

MAYNILAD WATER SERVICES, INC.

GOVERNANCE AND SUSTAINABILITY COMMITTEE CHARTER

Section 1. Functions

The Governance and Sustainability Committee (the "Committee"), shall assist and advise the Board of Directors (the "Board") with respect to the following, among others:

- (a) Development and implementation of corporate governance principles and policies;
- (b) Review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements;
- (c) Review and monitoring of training and continuous professional development of directors and senior management;
- (d) Development and implementation of the Board's performance evaluation process;
- (e) Establishment and review of the sustainability goals, strategies and initiatives of Maynilad and its subsidiaries (the "Company"); and
- (f) Identification and management of the significant economic, environmental, social and governance issues of the Company's operations and their impact on relevant stakeholders.

Section 2. Key Responsibilities

To perform the foregoing functions, the Committee's specific responsibilities are as follows.

A. Governance

- (1) Oversee the implementation of the corporate governance framework and periodically review the same to ensure that it remains appropriate in light of material changes to the Company's size, complexity and business strategy as well as its business and regulatory environments;
- (2) Adopt corporate governance policies and ensure that these are reviewed and updated regularly, and consistently implemented in form and substance;
- (3) Assist the Board in reviewing the effectiveness and appropriateness of Maynilad's mission, vision and values, as and when necessary;
- (4) Establish the appropriate evaluation system for purposes of monitoring and assessing the Company's compliance with the SEC Code of Corporate Governance for Publicly-listed Companies ("SEC CG Code"), its legislative franchise and other applicable corporate governance rules. Such evaluation system should be approved by the Board;
- (5) Review annually the Charters of all Board Committees and recommend to the Board any needed changes. In reviewing the Charters of the Board Committees, the Committee should consult with the members and the Secretariat of the concerned Board Committee. The Committee's

- recommendation on any change in any of the Charters shall be submitted to the Board for approval;
- (6) Oversee the periodic performance evaluation of the Board and all the Board Committees as well as the President and CEO and conduct an annual self-evaluation of its performance;
 - (7) Recommend relevant trainings and continuing education for the members of the Board, including the conduct of a comprehensive and tailored induction program for new directors on the first occasion of their election;
 - (8) Assist the Board in the adoption of guidelines on the number of directorships that its members can hold in publicly listed corporations in the Philippines, taking into consideration the ability of the director to diligently and efficiently perform his/her duties and responsibilities and the nature and kind of corporations that he/she may be a director of, regardless of the number of directorships he/she may be holding; and
 - (9) Undertake such other duties and responsibilities as may be provided by the Maynilad's Articles of Incorporation, Bylaws and Manual on Corporate Governance.

B. Sustainability

- (1) Provide oversight in identifying the material economic, environmental, ethical and social impact of the Company's businesses and operations and determine their effect on its long-term objective to be recognized as a responsible and sustainable business and significant contributor to nation-building;
- (2) Oversee the development of the Company's sustainability framework and policies with a view of creating value not only for the Company but also for the nation at large;
- (3) Monitor the Company's alignment with globally-recognized sustainability standards and best practices;
- (4) Oversee the review and monitoring of (i) new and innovative technologies; (ii) current and proposed partnerships and collaborations with stakeholders, and (iii) communication strategies that will support the Company's sustainability initiatives;
- (5) Oversee the Company's social investments and commitments to making a meaningful impact to various stakeholders, the communities in which the Company operates, and the environment in general; and
- (6) Review and recommend to the Board for approval, the issuance of the Company's Sustainability Report ("SR") and other external sustainability reports to the MWSS and the MWSS Regulatory Office, and upon becoming a publicly listed company, the filing of the SR with the SEC and other government agencies.

Section 3. Composition

- (a) The Committee shall be composed of five (5) members (the "Members"), the majority of whom shall be independent directors, including the Chairman.

- (b) The Board may appoint one or more persons to serve as advisor(s) to the Committee (the "Advisor"). The Advisor shall have the right to attend and speak at any meeting of the Committee, but shall have no right to vote in respect of any action by the Committee.
- (c) The Chairman or any Member or Advisor may be removed from office only by the Board.
- (d) The Chief Governance Officer and/or the Chief Sustainability Officer ("CSO"), as the case may be, of the Company shall provide the necessary staff support to the Committee.

