

THE NOMINATION & ELECTION COMMITTEE

Composition, Functions and Responsibilities

By-Laws, Article II, Section 9:

“The Board of Directors, by a vote of the majority of the whole board may appoint from the directors such committees as they may deem judicious, and to such extent as is provided by resolution delegate to such committees all or any of the powers of the Board of Directors which may be lawfully delegated, and such committees shall have and thereupon may exercise all or any of the powers so delegated to them.”

New Manual on Corporate Governance, clauses 3 and 3.5:

“3. Establishing Board Committees

Board committees shall be set up to support the performance of the Board’s functions, particularly on audit, ERM, RPTs, nomination and remuneration. The composition, functions and responsibilities of all committees, if established, shall be contained in a publicly available committee charter.”

Nomination and Election Policy

“Alsons Consolidated Resources, Inc. (the “Company”), in compliance with Memorandum Circular N° 19, Series of 2017 by the Securities & Exchange Commission (the “Commission”), hereby adopts this Nomination and Election Policy (the “Policy”).

1. Acceptance of Nominations

- 1.1 Not later than thirty days before the annual stockholders’ meeting, or any special stockholders’ meeting for the election of one or more Directors, any shareholder, including minority shareholders, may nominate a candidate or candidates for Directors, whether regular or independent, in writing.
- 1.2 The nominating shareholder shall set forth in the nomination form: (a) the name of the nominee or nominees; and (b) all information that may be required by the Securities & Exchange Commission (the “Commission”) under its applicable rules, regulations and other issuances.
- 1.3 The nominating shareholder should sign the nomination form, and the nominated shareholder or shareholders should sign his/her conformity to his/her nomination.
- 1.4 The nominating shareholder should submit the signed and complete nomination form to the Nomination and Election Committee (the “Committee”).

2. Review of Nomination Form

- 2.1 Upon receipt of any nomination form, the Committee shall review the form to determine whether it is complete.
- 2.2 If the Committee finds the form incomplete, they shall return it to the nominating shareholder who should complete the same and thereafter submit the completed form to Committee not later than thirty days before the annual stockholders’ meeting.

3. Assessment of Nominees

- 3.1 Upon receipt of a complete nomination form, the Committee shall review and evaluate the qualifications of all persons nominated to the Board, including whether each candidate possesses:
- (a) The knowledge, skills, experience, and independence of mind;
 - (b) A record of integrity and good repute;
 - (c) Sufficient time to carry out their responsibilities; and
 - (d) The ability to promote a smooth interaction between Directors.
- 3.2 The Committee will also review and evaluate the qualifications of all persons nominated to the Board as Independent Directors, including whether each candidate possesses the qualifications of such a Director.
- 3.3 The Committee will then assess whether each candidate is qualified, with the following being the grounds for the permanent disqualification of a Director:
- (a) Conviction by final judgment or order of any court or administrative body of competent jurisdiction of any crime that: (A) involves the purchase or sale of securities, as defined in the Securities Regulation Code; or (B) arises out of (1) 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 (c) his/her fiduciary relationship with a bank, quasi-bank, trust company, investment house or as an affiliated person of any of them;
 - (b) Permanently enjoined, by reason of misconduct, after hearing, by a final judgment or order of the Commission, *Bangko Sentral ng Pilipinas* (BSP) or any court or administrative body of competent jurisdiction from: (a) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual fund dealer, futures commission merchant, commodity trading advisor, or floor broker; (b) acting as director or officer of a bank, quasi-bank, trust Company, investment house, or investment Company; (c) engaging in or condoning any conduct or practice in any of the capacities mentioned in (a) and (b) above, or willfully violating the laws that govern securities and banking activities;
 - (c) Being: (a) the subject of an order of the Commission, BSP or any court or administrative body of competent jurisdiction 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 Commission or BSP, or under any rule or regulation issued by the Commission or BSP; (b) otherwise restrained to engage in any activity involving securities and banking; or (c) the subject of an effective order of a self-regulatory company suspending or expelling him/her from membership, participation or association with a member or participant of the Company;
 - (d) Conviction by final judgment or order by any court or administrative body of competent jurisdiction of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury or other fraudulent acts;
 - (e) Being adjudged by final judgment or order of the Commission, BSP, any court or administrative body of competent jurisdiction to have willfully violated, or willfully aided, abetted, counseled, induced or procured the violation of any

provision of the Corporation Code, Securities Regulation Code or any other law, rule, regulation or order administered by the Commission or BSP;

