

COVER SHEET

A S 9 2 0 0 6 4 4 1

SEC Registration Number

S O C R E S O U R C E S , I N C .

(Company's Full Name)

4 t h F l r . E N Z O B l d g . 3 9 9 S e n .

G i l P u y a t A v e M a k a t i C i t y

(Business Address: No., Street City / Town / Province)

Ronna C. De Leon

Contact Person

804-1977/804-1978

Company Telephone Number

REVISED CODE OF CORPORATE GOVERNANCE 2017

FORM TYPE

(last Friday of May)

1 2

Month

3 1

Day

Fiscal Year

0 5

Month

2 6

Day

Annual Meeting

Not Applicable

0Secondary License Type, If Applicable

Dept Requiring this Doc

Amended Articles Number / Section

Total Amount of Borrowings

363

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document ID

Cashier

STAMPS

Remarks: Please use BLACK ink for scanning purposes

REVISED CODE OF CORPORATE GOVERNANCE OF SOCRESOURCES, INC.

The Board of Directors and Management of SOCResources, Inc. (the "Corporation") hereby commit themselves to the principles and best practices contained in this Revised Manual on Corporate Governance (the "Manual"), and acknowledge that the same may guide the attainment of their corporate goals. This Manual is adopted pursuant to Securities and Exchange Commission (the "SEC") Memorandum Circular No. 19, Series of 2016, and the Code of Corporate Governance for Publicly-Listed Companies, (the "CG Code"). This Manual supersedes the Corporation's Manual on Corporate Governance adopted on 24 July 2014.

OBJECTIVE

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

The Board of Directors and Management, employees and stockholders, believe that corporate governance is a necessary component of what constitutes sound strategic business management and will therefore undertake every effort necessary to create awareness within the organization.

DEFINITION OF TERMS

1. *Board of Directors* or *Board* – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.
2. *Corporate governance* – the system of stewardship and control to guide organizations in fulfilling their long-term economic, moral, legal and social obligations towards their stakeholders.

Corporate governance is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior – reconciling long-term customer satisfaction with shareholder value – to the benefit of all stakeholders and society.

Its purpose is to maximize the organization's long-term success, creating sustainable value for its stockholders, stakeholders, and the nation.

3. *Controlling shareholder* – an individual who holds shares in the Corporation to such extent that he possesses, whether direct or indirect, the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise.
4. *Enterprise Risk Management* - a process, effected by an entity's Board of Directors, management and other personnel, applied in strategy setting and across the enterprise that is designed to identify potential events that may affect the entity, manage risks to be within

its risk appetite, and provide reasonable assurance regarding the achievement of the entity objectives.

5. *Exchange* – an organized market place or facility that brings together buyers and sellers, and executes trades of securities and/or commodities;
6. *Executive director* – a director who has executive responsibility of day-to-day operations of a part or the whole of the organization; An executive director is also the head of a department or unit of the Corporation or performs any work related to its operation.
7. *Independent director* – a person who is independent of management and the controlling shareholder, and is free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director.
8. *Internal audit* – 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.
9. *Internal auditor* – the highest 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.
10. *Internal audit department* – a 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.
11. *Internal control* – a process designed and effected by the Board of Directors, senior management, and all levels of personnel to provide reasonable assurance on the achievement of objectives through efficient and effective operations; reliable, complete and timely financial and management information; and compliance with applicable laws, regulations, and the organization's policies and procedures.
12. *Internal control system* – 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.
13. *Management* – a group of executives given the authority by the Board to implement the policies it has laid down in the conduct of the business of the Corporation.
14. *Non-audit work* – 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.

15. *Non-executive director* – a director who has no executive responsibility and does not perform any work related to the operations of the Corporation;
16. *Related Party* – shall cover the Corporation’s subsidiaries, as well as affiliates and any party (including their subsidiaries, affiliate and special purpose entities), that the Corporation exerts direct or indirect control over or that exerts direct or indirect control over the Corporation; the Corporation’s directors; officers; stockholders and related interests (“DOSRI”), and their close family members, as well as corresponding persons in affiliated companies. This shall also include such other person or juridical entity whose interest may pose a potential conflict with the interest of the Corporation.
17. *Related Party Transactions* – a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with an unrelated party that subsequently becomes a related party.
18. *Stakeholders* – any individual, organization or society at large who can either affect and/or be affected by the Corporation’s strategies, policies, business decisions and operations, in general. This includes, among others, customers, creditors, employees, suppliers, investors, as well as the government and community in which it operates.

RULES OF INTERPRETATION

- a) All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.
- b) All doubts or questions that may arise in the interpretation or application of this manual shall be resolved in favor of promoting transparency, accountability and fairness to the stockholders and investors of the corporation.

