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A Y A L A A V E . , 1 2 2 6 M A K A T I C I T Y

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

**Stanley L. Saguinsin**

**8588-4242**

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Month Day  
(Fiscal Year)

**Amended Manual on Corporate Governance**

**June 06, 2023**

(Annual Meeting)

**Investment Company**  
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**7**  
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Total Amount of Borrowings

<b>N/A</b>	<b>N/A</b>
<small>Domestic</small>	<small>Foreign</small>

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## **AIB MONEY MARKET MUTUAL FUND, INC.**

### **AMENDED MANUAL ON CORPORATE GOVERNANCE**

The Board of Directors (the “Board”) of AIB Money Market Mutual Fund, Inc. (the “Corporation”), working closely with the Corporation’s Officers and Managers, hereby commit themselves to the principles and best practices contained in this Manual on Corporate Governance (the “Manual”), and acknowledge that the same will guide and contribute to the attainment of the Corporation’s goals and aspirations.

#### **I**

##### **OBJECTIVE**

This Manual shall institutionalize the principles of good Corporate Governance (i.e., fairness, accountability, and transparency) in the entire organization. The Board and Management, employees, and shareholders 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.

#### **II**

##### **DEFINITION OF TERMS**

**Board of Directors** – the governing body elected by the stockholders that exercises the corporate powers of a corporation, conducts all its business and controls its properties.

**Corporate Governance** – the framework of rules, systems and process in the corporation that governs the performance by the Board of Directors and Management of their respective duties and responsibilities to stockholders and other stakeholders which include, among others, customers, employees, suppliers, financiers, government and community in which it operates.

**Executive Director** – a director who is also the head of a department or unit of the corporation or performs any work related to its operation;

**Independent Director** – a person who, apart from his fees and shareholdings, is independent of management and 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 as more particularly described in Section E hereof;

**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 those activities, and follow-up of engagement results;

**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 the effectiveness of risk management, control and governance processes;

**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;

**Internal Control** – the system established by the Board of Directors and Management for the accomplishment of the corporation's objectives, the efficient operation of its business the reliability of its financial reporting, and faithful compliance with applicable laws, regulations and internal rules;

**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.

**Management** – the body given the authority by the Board of Directors to implement the policies it has laid down in the conduct of the business of the corporation;

**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;

**Non-Executive Director** – a director who is not the head of a department or unit of the corporation nor performs any work related to its operation; and

**SEC or Commission** – refers to the Securities and Exchange Commission.

### III

## INTERPRETATION

All references to the masculine gender in the salient provisions of this Manual shall likewise cover the feminine gender.

All doubts or questions 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.

## IV

### BOARD OF DIRECTORS

#### A. GENERAL RESPONSIBILITIES

The Board is primarily responsible for the governance of the Corporation. Thus, compliance with the principles of good Corporate Governance and this Manual shall start with the Board.

It shall be the Board's responsibility to foster the long-term success of the Corporation and to secure its sustained competitiveness in a manner consistent with its fiduciary responsibility and corporate objectives, which shall exercise in the best interest of the Corporation, its shareholders and other stakeholders.

The Board shall conduct itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. The Board shall formulate the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to independently and effectively monitor and check Management's performance.

#### B. DUTIES AND RESPONSIBILITIES

To ensure a high standard of best practices for the Corporation, its stockholders and other stakeholders, the Board, in close coordination with the Corporation's Officers and Managers, shall conduct itself with honesty and integrity in the performance of, among others, the following duties and functions:

- 1.) Implement a process for the selection of directors who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies. Appoint competent, professional, honest and highly motivated management officers. Adopt an effective succession planning program for the Management.
- 2.) Provide sound strategic policies and guidelines to the Corporation on major capital expenditures. Establish programs that can sustain its long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- 3.) Ensure the Corporation's faithful compliance with all applicable laws, regulations and best practices.

