

JUSTIFICATIONS FOR THE RETENTION OF CHIEF JUSTICE ARTEMIO V. PANGANIBAN AND DR. JAIME C. LAYA AS INDEPENDENT DIRECTORS, AFTER SERVING THE MAXIMUM CUMULATIVE TERM OF NINE (9) YEARS (RECKONED FROM 2012) PRESCRIBED UNDER SEC MC NO. 4-2017

"The wealth of experience of Chief Justice Panganiban and Dr. Jaime Laya as shown by their educational and professional background will contribute immensely to the corporate objectives of the Company with due observance of good corporate governance.

**Chief Justice Artemio V. Panganiban** was named a Justice of the Supreme Court and in 2005, he was appointed Chief Justice of the Philippines—a position he held until December 2006. He was named a Member of the Permanent Court of Arbitration based in The Hague, Netherlands.

Upon his retirement, he was unanimously conferred a Plaque of Acclamation by the Associate Justices of the Supreme Court as the "Renaissance Jurist of the 21st Century;" and an Award of Honor by the Philippine Bar Association. In recognition of his role as a jurist, lawyer, civic leader, Catholic lay worker, business entrepreneur and youth leader, he had been the recipient of over 250 other awards from various governments, civic clubs, consumer associations, bar groups, religious movements and other non-government organizations, both local and international.

He obtained his Associate in Arts, "With Highest Honors" and later his Bachelor of Laws, as *cum laude* and "Most Outstanding Student" from the Far Eastern University. He placed sixth among more than 4,200 candidates who took the 1960 Bar examinations. He is likewise the recipient of several honorary doctoral degrees from various universities.

Given his unique educational and professional background, Independent Director Chief Justice Panganiban is able to effectively guide and judiciously counsel the Board on the Company's issues and matters concerning compliance with all pertinent laws, jurisprudence, codes of best business practices and good corporate governance.

Independent Director Chief Justice Panganiban diligently reviews all matters for approval by the Board and asks necessary probing questions on them, and seeks clarifications and explanations when necessary. Independent Director Chief Justice Panganiban has been instrumental in resolving management, legal and regulatory related issues which is primarily attributable to his exceptional legal background and experience.

**Dr. Jaime C. Laya**, on the other hand, was Minister of Budget, 1975-1981; Minister of Education, Culture and Sports, 1984-86; Chairman of the Monetary Board and Governor, Central Bank of the Philippines, 1981-1984; Chairman, National Commission for Culture and the Arts, 1996-2001. He was faculty member of the University of the Philippines, 1957-1978 and Dean of the College of Business Administration, 1969-1974. In 1986, he founded J.C. Laya & Co., Ltd. (Certified Public Accountants and Management Consultants) later the Philippine member firm of KPMG International; he served as the firm's Chairman until his retirement in 2004. Dr. Laya earned his Bachelor of Science in Business Administration, *magna cum laude*, University of the Philippines, 1957; Master of Science in Industrial Management, Georgia Institute of Technology, 1960; Doctor of Philosophy in Financial Management, Stanford University, 1966. He is a Certified Public Accountant.

Due to Independent Director Dr. Laya's unique financial and accounting background he is able to effectively oversee the company's financial and internal and external audit processes. He is able to lead the Audit Committee to provide a general evaluation and assistance in the overall improvement of the risk management, control and governance process of the Company. During the meetings of the Audit Committee Independent Director Dr. Laya evaluates the audit plans, and programs and evaluates significant issues reported by the Internal Audit and External Auditor relating to the efficiency and effectiveness of policies and controls of the Company.

Independent Director Dr. Laya has been instrumental in resolving audit and risk related issues that only a person with his sterling qualifications can offer the Board of Directors.

As Independent Directors, Chief Justice Panganiban and Dr. Jaime C. Laya provide and/or give due consideration to independent views during Board Meetings. They recommend sound strategic advice on programs relating to the Corporation's business plans and Management's overall performance. They participate on critical matters before the Board and the Board Committees of which they are members. They ensure that their personal interests do not bias their vote on matters submitted for the approval of the Board.

Both Independent Directors Dr. Jaime Laya and Chief Justice Artemio V. Panganiban have shown unquestionable integrity, probity and independence in the exercise of their functions as Chairman and Member of the Audit and Risk Management Committee, respectively."