subsidiaries or affiliates shall be a sufficient cause for removal from directorship in the Company and the Company's subsidiaries.

The Compliance Officer shall be responsible for determining any violation, through notice and hearing, and shall recommend to the Chairman of the Board the impossible penalty for such violation, subject to further review and approval of the Board.

ARTICLE 12: EFFECTIVE DATE

The effective date of this Manual includes the provisions of SEC Memorandum Circular No. 6, Series of 2009 as of July 15, 2009, provisions of SEC Memorandum Circular No 9 Series of 2014 and **SEC Memorandum Circular No. 19 Series of 2016** and are hereby incorporated by way of reference and made integral parts hereof.

CENTURY PROPERTIES GROUP INC.

By:

JOSE E.B. ANTONIO
Chairman of the Board

JOSE L. CUISIA, JR.
Independent Director

JOSE MARCO R. ANTONIO
Director

STEPHEN T. CUUNJIENG
Independent Director

JOSE ROBERTO R. ANTONIO
Director

CARLOS C. EJERCITO
Independent Director

JOSE CARLO R. ANTONIO
Director

JOHN VICTOR R. ANTONIO
Director

RAFAEL G. YAPTINCHAY
Director

RICARDO P. CUERVA
Director