- 4.) Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation.
- 5.) Identify the Corporation's stakeholders and the sectors in the community in which the Corporation operates or are directly affected by its operations and formulate a clear policy of accurate, timely and effective communication with them.
- 6.) Adopt a system of check and balance within the Board. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting processes at all times. There should be a continuing review of the Corporation's Internal Control system in order to maintain its adequacy and effectiveness.
- 7.) Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.
- 8.) Formulate and implement policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, affiliates, major stockholders, officers and directors, including their spouses, children and dependent siblings and parents, and of interlocking director relationships by members of the Board.
- 9.) Constitute an Audit Committee, Nomination Committee, Compensation and Remuneration Committee, Corporate Governance Committee, and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- 10.) Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders, and the Corporation and third parties, including the regulatory authorities.
- 11.) Meet at such times or frequency as may be needed. The minutes of such meetings shall be duly recorded. Independent views during Board meetings should be encouraged and given due consideration.
- 12.) Keep the activities and decisions of the Board within its authority under the Articles of Incorporation and By-Laws, as amended, and in accordance with existing laws, rules and regulations.
- 13.) Appoint a Compliance Officer who shall have the rank of at least vice president. In the absence of such appointment, the Corporate Secretary, preferably a lawyer, shall act as Compliance Officer.

### **C. SPECIFIC DUTIES AND RESPONSIBILITIES OF A DIRECTOR**

A director's office is one of trust and confidence. A director should act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. He should also exercise leadership, prudence and integrity in directing the Corporation towards sustained progress.

A director shall have the following duties and responsibilities:

- 1.) Conduct fair business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation.
- 2.) Devote time and attention to properly and effectively perform his duties and responsibilities.
- 3.) Act judiciously.
- 4.) Exercise independent judgment.
- 5.) Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its Articles of Incorporation and By-Laws, as amended, the rules and regulations of the SEC and, where applicable, the requirements of other relevant regulatory agencies.
- 6.) Observe confidentiality.

### **D. INTERNAL CONTROL RESPONSIBILITIES OF THE BOARD**

The control environment of the Corporation shall consist of the following:

- 1.) The Board which ensures that the Corporation is properly and effectively managed and supervised.
- 2.) A Management that actively manages and operates the Corporation in a sound and prudent manner.
- 3.) The organizational and procedural controls which are duly supported by effective management information and risk management reporting systems.
- 4.) An independent audit mechanism to monitor the adequacy and effectiveness of the Corporation's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations and contracts.

The minimum Internal Control mechanisms for the performance of the Board's oversight responsibility shall include:

- 1.) Definition of duties and responsibilities of the Chief Executive Officer ("CEO") who is ultimately accountable for the Corporation's organizational and operational controls.
- 2.) Selection of person who possess the ability, integrity and expertise essential for the position of CEO.
- 3.) Evaluation of proposed senior management appointments.
- 4.) Selection and appointment of qualified and competent management officers.
- 5.) Review of the Corporation's human resource policies, conflict of interest situations, compensation program for employees, and management succession plan.

#### **E. QUALIFICATIONS OF BOARD OF DIRECTORS**

Promoting diversity in its board is crucial for the Corporation's success. By embracing a wide range of perspectives, experiences, and expertise, the Corporation can drive innovation, make well-informed decisions, and better understand diverse markets. Additionally, fostering a culture of inclusivity and equality enhances the Corporation's reputation and strengthens its commitment to creating a diverse and dynamic environment.

However, it is of utmost importance to strictly adhere to the qualifications and disqualifications criteria for the Board. These criteria serve as crucial guidelines to ensure that individuals appointed to director positions possess the requisite skills, experience, and integrity necessary to fulfill their responsibilities effectively. By rigorously following these qualifications and disqualifications, the Corporation can uphold the highest standards of governance and safeguard its interests.

The Board shall at least be composed of at least five (5) members, but not more than fifteen (15) members. There should at least be three (3) Independent Directors.

#### GENERAL

##### 1.) Qualifications

In addition to the qualifications for membership in the Board provided for in the Corporation Code, Securities and Regulations Code and other relevant laws, a director shall have the following qualifications:

- a.) He must be a holder of at least one (1) share of stock of the Corporation registered under his name;
- b.) He must be a college graduate or holds an equivalent academic degree;

- c.) He must have a practical understanding of the business of the Corporation;
- d.) He must have previous business experience and membership in good standing in the Corporation's industry, business or professional organizations; and
- e.) He must be diligent, hardworking, and a person of proven integrity/probity.