- (f) Being judicially declared as insolvent;
- (g) Being 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 previously;
- (h) Conviction by final judgment of an offense punishable by imprisonment for more than six years, or a violation of the Corporation Code committed within five years prior to the date of his/her election or appointment; and

4. Final List of Nominees

4.1 After reviewing, evaluating, assessing and screening the nominees for regular and Independent Directors, the Committee shall prepare a final list of candidates for regular and Independent Directors (the "Final List") and the information required by the Commission.

4.2 The Committee shall cause: (a) the Final List; (b) the related information required by the Commission; (c) the nominating stockholder or stockholders of each candidate; and (d) the relation of each nominating stockholder to the candidate to be made available to the Commission and all stockholders through the filing and distribution of the Company's information or proxy statement, or a supplement thereto.

4.3 Only nominees for Independent Directors appearing in the Final List shall be eligible for election as Independent Directors. After the Final List is prepared and submitted to the Commission and the stockholders, the Committee shall not entertain any other nominations for Independent Directors. At the annual or special shareholders' meeting, the Chairman shall not entertain or allow further nominations for Independent Directors from the floor.

5. Election of Directors

5.1 At the annual or special shareholders' meeting, the Chairman shall inform the stockholders in attendance of the mandatory requirement of electing Independent Directors.

5.2 At the annual or special shareholders' meeting, if a stockholder in attendance, or an authorized proxy holder, nominates from the floor another stockholder as a regular Director, the nominating stockholder or his proxy holder shall state his/her name and relation to the nominee. The Company shall immediately verify whether the nominee for regular Director nominated on from the floor is a stockholder of the Company.

5.3 At the election for the Directors, stockholders in attendance, in person or by proxy, may cast votes in favor of the nominees for regular Director nominated on from the floor provided that such nominees are stockholders of the Company.

5.4 Should any nominee for regular Director nominated on from the floor be elected a Director, the Committee shall review and evaluate the qualifications of such nominee, and assess whether he/she is qualified. Such nominee shall take his/her seat in the Board only after the Committee conducts a review, evaluation and/or assessment, and find the said nominee duly qualified as a regular Director of the Company.

6. Temporary Disqualification

- 6.1 After each election of Directors, the Committee monitor the qualifications of the Directors, with following being the grounds for temporary disqualification of a Director:
- (a) Absence in more than fifty percent (50%) of all regular and special meetings of the Board during his/her incumbency, or any 12-month period during the said incumbency, unless the absence is due to illness, death in the immediate family or serious accident. The disqualification should apply for purposes of the succeeding election;
 - (b) Dismissal or termination for cause as Director of any publicly-listed company, public company, registered issuer of securities and holder of a secondary license from the Commission. The disqualification should be in effect until he/she has cleared him/herself from any involvement in the cause of his/her dismissal or termination;
 - (c) If the beneficial equity ownership of an Independent Director in the Company or its subsidiaries and affiliates exceeds two percent (2%) or its subscribed capital stock. The disqualification from being elected as an Independent Director is lifted if the limit is later complied with; and
 - (d) If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
- 6.2 If the Committee finds any ground for the temporary disqualification of a Director, they shall so inform the Board, who shall decide, after due notice and hearing, whether the Director or Directors against whom there exists a ground for temporary disqualification, should be disqualified.

Approved by the Board on 24 August 2017.”