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ATTY. RODOLFO G. CORVITE, JR.

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Asian Terminals Incorporated Head Office,
A. Bonifacio Drive, Port Area,
Manila, Philippines 1018
P.O. Box 3021, Manila, Philippines
Tel. No. (632) 528 6000
Fax (632) 527 2467



May 12, 2017

SECURITIES AND EXCHANGE COMMISSION
Corporate Governance and Finance Department
Ground Floor-North Wing, PICC Secretariat Building
PICC Complex, Roxas Boulevard, Pasay City

Attention : **DIR. JUSTINA F. CALLANGAN**
Corporate Governance and Finance Department (CGFD)

Re : **ATI Corporate Governance Manual**

Dear Madam,

Please be advised that on May 2, 2017, the Company submitted its Corporate Governance Manual ("CG Manual") pursuant to SEC Memorandum Circular No. 19, series of 2016. The said CG Manual was signed by the Company President. A copy of the Advisement Letter is hereto attached as Annex "A".

On May 5, 2017, the SEC posted in its website the Memorandum Circular No. 8, series of 2017 ("MC No. 8") which requires the CG Manual of all publicly listed companies to be signed by the Chairman of the Board and the Compliance Officer. In compliance with the said MC No. 8, we submit the Company's CG Manual (attached as Annex "B") signed by the Chairman and the Compliance Officer.

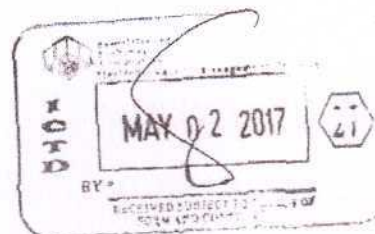
Truly yours,


ATTY. RODOLFO G. CORVITE, JR.
Corporate Secretary



Asian Terminals Incorporated Head Office,
A. Bonifacio Drive, Port Area,
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May 2, 2017



SECURITIES AND EXCHANGE COMMISSION
Corporate Governance and Finance Department
Ground Floor-North Wing, PICC Secretariat Building
PICC Complex, Roxas Boulevard, Pasay City

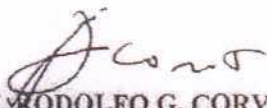
Attention : DIR. JUSTINA F. CALLANGAN
Corporate Governance and Finance Department (CGFD)

Re : ATI Corporate Governance Manual

Dear Madam,

Pursuant to SEC Memorandum Circular No. 19, series of 2016, the Code of Corporate Governance for Publicly Listed Companies, we submit our amendments to the ATI Corporate Governance Manual hereto attached as Annex "A". The amendments were reviewed and unanimously approved by the Board of Directors in the meeting last April 27, 2017.

Truly yours,


ATTY. RODOLFO G. CORVITE, JR.
Corporate Secretary

REVISED MANUAL ON CORPORATE GOVERNANCE
ASIAN TERMINALS, INC.

The Board of Directors and Management of Asian Terminals Incorporated commit themselves to the principles and best practices of good corporate governance contained in this Manual, and acknowledge the same as a guide towards the attainment of their corporate goals.

I. OBJECTIVE and DEFINITION OF TERMS

This Manual shall institutionalize the principles of good corporate governance in the entire organization.

The Board of Directors 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.

- a) **Corporate Governance** - is a system of stewardship and control to guide organizations in fulfilling their long term economic, moral, legal and social obligations towards their stakeholders. It is a system of direction, feedback and control using regulations, performance standards and ethical guidelines to hold the Board and senior management accountable for ensuring ethical behavior and reconciling long term customer satisfaction with shareholder value for the benefit of all stakeholders and society.
- b) **Board of Directors**- the governing body elected by the stockholders which exercises the corporate powers of a corporation, conducts all of its business and controls its properties.
- c) **Management**- group of executives 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.
- d) **Independent Director**- a person who is independent of management and the controlling shareholder, and is 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.
- e) **Executive Director**- a director who is a member of the management team of the corporation.
- f) **Non-Executive Director**- a director who is not a member of the management team of the corporation and does not perform any work related to the operations of the corporation.