## 2.) Disqualifications

Aside from such other disqualifications of directors provided under the By-Laws, as amended, no person shall be qualified or be eligible for nomination or election to the Board if:

- a.) He is assigned in any business or activity which competes with or is antagonistic to that of the Corporation. Without limiting the generality of the foregoing, a person shall be deemed to be so engaged in any business or activity which competes with or is antagonistic to that of the Corporation –
  - i. If he is a director, officer, manager or controlling person of, or the owner (either of record or beneficially) of 2% or more of any outstanding class of shares of, any corporation (other than one in which the corporation owns at least 30% of the capital stock) engaged in a business which Board, by at least a majority vote, determines to be competitive or antagonistic to that of the Corporation; or
  - ii. If he is a director, officer, manager or controlling person of, or the owner (either of record or beneficially) of 2% or more of any outstanding class of shares of, any other corporation or entity engaged in any line of business of the Corporation, when in the judgment of the Board, by at least a majority vote, the laws against combinations in restraint of trade shall be violated by such person's membership in the Board of Directors; or
  - iii. If the Board, in the exercise of its judgment in good faith, determine by at least a majority vote that he is the nominee of any person set forth in (i) and (ii).
- b.) He has any of the disqualifications provided under relevant laws including but not limited to the Revised Code of Corporate Governance of the SEC, or any amendments thereto, such as:
  - i. Permanent Disqualification
    - (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 and Regulation 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 company, 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 Commission or any court or administrative body of competent jurisdiction from: (i) acting as underwriter, broker, dealer, investment adviser, principal distributor, mutual 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 (i) and (ii) above, or willfully violating the laws that govern securities and banking activities.

The disqualification shall also apply if such person is currently the subject of an order of the Commission or any court of 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 Commission or Bangko Sentral ng Pilipinas ("BSP"), or under any rule or regulation issued by the Commission or BSP, or has otherwise been restrained to engage in any activity involving securities and banking; or such person is currently the subject of an effective order or a self-regulatory organization suspending or expelling him from membership, participation or association with a member or participant of the organization.

- (c) Any 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 aided, 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 by 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 (a) to (d) 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.

ii. Temporary Disqualification

- (a) Refusal to comply with the disclosure requirements of the Securities Regulation Code and its Implementing Rules and Regulations. 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 purposes of 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.

## NON-EXECUTIVE DIRECTORS

The Non-Executive Directors should possess such qualifications and stature that would enable them to effectively participate in the deliberations of the Board.

## INDEPENDENT DIRECTORS

At least three (3) of the members of the Board of Directors shall be Independent Directors. The Independent Directors shall be nominated by the Corporate Governance/Nomination Committee.

### 1.) Independent Directors

An independent director shall mean a person who, apart from his fees and shareholdings, is independent of Management and 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 of the Corporation and includes, among others, a person who:

- a.) Is not a director or officer or substantial stockholder of the Corporation or its related companies or any of its substantial shareholders (other than as an independent director of any of the foregoing);
- b.) Is not a relative of any director, officer or substantial shareholder of the Corporations, any of its related companies or any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister, and the spouse of such child, brother or sister.
- c.) Is not acting as a nominee or representative of a substantial shareholder of the Corporation, any of its related companies or any of its substantial shareholders.
- d.) Has not been employed in any executive capacity by the Corporation, any of its related companies, or any of its substantial shareholders within the last five (5) years;
- e.) He has not engaged and does not engage in any transaction with the Corporation or with any of its related companies or with any of its substantial shareholders, whether by himself or with other persons or through a firm of which he is a partner or a company of which he is a director or substantial shareholder, other than transactions which are conducted at arm's-length and are immaterial or insignificant;

When used in relation to a company subject to the requirement above:

- i. Related company means another company which is: (a) its holding company, (b) its subsidiary, and (c) a subsidiary of its holding company.
- ii. Substantial shareholder means any person who is, directly or indirectly, the beneficial owner of more than ten percent (10%) of any class of its equity security.