I. THE BOARD’S GOVERNANCE RESPONSIBILITIES

1. Establishment of a Competent Board of Directors

The Board is primarily responsible for the compliance with the principles of good corporate governance of the Corporation. The Corporation shall be headed by a competent, working Board to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with the interest of its stockholders and other stakeholders. Corollary to setting the policies for the accomplishment of the Corporation’s objectives, it shall provide an independent check on Management.

1.1 Composition of the Board

The Board shall be composed of five (5) members who shall be elected by the Corporation's stockholders annually, and shall hold office for one (1) year and until their successors are elected and qualified in accordance with the Corporation's By-laws. The Board shall be composed of directors with a collective working knowledge, experience or expertise that is relevant to the Corporation's business.

Out of the five (5) members of the Board, two (2) or such number equivalent to twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2), shall be Independent Directors as defined in Article 5 hereof.

The membership of the Board may be a combination of executive and non-executive directors (the "NEDs"), which include Independent Directors, in order that no director or small group of directors can dominate the decision-making process. However, the Board may be composed of a majority of NEDs who possess the necessary qualifications to effectively participate and help secure objectives, independent judgment on corporate affairs and to substantiate proper checks and balances.

The Corporation shall determine the qualifications of NEDs which will enable them to effectively participate in the deliberations of the Board and carry out their roles and responsibilities as such.

1.2 Training

The Corporation shall ensure that the directors shall be properly oriented upon joining the Board. The Corporation shall provide a comprehensive eight (8) hour orientation program for first-time directors and an annual four (4) hour continuing training for existing directors.

The orientation program for first-time directors covers Securities and Exchange Commission (the "SEC") mandated topics on corporate governance and an introduction to the Corporation's business, Articles of Incorporation, and Code of Conduct.

The annual continuing training program shall aim to continuously inform the directors of the developments in the business and regulatory environments, including emerging risks relevant to the Corporation. The annual continuing training program may include courses on controls, risk management, sustainability and strategy.

1.3 Board Diversity

The Corporation believes that a diversity of Board members will promote the development of better corporate governance. Thus, the Corporation shall adopt a Board diversity policy that shall be tailored to its requirements. The diversity policy shall promote different perspectives and ideas and diminish instances of groupthink to improve the Board's decision-making process.

1.4. Corporate Secretary

The Board shall be assisted by the Corporate Secretary, who shall be a separate individual from the Compliance Officer. The Corporate Secretary shall not be director of the Corporation.

The Corporate Secretary shall have the following duties and responsibilities:

- a. Assist the Board and the Board Committees in the conduct of their meetings and ensure that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval, including preparing an annual schedule of Board and its committees to set agendas for those meetings;
- b. Inform the members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- c. Attend all board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him from doing so;
- d. Safekeeping and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation;
- e. Be loyal to the mission, vision, and objectives of the Corporation;
- f. Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and Management, the Board and its committees, and the Board and its stakeholders, including stockholders;
- g. Have appropriate administrative and interpersonal skills;
- h. Possesses reasonable knowledge of the law and must keep abreast on relevant laws, all governance issuances, rules and regulations necessary in the performance of his duties and responsibilities, industry developments and advises the Board and the Chairman on all relevant issues as they arise;
- i. Have a working knowledge of the operations of the Corporation;
- j. Give advice on the establishment of Board Committees and their terms of reference;

- k. Ensure that all Board procedures, rules and regulations are strictly followed by the members;
- l. Perform required administrative functions;
- m. Oversee the drafting of the by-laws and ensures that they conform with regulatory requirements;
- n. Perform such other duties and responsibilities as may be provided by the SEC.

1.5. Compliance Officer

To ensure compliance, the Board shall be assisted in its duties by a Compliance Officer who shall have a rank of Senior Vice President or an equivalent position. He shall report directly to the Chairman of the Board.

The Compliance Officer shall have the following duties and responsibilities:

- a. Ensure proper onboarding of new directors (i.e. orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);
- b. Monitor, review, evaluate and ensure the compliance by the Corporation, its officers and directors with the relevant laws, this Code, rules regulations and all governance issuances of regulatory agencies;
- c. Report the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- d. Ensure the integrity and accuracy of all documentary submissions to regulators;
- e. Appear before the SEC when summoned in relation to compliance with this Code;
- f. Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- g. Identify possible areas of compliance issues and works towards the resolution of the same;
- h. Ensure the attendance of board members and key officers to relevant trainings; and
- i. Perform such other duties and responsibilities as may be provided by the SEC.

2. Roles and Responsibilities of the Board

The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the Corporation's articles and by-laws, and other legal pronouncements and guidelines shall be clearly made known to all directors as well as to stockholders and other stakeholders.

