

SAN MIGUEL GLOBAL POWER HOLDINGS CORP.
Board Diversity Policy

Purpose

This Policy aims to provide a framework for inclusion to promote diversity in the Board of Directors (the “Board”) of San Miguel Global Power Holdings Corp. and all its subsidiaries and affiliates (hereinafter collectively referred to as the “Company”).

Policy Statement

1. The Company recognizes the benefits of embracing diversity in the Board and shall be intentional in ensuring that the principles of diversity and inclusion are implemented. Diversity promotes the inclusion of a wide range of perspectives and ideas that can inspire creativity and drive innovation, mitigate, if not avoid, groupthink, enhance risk oversight, and improve decision-making and corporate governance. It is an essential component in maintaining competitive advantage and improving the overall performance of the Company.
2. In determining the structure and composition of the Board, diversity will be considered from varied aspects, including but not limited to, gender, age, ethnicity, religion, culture, sexual orientation, skills, backgrounds, competencies, knowledge, experience, length of service of directors, and other regulatory rules and regulations.
3. The Board will likewise strive to maintain a balanced mix of executive, non-executive and independent directors, having due regard to the requirements of the Company and the Board.

Scope and Coverage

This Policy applies to the Board. It shall not apply to employees of the Company, the latter being covered by the Diversity, Equity and Inclusion Policy of the Company.

Measurable Objectives

One of the corporate Board inclusion and diversity initiatives is for the Company to conduct a self-assessment of its Board to ascertain its strength and weaknesses, behavior, performance, perspective and character that could significantly impact Board effectiveness.

The selection process of nominees for director shall be based on merit and an objective criteria which shall be aligned with the strategic objectives and requirements of the Company and the Board, absence of conflict of interest, and commitment to faithfully fulfill the duties of a director.

In the nomination and election process for directors, the Corporate Governance Committee shall perform the following:

1. Identify suitable candidates for appointment to the Board considering candidates on merit against objective criteria, and with due regard for the benefits of diversity and the needs of the Board and the qualifications under the Manual on Corporate Governance of the Company.

Competent and qualified nominee directors shall not be discriminated against by reason of gender, sexual orientation, age, physical disability, religion, cultural and educational background, or ethnicity.

2. Maintain an ongoing list of potential candidates. The list will include an equal number of male and female candidates and shall endeavor to deliver a gender-balanced slate of diverse and equally qualified potential candidates.

For purposes of Board composition, diversity includes, but is not limited to, business and industry skills and experience, gender, and ethnicity. The Board will make good use of these differences and distinctions among individuals in determining the optimum composition of the Board.

3. Shareholders will be provided with sufficient information on the nominees for directors, such as their gender, age, ethnicity, educational background, professional and business experience, skill sets, and length of service, to enable the shareholders to consider diversity in electing the members of the Board.

Monitoring and Reporting

The Corporate Governance Committee shall be responsible for: (a) determining the nomination and election process for directors; (b) defining the general profile of Board members that the Company may need; (c) reviewing and assessing the size and composition of the Board; (d) identifying suitable candidates for appointment to the Board; (e) ensuring that the Board has the appropriate balance of skills, experience, background and knowledge, among others; and (f) ensuring that the Company shall have the required number of non-executive and/or independent directors with the qualifications and none of the disqualifications as provided in applicable laws, regulations and listing and other rules.

Monitor and report annually in the Company's Corporate Governance Report, the Board composition, as well as the process used in relation to Board appointments. The same shall be reflected in the Company's Annual Report and uploaded in the Company's website.

Review of the Policy

The Corporate Governance Committee shall review this Policy annually, or as it deems necessary, to assess its effectiveness. The Corporate Governance Committee shall discuss proposed amendments to this Policy, and shall recommend such amendments to the Board for consideration and approval.

The Corporate Governance Committee shall likewise review the list of potential candidates to the Board and likewise discuss and recommend any necessary amendments to the criteria, recommend the amendments to the Board, and enact the amendments upon the approval of the Board.

Disclosure

1. This Policy shall be published at the Company's website.
2. A summary of this Policy will be disclosed in the Annual Corporate Governance Report (ACGR).