Section 4. Committee Procedures

A. Meetings

- (1) The Committee shall hold meetings at such times and places as it considers appropriate provided that not less than two (2) meetings shall be held each year.
- (2) Meetings shall be convened by the Chairman as and when he/she considers appropriate, and the Chairman shall convene a meeting upon the request of a majority of the Members.
- (3) A Committee meeting shall be convened by giving not less than one (1) week's notice by email to the Members, specifying the place, date and time for the meeting and the general nature of the businesses to be transacted at the meeting. The Secretariat of the Committee shall ensure that pertinent materials for the meeting are properly and timely distributed to all Members.
- (4) Notwithstanding that a meeting is called by shorter notice, it shall be deemed to have been duly convened if it is so agreed by the Members present in the meeting at which there is a quorum.
- (5) A majority of all the Members shall constitute a quorum.
- (6) Members may participate in a meeting of the Committee through remote communication, such as teleconference or video conference conducted in accordance with the provisions of SEC Memorandum Circular No. 6, Series of 2020 and by means of which all persons participating can hear each other.
- (7) Resolutions at a meeting of the Committee at which there is a quorum shall be passed by a simple majority of votes of the Members present at such meeting. Each Member, including the Chairman, shall have one (1) vote. Whenever a Member has a conflict of interest in a matter to be considered by the Committee which the Committee considers to be material, such interested Member shall abstain from voting on any Committee resolution in which they or any of their associates have a material interest. The Committee shall decide on the matter without taking into consideration the position of the Member who has a material conflict of interest. In case of an equality of votes, the Chairman shall not have a second or casting vote.

B. Minutes and Records

- (1) The Committee shall appoint a Secretariat who shall issue notices and agenda for the meetings; disseminate meeting materials, if necessary, prepare minutes of meetings of the Committee and keep books and records of the Committee.
- (2) The Committee shall cause records to be kept for the following: (i) appointments and resignations of Members; (ii) agenda and other documents sent to the Members; and (iii) minutes of proceedings and meetings of the Committee.
- (3) Any such books and records shall be open for inspection by any Member upon reasonable prior notice during usual office hours of the Company.
- (4) The minutes of the Committee meeting, when signed by the Committee Chairman, shall be conclusive evidence of the proceedings and resolutions of such meeting.
- (5) The Secretariat shall ensure that the draft and final versions of the minutes of Committee meetings shall be sent to all Members for their comment and records, within one (1) month after the meeting.

Section 5. Remuneration of Members or Advisors

No fees or other remuneration shall be payable to the Members or Advisors in respect of their services provided in connection with the Committee or in respect of their attendance at meetings of the Committee, *except* the per diem or remuneration authorized and approved by the Board or any fees or remuneration to such Member or Advisor that would otherwise be entitled to in his capacity as consultant, advisor or employee of the Company.

Section 6. Resources and Authorities

- (a) The Committee shall have the resources and authorities appropriate to discharge its functions, duties and responsibilities, including the authority to obtain advice from external consultants and functional specialists within the Company.
- (b) The Committee shall report directly to the Board on its decision or recommendation, unless there are legal or regulatory restrictions on its ability to do so (such as a restriction on disclosure due to regulatory requirements).
- (c) The Committee shall have the right to require the Management to furnish all information that may be requested by the Committee for purposes of performing its duties.

Section 7. Committee Reports and Performance Evaluation

- (a) The Committee shall report its activities to the Board on a regular basis and make such recommendations with respect thereto and other matters as the Committee may deem necessary or appropriate.
- (b) The Committee shall prepare and review with the Board an annual performance evaluation of the Committee, which evaluation must compare the performance of the

Committee with the requirements of its Charter, set forth the goals and objectives of the Committee for the ensuing year and include any recommendation to the Board on any improvement to the Charter as the Committee may deem necessary or desirable.

Section 8. Sustainability Initiatives

The Board, as Maynilad's highest governing body, must consider sustainability concerns and issues as part of the Company's strategic formulation and direction. It must ensure that the Company's sustainability agenda is integrated into the Company's overall objectives.

The Board, together with Management, must also lead the development of a sustainability culture within the Company and its subsidiaries. This includes setting general goals and objectives, requiring reporting from the Committee, and committing resources to the accomplishment of the sustainability initiatives.

Section 9. Office of the CSO

In order to implement the foregoing, the Company hereby creates the Office of the CSO. The Head of Quality, Sustainability and Resiliency shall be the CSO and shall be responsible for the following:

- (a) Spearheading the development and regular review of the Company Sustainability Framework;
- (b) Leading and coordinating the Company Sustainability Council, composed of the representatives of the various divisions and subsidiaries (as applicable);
- (c) Assessing and analyzing policies and processes to identify areas in which improvements can be made in accordance with the Company's commitment to sustainability;
- (d) Ensuring that the specific sustainability initiatives of the Company are aligned with its framework;
- (e) Conducting research to identify sustainability concerns, interests, and issues;
- (f) Identifying and evaluating innovative and pilot sustainability projects or programs for the Company;
- (g) Initiating internal and external stakeholder engagement processes; and
- (h) Preparing and presenting the SR and accomplishment reports.

Section 9. Amendment of this Charter

This Charter shall not be amended unless such amendment shall have been approved by resolution of the Board.