## 2.) Qualifications of an Independent Director

An independent Director shall have the following qualifications:

- a.) He must be a holder of at least one (1) share of stock of the corporation registered under his name;
- b.) He must be a college graduate or holds an equivalent academic degree;
- c.) He must have been engaged in or exposed to the business of the corporation for at least five (5) years;
- d.) He must be a person of proven integrity/probity;
- e.) He must be assiduous;

## 3.) Disqualification of an Independent Director

No person enumerated under Article 3 (E) of the Revised Code of Corporate Governance shall qualify as an independent director. He shall also be disqualified during his tenure under any of the following instances or causes:

- a.) He becomes an officer or employee of the Corporation where he is such a member of the Board;
- b.) His beneficial security ownership exceeds ten percent (10%) of the outstanding capital stock of the Corporation where he is such a director;
- c.) Fails, without any justifiable cause, to attend at least fifty percent (50%) of the total number of Board meetings during his incumbency unless such absences are due to grave illness or death of an immediate family.
- d.) The company perpetually bars an independent director from serving in such capacity after the term limit of nine (9) years.

## 4.) Election of Independent Directors

- a.) Except as those required under the Securities Regulation Code and subject to pertinent existing laws, rules and regulations of SEC, the conduct of the election of independent directors shall be made in accordance with the standard election procedures for regular directors as provided in the By-laws of the Corporation. It shall be the responsibility of the Chairman to inform all stockholders in attendance of the mandatory requirement of electing independent director/s;
- b.) Specific slots for independent directors shall not be filled-up by unqualified nominees;

c.) In case of failure of election for independent directors, the Chairman shall call a separate election during the same meeting to fill up the vacancy.

5.) Termination/Cessation of Independent Directorship

In case of resignation, disqualification or cessation of independent directorship and only after notice has been made with SEC within five (5) days from such resignation, disqualification or cessation, the vacancy shall be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; upon the nomination of the Corporate Governance/Nomination Committee. Otherwise, said vacancies shall be filled by the stockholders in a regular or special meeting called for that purpose. An independent director so elected to fill a vacancy shall serve only for the unexpired term of his predecessor in office.

**F. BOARD MEETINGS AND QUORUM REQUIREMENT**

The members of the Board should attend its regular and special meetings in person or through teleconferencing conducted in accordance with the rules and regulations of the SEC and the By-laws, as amended.

Independent directors should always attend Board meetings. To promote transparency, the presence of at least one independent director shall be required in all its meetings. The Board shall also designate a lead director among the independent directors, if the Chairperson of the Board is not an independent director to promote independence of the Board.

**G. MULTIPLE BOARD SEATS**

The Board may consider the adoption of guidelines on the directorships that its members can hold in stock and non-stock corporations. The optimum number should take into consideration the capacity of a director to diligently and efficiently perform his duties and responsibilities. Directors are required to inform the Board in advance of accepting a directorship in another company.

The CEO and other Executive Directors may be covered by a lower indicative limit for membership in other boards. A similar limit may apply to Independent or Non-Executive Directors who, at the same time, serve as full-time executives in other corporations. In any case, the capacity of the directors to diligently and efficiently perform their duties and responsibilities to the boards they serve should not be compromised.

**H. REMUNERATION OF DIRECTORS AND OFFICERS**

The levels of remuneration of the Corporation should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of Executive Directors may be structured or be based on corporate and individual performance.

The Corporation shall establish formal and transparent procedures for the development of a policy on executive remuneration or determination or remuneration levels for individual directors and officers, which shall be prepared by the Compensation and Remuneration Committee as more particularly described in Section V (C). No director should participate in deciding on his remuneration.

The Corporation's annual reports and information and proxy statements shall include a clear, concise and understandable disclosure of all fixed and variable compensation that may be paid, directly or indirectly, to its directors and top four (4) management officers during the preceding fiscal year.

## **I. TRAINING AND DEVELOPMENT**

The Corporation takes responsibility for the training and development of directors to foster their continuous growth and enhance the corporation's competitiveness. A comprehensive training and development program will be established, encompassing orientation for new directors and ongoing training opportunities.

The Corporation will periodically assess the effectiveness of the program, seeking to make improvements that align with emerging corporate governance trends and industry best practices. Directors will be encouraged to participate in external training programs and events relevant to their roles, enabling them to stay updated on industry developments.

Individual development plans will be supported, allowing directors to set professional goals and strategies for growth. Collaboration and knowledge sharing among directors will be promoted to facilitate collective learning and the exchange of insights and best practices.

By taking these proactive measures, the Corporation aims to equip directors with the necessary skills and knowledge to effectively fulfill their governance responsibilities and contribute to the corporation's long-term success.