- g) **Internal Control-** a process designed and effected by the Board of Directors, senior management on all levels of personnel to provide reasonable assurance of the achievement of its objectives through efficient and effective operations, reliable, complete and timely financial and management information and compliance with applicable laws, regulations, and the organization's policies and procedures.
- h) **Related Party-** covers the Company's subsidiaries, as well as affiliates and any party that the Company exerts direct or indirect control over the company, directors, officers, shareholders, and related interests (DOSRI) and their close family members as well as corresponding persons in affiliated companies.
- i) **Related Party Transactions-** a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged. It should be interpreted broadly to include not only transactions that are entered into with related parties, but also outstanding transactions that are entered into with an unrelated party that subsequently becomes a related party.
- j) **Stakeholders-** any individual, organization, or society at large who can either affect and/ or be affected by the company's strategies, policies, business decisions and operations in general, such as customers, creditors, employees, suppliers, investors, as well as the government and the community in which it operates.

II. THE BOARD'S GOVERNANCE RESPONSIBILITIES

1. **Board of Directors**

Compliance with the principles of good corporate governance shall start with the Board of Directors.

It shall be the Board's responsibility to foster the long-term success of the Company and secure its sustained competitiveness in the manner consistent with its fiduciary responsibility, which it shall reasonably exercise in the best interest of the Company, its shareholders and other stakeholders. The Board shall conduct itself with honesty and integrity in the discharge of its duties, functions and responsibilities.

A. Composition of the Board

1. The Board shall be composed of eight (8) members elected by shareholders with at least two (2) independent directors or at least twenty percent (20%) of the members of such Board or in such minimum number as may be mandated by Securities and Regulation Code (SRC).

2. The shareholders may elect a combination of executive and non-executive directors, which in general, be composed of a majority of non-executive directors.

3. The Board should be headed by a competent and qualified Chairman.

B. Training

1. A director shall, as much as practicable, before assuming his position, be required to attend a seminar on corporate governance from duly SEC-accredited training providers.

2. The Company shall provide general access to training courses to its directors to keep them updated in their knowledge and understanding of its business.

C. Board Diversity

1. The Company shall, as much as practicable, endeavor to ensure diversity in the Board, in terms of gender, age, ethnicity, skills, competence and knowledge.

D. General Responsibility

A director's office is one of trust and confidence. He shall act in a manner characterized by transparency, accountability and fairness. The Board should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and all shareholders and stakeholders.

E. Specific Duties and Functions

To ensure a high standard of best practice for the Company, its shareholders and other stakeholders, and in addition to its other duties and functions, the Board shall as much as practicable:

- Install and implement a process of selection to ensure the election/appointment of competent directors, who can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.
- Determine the Corporation's purpose, its vision and mission and formulate strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

- Formulate a Board Charter to serve as a guide to the directors in the performance of their functions. The Board Charter shall be posted on the company website.
- Adopt and ensure the proper implementation and monitoring of compliance, of a Code of Business Conduct and Ethics, properly disseminated to the Board, senior management and employees and disclosed and made available to the public through the Company website.
- Appoint competent, professional, honest and highly motivated management officers, and adopt an effective succession planning program for key officers and management.
- Ensure that the Corporation complies with all relevant laws, regulations and best business practices.
- Identify the Corporation's stakeholders and formulate a clear policy on communicating or relating with them and a process to obtain redress for the violation of their rights.
- Adopt a system of internal checks and balances. A regular review of the effectiveness of such system should be conducted to ensure the integrity of the decision-making and reporting process. There should be a continuing review of the Corporation's internal control system in order to maintain its adequacy and effectiveness and ensure the integrity of financial reports and protection of the assets of the corporation for the benefit of all stockholders and other stakeholders. A mechanism shall be set up for monitoring and managing potential conflicts of interest of Management, Board and shareholders.
- Identify key risk areas and key performance indicators and monitor these factors with due diligence, and ensure that a sound Enterprise Risk Management framework is in place.
- Properly discharge Board functions by meeting regularly. Independent views during Board meetings shall be given due consideration and all such meetings shall be duly minuted;
- Keep the activities and decisions of the Board within its authority and within the powers of the institution as prescribed in the Articles of Incorporation, By-laws and existing laws, rules and regulations;
- Formulate and implement group-wide 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, associates, 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; and

