



# Philippine Sugar Corporation

Rm. 1405-A, Security Bank Centre, 6776 Ayala Avenue, Makati City  
Telephone No. 856-4477/830-0317 (Fax)

## FORMAL CHARTER OF EXPECTATIONS FOR PHILSUCOR BOARD OF DIRECTORS

Consistent with the requirements under GCG Memorandum Circular No. 2012-07, entitled "Code of Corporate Governance for GOCCs", we, the undersigned incumbent directors of the Philippine Sugar Corporation do hereby commit to be guided by, and act in accordance with, the following good corporate governance principles and obligations:

1. *Commitment to Institutionalize the Principles of Corporate Governance.* We shall exert our best effort, knowledge and skills to be able to institutionalize the principles of good governance in the entire organization of Philsucor. We shall all observe, abide by, implement the principles of good corporate governance in operating and managing the affairs of the company, and commit to adhere to its Manual on Code of Corporate Governance to guide us in the achievement of its corporate goals.

2. *Governing Principles of Good Corporate Governance of Philsucor.* In line with Philsucor's vision to serve as a key player in ensuring the viability, stability and growth of the country's sugar industry, we shall exercise the duties and functions of our office as follows:

- (a) We shall promote transparency, accountability and fairness in Philsucor, and we shall conduct its business with utmost degree of professionalism, effectiveness, efficiency, and strictly in accordance with the rule of law and consistent with the primary goals and objectives of the government;
- (b) We shall act in the best interest of Philsucor, with utmost good faith, prudence and integrity in all our dealings, and shall apply sound business principles to ensure the financial soundness of the company;
- (c) We shall ensure the exercise extraordinary diligence in the conduct of the business of Philsucor and in dealing with its properties;
- (d) We shall adopt effective and strategic steps towards achieving Philsucor's objectives, maintaining an efficient and effective Board and Management, that are at all times, accountable to the company and its stakeholders;
- (e) We shall actively cooperate with Philsucor's stakeholders in creating or maintaining sustainable and financially sound enterprise, that would thereby provide business dynamics, job opportunities, and the sustainability in the sugar industry;
- (f) We shall make timely and accurate disclosures of all material aspects and phases of its operations, including its financial condition, performance, and governance; and
- (g) We shall uphold and protect the stakeholders' rights of Philsucor by, among others, ensuring the equitable treatment of its stakeholders and clientele.

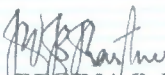
3. *Recognized Expectations.* In the performance of the duties and functions of our office, it is to be expected from us that we shall at all times:

- (a) Remain fit and proper for our positions for the duration of our term;
- (b) Act honestly and in good faith, in the best interest of Philsucor. We shall not compromise our independent judgment and decisions with our own personal

interests. We shall not use our positions to gain profit or acquire benefit or advantage for ourselves or our related interests. We shall avoid situations that would compromise our impartiality;

- (c) Devote sufficient time, attention and effort to familiarize ourselves with the business of Philsucor. We shall constantly apprise ourselves of the conditions, developments, concerns of the Philippine sugar industry, to enable us to significantly contribute in the managing the affairs of Philsucor;
- (d) Attend and actively participate in the Board, Committee and Management meetings, request and review meeting materials, and thoroughly evaluate the issues, facts and circumstances, to arrive at judicious, independent and effective, actions and decisions on matters brought before us;
- (e) Exercise extraordinary diligence in the conduct of business and in dealing with the affairs and properties of Philsucor. Such degree of diligence requires using the utmost diligence of very cautious person with due regard to all circumstances;
- (f) Observe the confidentiality of material information acquired by reason of our positions as directors of Philsucor;
- (g) Establish and institute adequate internal control mechanisms for good governance in Philsucor;
- (h) Ensure continuing soundness, effectiveness and adequacy of Philsucor's control environment; and
- (i) Observe and impose strict compliance with this Manual.

Approved by the Board of Directors of Philsucor during its Regular Meeting on 02 April 2014 in Makati City.


  
**MA. REGINA B. MARTIN**  
Chairperson

  
**ROBERTO G. ABELLO**  
Director

  
**TEOTIMO A. BALLESTEROS, JR.**  
Director

  
**RAYMOND T. GOMEZ**  
Director

  
**JOSEPH EDGAR M. SARROSA**  
Director

  
**RENATO B. SALVATIERRA**  
President/CEO

  
**AUGUSTO B. ARANETA, JR.**  
Director

  
**JOSEPH CONRAD F. LEDESMA**  
Director

  
**ANDREW O. REGALADO**  
Director

  
**CORNELIO V. TOREJA**  
Director

  
**FREDDIE W. ZAYCO**  
Director