2.1. Duties and Responsibilities

The Board members shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all its stockholders. To ensure the best standard of corporate governance practice, the Board shall have the following duties and responsibilities:

- a. Oversee the development of and approve the Corporation's business objectives and strategy, and monitor the implementation, in order to sustain the Corporation's long-term viability and strength;
- b. Ensure and adopt an effective succession planning program for the directors, key officers, and management to ensure growth and a continued increase in the stockholders' value. The said program shall include the retirement age of the said directors, key officers and management unless otherwise decided by the Board;
- c. Align the remuneration of key officers and Board members with the long-term interests of the Corporation. In doing so, it shall formulate and adopt a policy specifying the relationship between remuneration and performance. Further, no director shall participate in discussion or deliberations involving his own remuneration;
- d. Ensure that there is a group-wide policy and system governing Related Party Transactions and other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality. The policy shall include the appropriate review and approval of material or significant Related Party Transactions, which guarantee fairness and transparency of the transactions. The policy shall encompass all entities within the Corporation, taking into account their size, structure, risk profile and complexity of operations;
- e. Assess the selection and performance of the Management led by the Chief Executive Officer (the "CEO"), and control functions led by their respective heads (Chief Risk Officer, Chief Compliance Officer, and Chief Audit Executive);
- f. Establish an effective performance management framework that will ensure that the Management, including the CEO, and personnel's performance is at par with the standards set by the Board and Senior Management;

- g. Ensure that an appropriate internal control system is in place, including setting up a mechanism for monitoring and managing potential conflicts of interest of Management, Board members, and stockholders. The Board shall also adopt the Internal Audit Charter;
- h. Oversee that a sound Enterprise Risk Management framework is in place to effectively identify, monitor, assess and manage key business risks. The Enterprise Risk Management framework shall guide the Board in identifying units or business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies;
- i. Adopt a Board Charter which formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary duties. The Board Charter shall serve as a guide to the directors in the performance of their functions; and
- j. Perform such other duties and responsibilities as may be assigned by the SEC.

2.2 The Chairman of the Board

The Board shall be headed by a competent and qualified Chairman. The roles of the Chairman and CEO should, as much as 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 should be made between the Chairman and the CEO upon their election.

If the positions of Chair and CEO are unified, the proper checks and balance should be laid down to ensure that the Board gets the benefit of independent views and perspectives.

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

- a. Ensure that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- b. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
- c. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;

- d. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by management;
- e. Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
- f. Ensure that performance of the Board is evaluated at least once a year and discussed or followed up on.

2.3. Nomination and Election of Board of Directors

The Corporate Secretary shall set a reasonable period (the "Nomination Period") for the submission of nominations of candidates for the election to the Board of Directors. All nominations for directors submitted in writing to the Corporate Secretary within such nomination period shall be valid. A stockholder of record, including a minority stockholder, entitled to notice of and to vote at the regular and special meeting of the stockholders for the election of directors shall be qualified to be nominated as a director, subject to Sections 2.4 and 2.5 hereof.

The Corporate Governance Committee shall meet, screen and check the qualifications of, and deliberate on all persons nominated to be elected to the Board of Directors from the nominated candidates submitted by the stockholders. The Corporate Governance Committee shall prepare a Final List of Candidates after evaluating the qualifications and disqualifications set forth in the succeeding sections. The list shall contain all the relevant information about the nominees.

The stockholders shall vote for the directors found in the Final List of Candidates. The election of directors shall be through the manner provided in the Corporation's by-laws.

2.4. Qualifications of Directors

In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities Regulation Code and other relevant laws, the Board may provide for additional qualifications which include, among others, the following:

1. College education or equivalent academic degree;
2. Practical understanding of the business of the corporation;
3. Membership in good standing in relevant industry, business or professional organizations; and
4. Previous business experience.

2.5. Disqualification of Directors

1. Permanent Disqualification – The following shall be grounds for the permanent disqualification of a director:

- (a) Any person convicted by final judgment or order by a competent judicial or administrative body of any crime that:
 - (i) Involves the purchase or sale of securities, as defined in the Securities Relation Code;
 - (ii) Arises out of the person's conduct as an underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; or
 - (iii) Arises out of his fiduciary relationship with a bank, quasi-bank, trust, corporation, investment house or as an affiliated person of any of them.
- (b) Any person who, by reason of misconduct, after hearing, is permanently enjoined by a final judgment or order of the Securities and Exchange Commission (the "Commission") or any court or administrative body of competent jurisdiction from:
 - (i) Acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual and fund dealer, futures commission merchant, commodity trading advisor, or floor broker;
 - (ii) Acting as director or officer of a bank, quasi-bank, trust company, investment house, or investment company;
 - (iii) Engaging in or continuing any conduct or practice in any of the capacities mentioned in subparagraphs (a) and (b) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if (a) such person is the subject of an order of the SEC, the Bangko Sentral ng Pilipians (the "BSP") or any court or administrative body denying, revoking or suspending any registration, license or permit issued to him under the Corporation Code, Securities Regulation Code or any other law administered by the SEC or the BSP; (b) such person has otherwise been restrained to engage in any activity involving securities and banking; or (c) such person is currently the subject of an effective order of a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