- 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.
- Ensure that the remuneration of key officers and members of the Board are aligned with the long-term interests of the Company.
- Conduct an annual self-assessment of its performance, including the Chairman, individual members and the Board Committees. Every three (3) years, the assessment shall be supported by an external facilitator.
- Assess the performance of the Management based on established performance standards that are consistent with the Company's strategic objectives.

F. Duties and Responsibilities of a Director

The duties and responsibilities of a director shall include the following:

- To fairly conduct business transactions with the corporation and to ensure that personal interest does not bias Board decisions;
- To devote time and attention necessary to properly discharge his duties and responsibilities;
- To act judiciously;
- To exercise independent judgment;
- To have a reasonable working knowledge of statutory and regulatory requirements affecting the Corporation, including the contents of its articles of Incorporation and By-laws, the requirements of the commission, and where applicable, the requirements of other regulatory agencies.
- To observe confidentiality;
- To ensure the continuing soundness, effectiveness and adequacy of the Corporation's control environment.

- Notify the Board before accepting a directorship in another company.

G. Nomination and Election of the Board of Directors

In addition to the Revised Implementing Guidelines of the Nomination Committee, the nomination and election of directors shall be guided by the following:

- The Corporate Secretary shall set a reasonable period for the submission of names of nominees for election to the Board of Directors. All nominations must be in writing and addressed to the Corporate Secretary. The nomination of Independent Directors must contain the written conformity of the nominee.
- The Nomination Committee shall convene at least sixty (60) calendar days prior to the election, to pre-screen and check the qualifications and disqualifications of all nominees to be elected to the Board of Directors. Only the names in the Final List of Candidates issued by a majority vote of the Nomination Committee and no other, shall be considered for election by the shareholders.
- The Company may engage the services of an external party to validate the voting results.

2. **Compliance Officer**

To ensure adherence to corporate principles and best practices, the Chairman of the Board shall designate a Compliance Officer who shall hold the position of a Vice President or its equivalent. He/she shall have the direct reporting responsibilities to the Chairman of the Board and is primarily liable to the Company and its shareholders.

A. The duties of the Compliance Officer shall include the following:

- Monitor compliance with the provisions and requirement of this Manual and the rules and regulations of regulatory agencies.
- Appear before the Securities and Exchange Commission upon summon on similar matters that need to be clarified by the Commission;
- Determine violation/s of the Manual, reporting the matter to the Board, the Chief Executive Officer and the Management Committee and recommend remedial measures or imposition of appropriate disciplinary action on responsible parties to prevent

repetition of the violation, in accordance with the provisions of the Manual.

- Identify, monitor and control compliance risk and work towards the resolution of compliance issues.
- Ensure proper onboarding of new directors such as orientation on the company's business, charter, articles of incorporation and by-laws as well as relevant policies.
- Ensure the integrity and accuracy of all documentary submissions to regulators.
- Collaborate with other departments to properly address compliance issues, which may be the subject of investigation.
- Ensure the attendance of board members and key officers to relevant trainings.
- Perform such other duties and responsibilities as may be directed by SEC.

B. The appointment of the Compliance Officer shall be immediately disclosed to the Securities and Exchange Commission on SEC Form 17-C. All correspondence relative to his functions as such shall be addressed to said Officer.