## **J. SUCCESSION AND RETIREMENT OF DIRECTORS**

The Corporation holds the responsibility of establishing a comprehensive policy for the succession and retirement of directors. This policy plays a vital role in ensuring effective leadership continuity and maintaining strong corporate governance practices. The outline for the succession and retirement process includes several key components.

Succession planning involves identifying key leadership positions within the board, developing a pool of potential candidates for future vacancies, and assessing their qualifications and alignment with the corporation's goals. A structured process for grooming and developing these candidates is implemented through mentoring, training, and exposure to board responsibilities. Transparency and inclusiveness are emphasized throughout the succession planning process.

A clear retirement policy is established, defining the tenure and age limits for directors. Mechanisms such as term limits or age-based limits are determined to implement retirement. The policy is communicated to directors, and a process is put in place for smooth transitions and knowledge transfer when directors retire. Regular reviews and updates of the retirement policy ensure its alignment with evolving governance practices and the strategic needs of the corporation.

Monitoring and evaluation are crucial aspects of the policy, involving the regular assessment of director performance, reviews of the succession plan, and seeking feedback from directors, shareholders, and stakeholders. This feedback informs necessary adjustments and improvements to the policy as needed, ensuring its ongoing effectiveness.

By adhering to this policy, the Corporation can ensure a seamless transition of directors, maintain strong corporate governance, and support the long-term success and sustainability of the organization.

## V

### **RELATED PARTY TRANSACTIONS**

In case of related party transactions, the Corporation shall ensure that these transactions are entered into on terms, which are not more favorable to the related party than those generally available to third parties dealing on an arm's length basis, and are not detrimental to unrelated shareholders. All related party transactions shall be reviewed by the appropriate approving body, as determined by the Board, to ensure that the Corporation's resources are not misappropriated or misapplied. In the event of a related party transaction involving a Director, the relevant Director should make a full disclosure of any actual or potential conflict of interest and must abstain from participating in the deliberation and voting on the approval of the proposed transaction and any action taken to address the conflict.

## VI

### **BOARD COMMITTEES**

The Board shall constitute the following committees to assist it in good Corporate Governance:

#### **A. AUDIT COMMITTEE**

The Audit Committee shall consist of at least three (3) directors and majority of whom, including the Chairperson, are Independent Directors. The committee shall have the following functions:

- 1.) 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.
- 2.) Provide oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. This function shall include regular receipt from Management of information on risk exposures and risk management activities.
- 3.) 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.
- 4.) 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.
- 5.) Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit and ensure proper coordination of more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts.
- 6.) Organize an Internal Audit Department, and consider the appointment of an independent Internal Auditor and the terms and conditions of its engagement and removal.
- 7.) Monitor and evaluate the adequacy and effectiveness of the Corporation's Internal Control System, including financial reporting control and information technology security.
- 8.) Review the reports submitted by the internal and external auditors.
- 9.) Review the financial statements before their submission to the Board, with particular focus on the following matters:
  - Any change/s in accounting policies and practices
  - Major judgmental areas
  - Significant adjustments resulting from the audit
  - Going concern assumptions
  - Compliance with accounting standards
  - Compliance with tax, legal and regulatory requirements.
- 10.) Coordinate, monitor and facilitate compliance with laws, rules and regulations.



- 11.) Evaluate and determine the non-Audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor 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.
- 12.) 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.

The Audit Committee shall have such other functions to be determined by the Board of Directors.

## **B. CORPORATE GOVERNANCE/NOMINATION COMMITTEE**

The Board shall create a Corporate Governance/Nomination Committee which shall have at least three (3) members and one (1) of whom must be an independent director. The committee shall have the following functions, among others that may be delegated by the Board:

- 1.) Develop, review and recommend to the Board a set of Corporate Governance guidelines applicable to the Corporation, including the amendments or revisions to this Manual.
- 2.) Responsible for overseeing the Corporation's implementation and effectiveness of its Corporate Governance, including the annual accomplishment of the scorecard on the scope, nature and extent of the actions undertaken by the Corporation to meet the objectives of this Manual.
- 3) To maintain an informed status on issues related to the Corporation's corporate social responsibility, public policy and philanthropy, and those affecting the name, reputation, and goodwill of the Corporation.
- 4) To review and evaluate the qualifications of all individuals nominated to the Board and other appointments that require Board approval, and to assess the effectiveness of the Board's processes and procedures in the election or replacement of directors.
- 5) To pre-screen and shortlist all candidates nominated to become a member of the Board in accordance with the qualifications and disqualifications of a director.
- 6) To establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.