- (c) A person convicted by final judgment or order by a court or competent administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
- (d) Any person who has been adjudged by final judgment or order of the Commission, court, or competent administrative body to have willfully violated, or willfully added, abetted, counseled, induced or procured the violation of any provision of the Corporation Code, Securities Regulation

Code or any other law administered by the Commission or BSP, or any of its rule, regulation or order;

- (e) Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation;
 - (f) Any person judicially declared as insolvent;
 - (g) Any person found guilty by final judgment or order of a foreign court or equivalent financial regulatory authority of acts, violations, or misconduct similar to any of the acts, violations or misconduct enumerated in subparagraphs (i) to (v) above;
 - (h) Conviction by final judgment of an offense punishable by imprisonment for more than six (6) years, or a violation of the Corporation Code committed within five (5) years prior to the date of his election or appointment; or
 - (i) Other grounds as the SEC may provide.
2. Temporary Disqualification – The following shall be grounds for the temporary disqualification of a director:
- (a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulation. The disqualification shall be in effect as long as the refusal persists.
 - (b) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his incumbency, or any twelve (12) month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification shall apply for purpose of the succeeding election.
 - (c) Dismissal or termination for cause as director of any corporation covered by this Code. The disqualification shall be in effect until he has cleared himself from any involvement in the cause that gave rise to his dismissal or termination.
 - (d) If the beneficial equity ownership of an independent director in the corporation or its subsidiaries and affiliates exceeds two percent (2%) of its subscribed capital stock. The disqualification shall be lifted if the limit is later complied with.
 - (e) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.

A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.

2.6. Meetings of the Board

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 SEC.

Independent Directors should always attend Board meetings. Unless otherwise provided in the By-laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.

To monitor the Director's compliance with the attendance requirements, the Corporation shall submit to the SEC, on or before 30 January 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.

3. Establishing Board Committees

In order to support the effective performance of the Board's functions, the Corporation shall establish Board Committees that shall focus on specific board functions to aid in the optimal performance of its roles and responsibilities.

All established committees shall have a Committee Charter that shall outline the respective duties and responsibilities of each committee which shall be fully disclosed on the Corporation's website.

3.1. The Audit Committee

The Audit Committee shall be responsible for overseeing the senior management in establishing and maintaining adequate, effective and efficient internal control framework. It shall ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets.

The Audit Committee shall consist of at least three (3) directors, who shall preferably have accounting and finance backgrounds, one of whom shall be an independent director and another with audit experience. The chair of the Audit Committee should be an independent director. The committee has the following functions:

- (a) Recommend the approval of the Internal Audit Charter (the "IA Charter"), which formally defines the role of Internal Audit and the audit plan as well as oversees the implementation of the IA Charter;
- (b) Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring of compliance with applicable laws, rules and regulations;
- (c) Provide oversight over the Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This

- function shall include regular receipt from the Management of information on risk exposures and risk management activities;
- (d) Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other, and that both auditors are given unrestricted access to all records, properties and personnel to enable them to perform their respective audit functions;
 - (e) Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation. The plan shall include the audit scope, resources and budget necessary to implement it;
 - (f) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit, and ensure proper coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts;
 - (g) Organize an internal audit department, and consider the appointment of an independent internal auditor and the terms and conditions of its engagement and removal;
 - (h) Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system including financial reporting control and information technology security;
 - (i) Review the reports submitted by the internal and external auditors;
 - (j) Review the quarterly, half-year and annual financial statements before their submission to the Board with particular focus on the following matters:
 - (i) Any change/s in accounting policies and practices;
 - (ii) Areas where a significant amount of judgment has been exercised;
 - (iii) Significant adjustments resulting from the audit;
 - (iv) Going concern assumptions;
 - (v) Compliance with accounting standards; and
 - (vi) Compliance with tax, legal and regulatory requirements.
 - (k) Coordinate, monitor and facilitate compliance with laws, rules and regulations;
 - (l) Evaluate and determine the non-audit work, if any, of the external auditor; and review periodically the non-audit fees paid to the external auditor in relation to their significance to its total annual income and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work, if allowed, should be disclosed in the Corporation's annual report;
 - (m) In case the Corporation does not have a Board Risk Oversight Committee and/or Related Party Transactions Committee, performs the functions of said committee;
 - (n) Meet with the Board at least every quarter without the presence of the CEO or other management team members, and periodically meets with the head of the internal audit; and
 - (o) Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities. He shall functionally report directly to the Audit Committee.

The Audit Committee shall ensure that in the performance of the work of the Internal Auditor, he shall be free from interference by outside parties.