3. Corporate Secretary

A. The Corporate Secretary shall assist the Board in its duties. The Corporate Secretary is an officer of the company and is expected to perform his duties efficiently and diligently. The Corporate Secretary shall be a Filipino citizen. Considering his/her varied functions and duties, he/she must possess administrative and interpersonal skills, and if he/she is not the general counsel, then he/she must have some legal skills. He/she preferably must also have some financial and accounting skills.

B. In addition to the Duties and Responsibilities provided under the Corporation Code and By-laws, the Corporate Secretary shall:

- Assist the Board and the Board Committees in the conduct of meetings, including the preparation of annual schedule and agenda of the meetings.
- Inform the Board and the Board Committees, the agenda of the meetings, at least five (5) working days in advance.

- Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.
- Safe keep and preserve the integrity of the minutes of the meetings of the Board and Board Committees as well as other corporate records.
- Keep abreast of relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation and as much as practicable advise the Board and the Chairman on all relevant issues as they arise.
- Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.
- Attend all Board meetings and maintain records of the same.
- Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.
- Work fairly and objectively with the Board, Management, stockholders and other stakeholders.
- Advise on the establishment of Board Committees and their terms of reference.
- Oversee the drafting of the by-laws and ensure that they conform to regulatory requirements.
- Perform other duties which the Board may deem fit and as may be directed by SEC.

4. Board Committees

To aid in complying with the principles of good corporate governance, the Board may constitute appropriate committees to focus on specific board functions to aid in the optimal performance of its roles and responsibilities. The type of Board committees to be established by the Company would depend on its size, risk profile and complexity of operations. The following are the Board Committees:

A. Executive Committee

The Executive Committee shall be composed of at least three (3) members of the Board. Except as provided in Section 35 of the Corporation Code, the Executive Committee shall have and exercise all such powers as may be delegated to it by the Board. Section 35 of the Corporation Code provides as exceptions to the delegation of

powers; 1) approval of any actions for which shareholders' approval is also required; 2) the filing of vacancies in the Board; 3) the amendment or repeal of by-laws or the adoption of new by-laws; 4) the amendment or repeal of any resolution of the board which by its express terms is not amendable or repealable; and 5) a distribution of cash dividends to the shareholders.

B. Nomination Committee

- a) The Nomination Committee shall be composed of the Chairman, the President, and three (3) directors appointed by the Board (one of whom must be independent).
- b) The Nomination Committee shall pre-screen and shortlist all candidates nominated to become a member of the board of directors in accordance with the qualifications, and disqualifications provided under the Corporation Code, the Securities and Regulation Code, other relevant laws, and the Corporation's By-laws and take into consideration the availability, capability, track record and experience of all nominees for regular as well as for independent director. The following are the minimum qualifications and disqualifications:

Qualifications:

- A stockholder of record in the books of the Corporation, owning at least one (1) share of the capital stock of the Corporation. He must continuously own at least one (1) share of stock during his term, otherwise he shall automatically cease to be a director.
- Have high educational attainment and/or sufficiently relevant experience in managing the business of the Corporation.
- Proven to possess a record of integrity and good repute.

Permanent Disqualification

The following shall be grounds for the permanent disqualification of a director:

- Conviction by final judgment by a Philippine or foreign court or any regulatory agency, for an offense punishable by imprisonment for a period exceeding six

(6) years, or a violation of the Corporation Code, committed within five (5) years, prior to the date of his election or any offense involving moral turpitude such as among others, fraud, embezzlement, counterfeiting, misappropriation, bribery, perjury and other fraudulent acts.