The Committee shall have such other functions to be determined by the Board of Directors.

## **C. COMPENSATION AND REMUNERATION COMMITTEE**

The compensation and remuneration committee shall consist of three (3) directors, one of whom shall be an independent director.

The Compensation Committee shall establish a formal and transparent procedure for developing a policy on remuneration of directors and officers to ensure that their compensation is consistent with the corporation's culture, strategy and the business environment in which it operates.

The Compensation and Remuneration Committee shall have such functions to be determined by the Board of Directors.

## **VII**

### **THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

The roles of Chairman and CEO should, as much as possible, 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 CEO upon their election.

If the positions of Chairman 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 relation to the Board shall include, among others, the following:

- a) Ensure that the meetings of the Board are held in accordance with the By-Laws, as amended, of the Corporation.
- b) Supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary, taking into consideration the suggestions of the CEO, Management and the directors.
- c) Maintain qualitative and timely lines of communication and information between the Board and Management.

If the position of Chairman and CEO are not separate and matters for resolution of the Board involve the accountability of Management and there is a perceived conflict of interest in relation thereto, the Chairman shall appoint a lead director from among the independent directors to temporarily preside in the meeting to ensure the independence of the Board.

## **VIII**

### **THE CORPORATE SECRETARY**

The Corporate Secretary, who shall be a Filipino citizen and a resident of the Philippines, is an officer of the Corporation. He shall –

- 1.) Be responsible for the safekeeping and preservation of the integrity of the minutes of the meetings of the Board and its committees, as well as the other official records of the Corporation.
- 2.) Be loyal to the mission, vision and objectives of the Corporation.
- 3.) Work fairly and objectively with the Board, Management, stockholders and other stakeholders
- 4.) Have appropriate administrative and interpersonal skills.
- 5.) Be aware of the laws, rules and regulations necessary in the performance of his duties and responsibilities.
- 6.) Have a working knowledge of the operations of the Corporation;
- 7.) Inform the members of the Board, in accordance with the By-Laws, as amended, of the agenda 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.
- 8.) Attend all Board meetings, except when justifiable causes, such as, illness, death in immediate family and serious accidents, prevent him from doing so.
- 9.) Ensure that all Board procedures, rules and regulations are strictly followed by the members.
- 10.) If he is also the Compliance Officer, perform all the duties and responsibilities of the said officer as provided for in this Code.

## **IX**

### **THE COMPLIANCE OFFICER**

To ensure audience to corporate principles and best practices, the Board shall appoint a Compliance Officer who shall report directly to the Chairman. He shall perform the following duties:

- 1.) Monitor compliance by the Corporation with this Manual and the rules and regulations of regulatory agencies and, if any violations are found, report the matter to the Board and recommend the imposition of appropriate disciplinary action on the responsible parties and the adoption of measures to prevent a repetition of the violation.
- 2.) Appear before the SEC when summoned in relation to matters that need clarification.
- 3.) Prepare and submit to the SEC the Annual Corporate Governance Report for Public Companies and Registered Issuers on or before June 30<sup>th</sup> of the following year.

## **X**

### **THE EXTERNAL AUDITOR**

An external auditor shall enable an environment of good Corporate Governance as reflected in the financial records and reports of the Corporation. In this connection, an external auditor shall be selected and appointed by the stockholders as recommended by the Board.

## **XI**

### **ACCOUNTABILITY AND AUDIT**

- 1.) The Board is primarily accountable to the stockholders. It should provide them with a balanced and comprehensible assessment of the Corporation's performance position and prospects on a quarterly basis, including interim and other reports that could adversely affect its business, as well as reports to regulators that are required by law.

Thus, it is essential that Management provides all members of the Board with accurate and timely information that would enable the Board to comply with its responsibilities to the stockholders.