3.2. The Corporate Governance Committee

The Corporate Governance Committee (the “CG Committee”) is tasked to assist the Board in the performance of its corporate governance responsibilities. The CG Committee shall be composed of at least three (3) members, majority of whom should be independent directors, including the Chairman. The CG Committee is tasked with ensuring compliance with and proper observance of corporate governance principles and practices.

The CG Committee shall have the following duties and responsibilities:

- (a) Oversee the implementation of the corporate governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation’s size, complexity and business strategy, as well as its business and regulatory environments;
- (b) Oversee the periodic performance evaluation of the Board and its committees as well as executive management, and conducts an annual self-evaluation of its performance;
- (c) Ensure that the results of the Board evaluation are shared, discussed, and that concrete action plans are developed and implemented to address the identified areas for improvement;
- (d) Recommend continuing education/training programs for directors, assignment of tasks/projects to board committees, succession plan for the board members and senior officers, and remuneration packages for corporate and individual performance;
- (e) Propose and plan relevant trainings for the members of the Board;
- (f) Determine the nomination and election process for the Corporation’s directors and define the general profile of board members that the Corporation may need taking into consideration the appropriate knowledge, competencies and expertise that complement the existing skills of the Board; and
- (g) Establish a formal and transparent procedure to develop a policy for determining the remuneration of directors and officers that is consistent with the Corporation’s culture and strategy as well as the business environment in which it operates.

3.3. The Board Risk Oversight Committee

The Board Risk Oversight Committee (the “BRO Committee”) shall be responsible for the oversight of the Corporation’s Enterprise Risk Management system to ensure its functionality and effectiveness. The BRO Committee shall be composed of at least three (3) members, the majority of whom shall be independent directors, including the Chairman of the Board or any other committee. At least one (1) member of the committee must have relevant thorough knowledge and experience on risk and risk management.

The BRO Committee has the following duties and responsibilities, among others:

- a. Develop a formal enterprise risk management plan which contains the following elements: (a) common language or register of risks; (b) well-defined risk management goals, objectives and oversight; (c) uniform processes of assessing risks and developing strategies to manage prioritized risks; and (d) designing and implementing risk management strategies, processes and measures;
- b. Oversee the implementation of the enterprise risk management plan through a Management Risk Oversight Committee. The BRO Committee shall conduct regular discussions on the Corporation's prioritized and residual risk exposures based on regular risk management reports and assess how the concerned units or offices are addressing and managing these risks;
- c. Evaluate the Enterprise Risk Management plan to ensure its continued relevance, comprehensiveness and effectiveness. The BRO Committee shall revisit defined risk management strategies, look for emerging or changing material exposures, and keep abreast of significant developments that seriously impact the likelihood of harm or loss;
- d. Give advice to the Board on its risk appetite levels and risk tolerance limits;
- e. Review at least annually the Corporation's risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and when major events occur that are considered to have major impacts on the Corporation;
- f. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its stakeholders;
- g. Provide oversight over the Management's activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management;
- h. Report to the Board on a regular basis, or as deemed necessary, the Corporation's material risk exposures, the actions taken to reduce the risks, and recommends further action or plans, as necessary; and
- i. Other duties and responsibilities provided in the BRO Committee Charter.

3.4. The Related Party Transaction Committee

The Related Party Transaction Committee (the "RPT Committee") shall be composed of at least two (2) NEDs, two of whom should be independent, including the Chairman. The RPT Committee shall be tasked with reviewing all material related party transactions of the Corporation. The following are the duties and functions of the RPT Committee:

- a. Evaluate on an ongoing basis, existing relations between and among businesses and counterparties to ensure that all Related Parties are continuously identified, Related Parties Transactions are monitored, and subsequent changes in relationships with counterparties (from non-related to

related and vice versa) are captured. Related Parties, Related Parties Transactions and changes in relationships should be reflected in the relevant reports to the Board and regulators/supervisors;

- b. Evaluate all material Related Parties Transactions to ensure that these are not undertaken on more favorable economic terms (e.g., price, commissions, interest rates, fees, tenor, collateral requirement) to such related parties than similar transactions with non-related parties under similar circumstances and that no corporate or business resources of the Corporation are misappropriated or misapplied, and to determine any potential reputational risk issues that may arise as a result of or in connection with the transactions. In evaluating RPTs, the Committee takes into account, among others, the following:
 - i. The Related Party's relationship to the Corporation and interest in the transaction;
 - ii. The material facts of the proposed Related Parties Transaction, including the proposed aggregate value of such transaction;
 - iii. The benefits to the Corporation of the proposed Related Parties Transaction;
 - iv. The availability of other sources of comparable products or services; and
 - v. An assessment of whether the proposed Related Parties Transaction is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances. The Corporation should have an effective price discovery system in place and exercise due diligence in determining a fair price for Related Parties Transactions.
- c. Ensure that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Corporation's Related Parties Transaction exposures, and policies on conflicts of interest or potential conflicts of interest. The disclosure should include information on the approach to managing material conflicts of interest that are inconsistent with such policies, and conflicts that could arise as a result of the Corporation's affiliation or transactions with other Related Parties;
- d. Report to the Board of Directors on a regular basis, the status and aggregate exposures to each related party, as well as the total amount of exposures to all Related Parties;
- e. Ensure that transactions with Related Parties, including write-off of exposures are subject to a periodic independent review or audit process;
- f. Oversee the implementation of the system for identifying, monitoring, measuring, controlling, and reporting RPTs, including a periodic review of Related Parties Transaction policies and procedures; and
- g. Other duties provided in the Related Party Transactions Committee Charter.

