

**INTER-OFFICE
MEMORANDUM**

TO : **RSBA, CTDI and BDP EMPLOYEES**
FROM : **QUALITY ASSURANCE UNIT**
CC : RSB, RAD, PGP, PRDG, MGG, ADB, GJM, RASB, RGA
DATE : AUGUST 4, 2015
SUBJECT : **RECOMMENDED BEST CORPORATE GOVERNANCE PRACTICES**

On April 6, 2015, SEC posted an advisory applicable to all publicly-listed companies regarding recommended best corporate governance practices. The Commission highly recommends the following practices:

- The Chairman of the Board and the Chief Executive Officer (CEO) should be separate individuals;
- The Chairman of a publicly-listed company (PLC) should not have been the company's CEO in the last three (3) years;
- Independent and non-executive directors should not hold more than five (5) concurrent board seats in PLCs;
- At least one (1) female independent director should be elected;
- The Notice of the Annual Stockholders' Meeting should be released at least twenty eight (28) days before the meeting;
- The Audited Financial Reports should be released within sixty (60) days from the end of the fiscal year;
- The Nominating Committee should be comprised entirely of independent directors;
- The company should use professional search firms or external sources of candidates when searching for candidates to the board directors;
- The company should have a separate board level Risk Committee;
- Independent non-executive directors should make up at least 50% of the board of directors;
- The term limit of its independent directors should be limited to nine (9) years from the date of first appointment; and
- The company's reporting framework should be consistent with either the Global Reporting Initiative (GRI) or International Integrated Reporting Council (IIRC).

For your reference and guidance.

Prepared by:

(Original Signed)

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