- Engaged in any business which competes with or is antagonistic to that of the Corporation.
- Judicially declared insolvent.
- Circumstances or acts clearly demonstrate that the person is not a bonafide nominee and in fact is only a nuisance candidate, or clearly indicate that he does not have any good intentions for the Corporation.
- Any person earlier elected as independent director who becomes an officer, employee or consultant of the same corporation, shall be disqualified as independent director.
- As a rule, an independent director may serve for a maximum of nine (9) consecutive years, starting from 2012. However, the Company must ensure that the shareholders' legal right to vote and be voted directors remains inviolable and the Company may retain any independent director who has served for nine (9) consecutive years, provided meritorious justifications exist and the shareholders are advised of such justifications during the annual shareholders' meeting.
- In consultation with the Nomination Committee, the Board may, from time to time, provide for additional qualifications, disqualifications and grounds for temporary disqualifications of a director, consistent with the Corporation Code, the Securities and Regulation Code and other relevant laws/ regulations, the Corporation's By-laws and this Manual.
- Other grounds as SEC may provide.

Temporary Disqualification

- Absence or non-participation in more than fifty percent (50%) of all meetings (both regular and special) of the Board of Directors, 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. This disqualification shall apply for purposes of the succeeding election.

- Dismissal or termination for cause as director of any publicly-listed company. The disqualification should be in effect until the director has been cleared from any involvement in the cause that gave rise to the termination or dismissal.
 - Beneficial equity ownership of an independent director exceeds two percent (2%) of its subscribed capital stock. The disqualification is lifted if the limit is later complied with.
 - If any of the judgments or orders cited in the grounds for permanent disqualification has not yet become final.
- c. In consultation with the executive or management committees, re-define the role, duties and responsibilities of the Chief Executive Officer by integrating the dynamic requirement of the business as a going concern and future expansionary prospect within the realm of good corporate governance at all times.
- d. The Nomination Committee shall consider the following guidelines in the determination of the number of directorship which a member of the Board may hold:
- The nature of the business of the corporations in which he is a director;
 - Age of the director;
 - Number of directorships or active memberships and officerships in other corporations or organizations; and
 - Possible conflict of interest.

The optimum number shall be related to the capacity of a director to perform his duties diligently in general.

- e. The Chief Executive Officer and both executive and non-executive directors as well as independent directors, shall submit themselves to reasonable indicative limit on membership in other corporate Boards. The Board may consider the adoption of guidelines on the number of directorships that its members can hold in publicly listed corporations while ensuring that their legal right to vote and be voted as directors remains inviolable. The Board should take into consideration the ability of the director to diligently and efficiently perform his duties and responsibilities and

the nature and kind of corporations he may be director of, regardless of the number of directorships he may be holding. In any case, the capacity of directors to serve with diligence shall not be compromised.

C. Compensation Committee

- a. The Compensation Committee shall be composed of at least three (3) members, one of whom must be an independent director.
- b. Included in its duties and responsibilities are the following:
 - Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of corporate officers and directors, and provide oversight over remuneration of senior management and other key personnel ensuring that the compensation is consistent with the Corporation's culture, strategy and control environment.
 - Designated the amount of remuneration, which shall be at a sufficient level to attract and retain directors and officers who are needed to run the company successfully.
 - Establish a formal and transparent procedure for developing a policy on executive remuneration and for fixing the remuneration packages of individual directors, if any, and officers.
 - Recommend remuneration packages for corporate and individual performance.
 - Develop a Full Business Interest Disclosure form as part of the pre-employment requirements for all incoming officers, which among others compel all officers to declare under the penalty of perjury all their existing business interests or shareholdings that may directly or indirectly conflict with their performance of duties once hired.
 - Disallow any director to decide his or her own remuneration.
 - Provide in the Corporation's annual reports, information and proxy statements, if applicable, a clear, concise and understandable disclosure of the

compensation of its executive officers for the previous fiscal year and the ensuring year.

- Review the existing Human Resource Development or Personnel Handbook (if any), to strengthen provisions on conflict of interest, salaries and benefits policies, promotion and career advancement directives and compliance by all personnel concerned with the statutory requirements that must be periodically meet in their respective posts.
- In the absence of a Personnel Handbook, cause one to be develop, covering the same parameters of governance stated above.