4. Fostering Commitment

To show full commitment to the Corporation, the directors shall devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the Corporation's business.

It shall be the duty of the directors to attend and actively participate in all meetings of the Board, Committees, and Stockholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations provided by the SEC except when justifiable causes, such as, illness, death in the immediate family and serious accidents, prevent them from doing so. In Board and Committee meetings, the director should review the meeting materials and if called for, ask the necessary questions or seek clarifications and explanations.

4.1. Multiple Board Seats

The NEDs and Independent Directors of the Board should concurrently serve as directors to a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Corporation.

5. Reinforcing Board Independence

The Board shall endeavor to exercise an objective and independent judgment on all corporate affairs. The Board shall have at least two (2) Independent Directors.

5.1. Independent Directors

The stockholders acknowledge that the Corporation's business and its operations are peculiar in nature thus, requiring the nomination of Independent Directors who possess sufficient knowledge, skills, and utmost familiarity of the Corporation's business.

The stockholders may elect and re-elect Independent Directors based on the abovementioned circumstance and when despite exerting diligent efforts to find such capable Independent Directors, no such replacement could be found.

Nonetheless, nothing shall prohibit the stockholders from nominating and electing Independent Directors who possess the following qualifications:

- a. Is not, or has not been a senior officer or employee of the Corporation unless there has been a change in the controlling ownership of the Corporation;
- b. Is not, and has not been in the three (3) years immediately preceding the election, a director of the Corporation; a director, officer, employee of the Corporation's subsidiaries, affiliates or related companies; or a director, officer, employee of the covered Corporation's substantial stockholders and its related companies;

- c. Has not been appointed in the Corporation, its subsidiaries, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors or Officers or members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three (3) years immediately preceding his election;
- d. Is not an owner of more than two percent (2%) of the outstanding shares of the Corporation, its subsidiaries, affiliates or related companies;
- e. Is not a relative of a director, officer, or substantial shareholder of the Corporation or any of its related companies or of any of its related companies or of any of its substantial stockholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister;
- f. Is not acting as nominee or representative of any director of the Corporation or any of its related companies;
- g. Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- h. Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the Corporation, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within three (3) years immediately preceding the date of his election;
- i. Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered Corporation or any of its related companies or substantial stockholders;
- j. Is not affiliated with any non-profit organization that receives significant funding from the Corporation or any of its related companies or substantial stockholders; and
- k. Is not employed as an executive officer of another Corporation where any of the Corporation's executive serves as directors.

Related Corporations, as used in this section, refer to (a) the Corporation's holding or parent Corporation; (b) its subsidiaries; and (c) subsidiaries of its holding or parent Corporation.

5.2. Lead Director

The Board shall designate a Lead Director among the Independent Directors if the Chairman of the Board is not an Independent Director, or the positions of the Chairman of the Board and President are held by one (1) person. The primary responsibility of the Lead Independent Director is to provide leadership to the Independent Directors and advise the Board on matters where there may be an actual or perceived conflict of interest.

6. Assessing Board Performance

The best measure for the Board's effectiveness is through an assessment process. The Board shall regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

6.1. Board Evaluation

The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator.

The Board shall have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and a system for feedback shall also be available to the stockholders. The establishment and procedure of the feedback system shall be disclosed in the Corporation's Annual Report or in such form of report that is applicable to the Corporation. The adoption of the feedback system must be through a Board approval.

7. Strengthening Board Ethics

Members of the Board are duty-bound to apply high ethical standards, taking into account the interest of all stakeholders.

The Board shall design, adopt, and implement a Code of Ethics suitable to the needs and culture of the Corporation. To ensure proper compliance with the Code, appropriate orientation and training of the Board, senior management, and employees on the same are necessary.

The Board shall ensure the proper and efficient implementation, monitoring, and dissemination of the Code of Ethics and its internal policies.