Management should formulate, under the supervision of the Audit Committee, the rules and procedures on financial reporting and Internal Control in accordance with the following guidelines:

- a.) The extent of its responsibility in the preparation of the financial statements of the Corporation, with the corresponding delineation of the responsibilities that pertain to the external auditor, should be clearly explained.
- b.) An effective system of Internal Control that will ensure the integrity of the financial reports and protection of the assets of the Corporation should be maintained for the benefit of all stockholders and other stakeholders.
- c.) On the basis of the approved audit plans, Internal Audit examinations should cover, at the minimum, the evaluation of the adequacy and effectiveness of

controls that cover the Corporation's governance, operations and information systems, including the reliability and integrity of financial and operational information, effectiveness and efficiency of operations, protection of assets, and compliance with contracts, rules and regulations.

- d.) The Corporation should consistently comply with the financial reporting requirements of the SEC.
  - e.) The external auditor should be rotated or changed every five (5) years, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency.
  - f.) The Internal Auditor should submit to the Audit Committee and Management an annual report on the Internal Audit Department's activities, responsibilities and performance relative to the audit plans and strategies as approved by the Audit Committee. The annual report should include significant risk exposures, control issues and such other matters as may be needed or requested by the Board and Management. The Internal Auditor should certify that he conducts his activities in accordance with the International Standards on the Professional Practice of Internal Auditing. If he does not, he shall disclose to the Board and Management the reasons why he has not fully complied with the said standards.
- 2.) The Board, after consultations with the Audit Committee, shall recommend to the stockholders an external auditor duly accredited by the SEC who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders. The external auditor shall not, at the same time, provide Internal Audit services to the Corporation. Non-Audit Work may be given to the external auditor, provided it does not conflict with his duties as an independent auditor, or does not pose a threat to his independence.

If the external auditor resigns, is dismissed or ceases to perform his services, the reason/s for and the date of effectivity of such action shall be reported in the Corporation's annual and current reports. The report shall include a discussion of any disagreement between him and the Corporation on accounting principles or practices, financial disclosures or audit procedures which the former auditor and the corporation failed to resolve satisfactorily. A preliminary copy of the said report shall be given by the Corporation to the external auditor before its submission.

If the external auditor believes that any statement made in an annual report, information statement or any report filed with the SEC or any regulatory body during the period of his engagement is incorrect or incomplete, he shall give his comments or views on the matter in the said reports.

## **XII**

### **STOCKHOLDERS' BENEFIT AND RIGHTS AND PROTECTION OF MINORITY STOCKHOLDERS' INTEREST**

It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and provide an adequate venue for them to seek timely redress for violation of their rights.

The Board shall be transparent and fair in the conduct of the annual and special stockholders' meetings of the Corporation and should provide accurate and timely information to the stockholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval. The stockholders should be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the stockholders' meaningful participation in meetings, whether in person or by proxy. Subject of the requirements of the By-Laws, the exercise of the right shall not be unduly restricted and any doubt about the validity of a proxy should be resolved in the stockholder's favor.

The Board shall respect the rights of the stockholders as provided for in the Corporation Code, namely:

- 1.) Right to vote on all matters that require their consent or approval.
- 2.) Pre-emptive right to all stock issuances of the Corporation, if applicable under the Corporation's Articles of Incorporation and By-Laws, as amended.
- 3.) Right to inspect corporate books and records.
- 4.) Right to information
- 5.) Right to dividends
- 6.) Appraisal right

Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders the right to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.

## XIII

### DUTIES TO STAKEHOLDERS

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

The Board should identify the company's various stakeholders and promote cooperation between them and the company in creating wealth, growth and sustainability. The Board should establish clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. The Board should adopt a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

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

The Board should establish policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance. The Board should 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 should disseminate the policy and program to employees across the organization through trainings to embed them in the company's culture. The Board should 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 should be conscientious in establishing the framework, as well as in supervising and ensuring its enforcement.

The Corporation should be socially responsible in all its dealings with the communities where it operates. It should 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 should recognize and place an importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.

The Company is committed to always keeping its stakeholders informed through its website.

## **XIV**

### **DISCLOSURE AND TRANSPARENCY**

All material information about the Corporation which could adversely affect its viability or the interests of its stockholders and other stakeholders should be publicly and timely disclosed. Such information should include, among others, earnings results, acquisition or disposition of material assets, off balance sheet transactions, related party transactions and direct and indirect remuneration of members of the Board and Management. All such information shall be disclosed through appropriate submissions to the SEC.

