

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:

1. Development and implementation of corporate governance principles and policies;
2. Review and monitoring of the Company's policies and practices on compliance with legal and regulatory requirements;
3. Review and monitoring of training and continuous professional development of directors and senior management;
4. Development and implementation of the Board’s performance evaluation process;
5. Establishment and review of the sustainability goals, strategies and initiatives of Maynilad and its subsidiaries (the “Company”); and
6. 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.