II. DISCLOSURE AND TRANSPARENCY

8. Enhancing Corporate Disclosures and Procedures

- a. The Corporation shall establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations;
- b. The Board shall establish corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable, and timely report to stockholders and other stakeholders that provides an overview of the Corporation's financial condition, results and business operations;
- c. The Corporation shall have a policy requiring all directors and officers to disclose or report to the Corporation any dealings in the Corporation's shares within three (3) business days;
- d. The Board shall fully disclose all relevant and material information on individual Board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment;
- e. The Corporation shall provide a clear disclosure of its policies and procedures for setting the Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report;
- f. The Corporation shall disclose its policies governing Related Party Transactions and other unusual or infrequently occurring transactions in their Manual on Corporate Governance. The material or significant Related Party Transactions reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report; and
- g. The Corporation shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its stockholders and other stakeholders. Moreover, the Board shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.

9. Strengthening the External Auditor's Independence and Improving Audit Quality

The Corporation shall establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

9.1. External Auditor

The External Auditor shall have the following duties and responsibilities:

- a. Provide a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditor. The appointment, reappointment, removal, and fees of the external auditor shall be recommended by the Audit Committee, approved by the Board and ratified by the stockholders. For removal of the external auditor, the reasons for removal or change should be disclosed to the regulators and the public through the Corporate website and required disclosures;
- b. The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors and exercising effective oversight to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. The Charter shall also contain the Audit Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis;
- c. The Corporation shall disclose the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest. The Audit Committee must be alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity; and
- d. Other duties and responsibilities provided by the Corporate Governance Manual.

10. Increasing Focus on Non-Financial and Sustainability Reporting

The Corporation shall ensure that the material and reportable non-financial and sustainability issues are properly disclosed.

The Board shall have a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues of its business, which underpin sustainability. The Corporation shall adopt a globally recognized standard/framework in reporting sustainability and non-financial issues.

11. Promoting a Comprehensive and Cost-Efficient Access to Relevant Information

The Corporation shall maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed

decision-making by investors, stakeholders and other interested users. These shall include, but not be limited to, the corporate website, media and analyst briefings.

III. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT

12. Strengthening the Internal Control System and Enterprise Risk Management Framework

To ensure integrity, transparency and proper governance in the conduct of its affairs, the Corporation shall have a strong and effective internal control system and enterprise risk management framework.

The Corporation shall have an adequate and effective internal control system and an enterprise risk management framework on the conduct of its business, taking into account its size, risk profile and complexity of operations.

The Corporation shall have in place independent audit functions that provides an independent and objective assurance and consulting services designed to add value and improve the Corporation's operations. The following are the functions of the internal audit, among others:

- a. Provide an independent risk-based assurance service to the Board, Audit Committee and Management, focusing on reviewing the effectiveness of the governance and control processes in: (1) promoting the right values and ethics; (2) ensuring effective performance management and accounting in the organization; (3) communicating risk and control information; and (4) coordinating the activities and information among the Board, external and internal auditors, and Management;
- b. Perform regular and special audit as contained in the annual audit plan and/or based on the Corporation's risk assessment;
- c. Perform consulting and advisory services related to governance and control as appropriate for the organization;
- d. Perform compliance audit of relevant laws, rules and regulations, contractual obligations, and other commitments, which could have a significant impact on the organization;
- e. Review, audit, and assess the efficiency and effectiveness of the internal control system of all areas of the Corporation;
- f. Evaluate operations or programs to ascertain whether results are consistent with established objectives and goals, and whether the operations or programs are being carried out as planned;

- g. Evaluate specific operations at the request of the Board or Management, as appropriate; and
- h. Monitor and evaluate governance processes.

The Corporation shall have the discretion whether the internal audit shall be a fully resourced activity within the organization or outsourced to qualified independent third party service providers.

The Corporation shall have a qualified Chief Audit Executive (the “CAE”) appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. The CAE shall directly report to the Audit Committee and the CEO. The following are the responsibilities of the CAE, among others:

- a. Periodically review the internal audit charter and presents it to senior management and the Board Audit Committee for approval;
- b. Establish a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, consistent with the organization’s goals;
- c. Communicate the internal audit activity’s plans, resource requirements and impact of resource limitations, as well as significant interim changes, to senior management and the Audit Committee for review and approval;
- d. Spearhead the performance of the internal audit activity to ensure it adds value to the organization;
- e. Report periodically to the Audit Committee on the internal audit activity’s performance relative to its plan; and
- f. Present findings and recommendations to the Audit Committee and gives advice to senior management and the Board on how to improve internal processes.

12.1. Enterprise Risk Management

The Corporation shall have a separate risk management function to identify, assess and monitor key risk exposures.