The Board shall commit at all times to fully disclose material information dealings. It shall cause the filing of all required information through appropriate submissions to the SEC for the interest of its stockholders and other stakeholders.

Management shall provide members of the Board with complete, adequate and timely information about the matters to be taken in their meeting. However, reliance on information volunteered by Management may not be sufficient in all circumstances and further inquiries may have to be made by members of the Board to enable them to properly perform their duties and responsibilities. Hence, the members of the Board shall be given independent access to Management and the Corporate Secretary.

The members of the Board, individually or as a Board, and in furtherance of their duties and responsibilities, should have access to independent professional advice at the Corporation's expense.

## **XV**

### **MONITORING AND ASSESSMENT**

The Corporation shall establish, adopt and implement this Manual in accordance with the SEC's Revised Code of Corporate Governance.

The Compliance Officer shall establish an evaluation system to determine and measure compliance with this Manual. Any violation thereof shall subject the responsible officer or employee to the penalty provided under this Manual.

The Manual shall be subject to review, and may be amended or revised at any time at the discretion of the Board.



## **XVI**

### **PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL**

To strictly observe and implement the provisions of this Manual, the following penalties shall be imposed, after notice and hearing, on the Corporation's directors, officers, and employees, in case of violation of any of the provisions of this Manual:

- 1.) In case of first violation, the subject personnel shall be reprimanded.
- 2.) Suspension from office shall be imposed in case of second violation. The duration of the suspension shall be at the reasonable discretion of the Board, depending on the gravity of the violation.
- 3.) For third violation, the maximum penalty of removal from office shall be imposed. The commission of a third violation of this Manual by any member of the Board of the Corporation shall be a sufficient cause for removal from directorship.

The Compliance Officer shall be responsible for determining violation/s through notice and hearing and shall recommend to the Chairman of the Board the imposable penalty for such violation, for further review and approval of the Board.

**THIS MANUAL SHALL BE AVAILABLE FOR INSPECTION BY ANY STOCKHOLDER OF THE CORPORATION AT REASONABLE HOURS ON BUSINESS DAYS.**

Signed and Approved by the Board of Directors on JUNE 15, 2023 in Makati City.




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**ROBERT CHARLES M. LEHMANN**  
Director




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**SERVANDO B. ALVAREZ JR.**  
Director



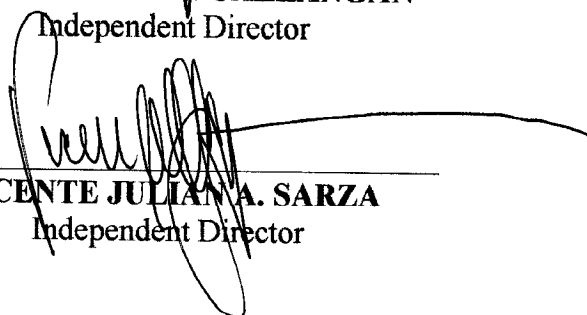
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**ATTY. JUSTINA B. CALLANGAN**  
Independent Director



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**AUGUSTO M. COSIO JR.**  
Independent Director



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**VICENTE JULIANA A. SARZA**  
Independent Director



**money market**  
MUTUAL FUND INC.

AIB Money Market Mutual Fund, Inc.  
*Amended Manual on Corporate Governance*

### **CERTIFICATION**

We, the Compliance Officer and the Chairman of the Board of Directors of AIB Money Market Mutual Fund, Inc. hereby certify that this Amended Manual on Corporate Governance is adopted pursuant to SEC Memorandum Circular No. SEC Memorandum Circular No. 6, Series of 2009 or the Revised Code of Governance, as amended by SEC Memorandum Circular No. 9, Series of 2014. This Amended Manual on Corporate Governance has been approved by the Board of Directors of the Corporation on June 13, 2023.

A handwritten signature in black ink, appearing to read 'J. Samonte', written in a cursive style.

**JONEF A. SAMONTE**  
*Compliance Officer*

A handwritten signature in black ink, appearing to read 'R. Lehmann', written in a cursive style.

**ROBERT CHARLES M. LEHMANN**  
*Chairman*