The risk management function involves the following activities, among others:

- a. Defining a risk management strategy;

- b. Identifying and analyzing key risks exposure relating to economic, environmental, social and governance factors and the achievement of the Corporation's strategic objectives;
- c. Evaluating and categorizing each identified risk using the Corporation's predefined risk categories and parameters;
- d. Establishing a risk register with clearly defined, prioritized and residual risks;
- e. Developing a risk mitigation plan for the most important risks to the Corporation, as defined by the risk management strategy;
- f. Communicating and reporting significant risk exposures including business risks (i.e., strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the Board Risk Oversight Committee; and
- g. Monitoring and evaluating the effectiveness of the Corporation's risk management processes.

In managing the Corporation's Risk Management System, the Corporation shall have a Chief Risk Officer ("CRO") who shall be knowledgeable in Enterprise Risk Management and has adequate authority, stature, resources and support to fulfill his responsibilities, The CRO has the following functions, among others:

- a. Supervise the entire Enterprise Risk Management process and spearheads the development, implementation, maintenance and continuous improvement of Enterprise Risk Management processes and documentation;
- b. Communicate the top risks and the status of the implementation of risk management strategies and action plans to the Board Risk Oversight Committee;
- c. Collaborate with the President in updating and making recommendations to the Board Risk Oversight Committee;
- d. Suggest Enterprise Risk Management policies and related guidance, as may be needed; and
- e. Provide his insights on the following:
 - i. Risk management processes are performing as intended;
 - ii. Risk measures reported are continuously reviewed by risk owners for effectiveness; and
 - iii. Established risk policies and procedures are being complied with.

IV. CULTIVATING A SYNERGIC RELATIONSHIP WITH STOCKHOLDERS

13. Promoting Shareholder Rights

The Corporation shall treat all stockholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

It shall be the duty of the Board to adopt a policy informing the stockholders of all their rights. These include, but not limited to, disclosure in the Manual and the corporate website. They shall encourage the exercise of stockholders' rights and the solution of collective action problems through appropriate mechanisms.

The Board shall encourage active shareholder participation by making the result of the votes taken during the most recent Annual or Special Stockholders' Meeting publicly available the next working day. Also, the minutes of the Annual or Special Stockholders' Meeting shall be available on the corporate website within thirty (30) business days from the end of the Meeting. The minutes shall contain the tabulation of votes made by stockholders.

The policy must include the following rights of stockholders:

- a. Pre-emptive rights;
- b. Dividend policies;
- c. Right to propose the holding of meetings and to include agenda items ahead of the scheduled Annual and Special Stockholders' Meeting;
- d. Right to nominate candidates to the Board of Directors;
- e. The nomination process; and
- f. Voting procedures that shall govern the Annual and Special Stockholders' Meeting.
- g. Other rights mandated by law.

V. DUTIES TO STAKEHOLDERS

14. Respecting Rights of Stakeholders and Effective Redress for Violation of Stakeholder's Rights

The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interest are at stake, stakeholders should have the opportunity to obtain prompt and effective redress for the violation of their rights.

The Board shall identify the Corporation's various stakeholders and promote cooperation between them and the Corporation in creating wealth, growth, and sustainability.

The Board shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

The Board shall adopt a transparent framework and process that allow stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights.

15. Encouraging Employees' Participation

A mechanism for employee participation shall be developed to create a symbiotic environment, realize the Corporation's goals and participate in its corporate governance processes.

The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.

The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. Further, the Board shall disseminate the policy and program to employees across the organization through trainings to embed them in the Corporation's culture.

The Board shall establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns. The Board shall be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

16. Encouraging Sustainability and Social Responsibility

The Corporation shall be socially responsible in all its dealings with the communities where it operates. It shall ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

The Corporation shall recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Corporation to grow its business, while contributing to the advancement of the society where it operates.

VI. COMMUNICATION AND MONITORING THIS MANUAL

17. Communication

This Manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.

All directors, officers, department and division heads are duty bound to ensure thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.

This Manual shall be subject to annual review unless it is amended by the Board.

18. Monitoring and Penalties for Non-Compliance

The Compliance Officer shall be responsible for ensuring compliance with the Revised Manual.

The Compliance Officer shall determine and recommend to the Board, the imposition of appropriate disciplinary action to the parties responsible and shall adopt measure to prevent the recurrence of such infraction.

19. Effectivity

This Revised Code of Corporate Governance shall take effect upon approval of the Board of Directors of the Corporation. It shall be published on the corporate website.

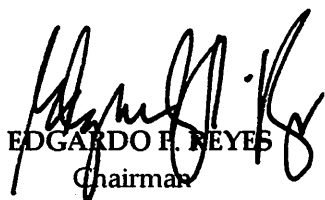
SIGNATURES


Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SOCRESOURCES, INC.
Issuer

DATE: May 31, 2017

By:


EDGARDO H. REYES
Chairman


MAGILYN T. LOJA
Corporate Secretary/Compliance Officer