D. Corporate Governance Committee

- a. The Corporate Governance Committee shall as much as practicable be composed of two (2) independent directors and one (1) regular director. The Chairman of the Committee shall be an independent director.
- b. The Corporate Governance Committee is tasked to assist the Board in the performance of its corporate governance responsibilities.
- c. The Corporate Governance Committee must ensure compliance with and proper observance of corporate governance principles and practices. The following are its duties and functions:
 - Oversee the implementation of the corporate governance framework and periodically reviews the said framework to ensure that it remains appropriate in the light of material changes in the Company's size, complexity and business strategy as well as its business and regulatory requirements.
 - Oversee the periodic performance evaluation of the Board and its committees as well as Management and conduct annual self-evaluation of its performance.
 - Ensure that the results of the Board evaluation are shared and discussed, and that concrete action plans are developed and implemented to address the identified areas of improvement.

- Recommend, propose and plan continuing education or relevant training programs for directors, assignment of tasks or projects to board committee.
- Adopt corporate governance policies and ensures that these are reviewed and updated regularly, and consistently implemented in form and substance.

E. Audit Committee

- a. The Audit Committee shall as much as practicable be composed of at least three (3) non executive members of the Board, one (1) of whom shall be an independent director. The independent director shall be the committee chairman and preferably should not be the chairman of any other committees. Each member shall have adequate understanding at least, or competence at most, of the corporation's financial management systems and environment.
- b. The Board shall have an Audit Committee to enhance its oversight capability over the Company's financial reporting, internal control system, internal and external audit processes and compliance with applicable laws and regulations.

Included in the duties and responsibilities are:

- Recommend the approval of the Internal Audit Charter (IA Charter) defining the role of Internal Audit and the audit plan and the implementation of the IA Charter.
- Monitor and evaluate, through the Internal Audit Department, the adequacy and effectiveness of the Company's internal control system, integrity of financial reporting and security of physical and information assets.
- Oversee the Internal Audit Department and recommend the appointment and/or grounds for approval of an internal audit head. It may also approve the terms and conditions for outsourcing audit services.
- Establish and identify the reporting line of the Internal Auditor to enable him to properly fulfill his duties and responsibilities.

- Review and monitor Management's responsiveness to the Internal Auditor's findings and recommendations.
- Before submission to the Board, review and approve all financial reports against their compliance with both the internal financial management handbook and pertinent accounting standards, including tax, legal and regulatory requirements, going concern assumptions, significant adjustments.
- Review the disposition of the recommendations in the External Auditor's management letter.
- Perform oversight financial management functions specifically in the areas of managing credit, market, liquidity, operational, legal and other risk of the Corporation, and crisis management.
- Pre-approve all external audit plans, scope, nature, expenses and frequency at least one (1) month before the conduct of external audit and examine and determine any non-audit work including non-audit fees.
- Recommend to the Board the appointment, re-appointment, removal and fees of the External Auditors, duly accredited by the SEC.
- Perform direct interface functions with the Internal and External auditors.
 - Ensure full compliance with Philippine Accounting Standards (PAS).
- Develop a transparent financial management system that will ensure the integrity of internal control activities throughout the company thru step-by-step procedures and policies handbook that will be used by the entire organization.
- Develop a formal enterprise risk management plan and ensure implementation to determine its functionality and effectiveness.
- Evaluate the risk management plan to ensure its continued relevance, comprehensiveness and effectiveness.

- Advise the Board on its risk appetite levels and risk tolerance limits and review the same, at least annually.
- Perform oversight financial statement functions, specifically in the areas of managing credit, market, liquidity, operational, legal and other risk of the Company.
- Review material related party transactions (RPT) of the Company, taking into account the following:
 - a. The related party's relationship to the Company and interest in the transaction;
 - b. The material facts of the proposed RPT, including the proposed aggregate value of such transaction;
 - c. The benefits to the Company of the proposed RPT;
 - d. The availability of other sources of comparable products or services; and
 - e. Assessment of whether the proposed RPT is on terms and conditions that are comparable to the terms generally available to an unrelated party under similar circumstances.
- Ensure that appropriate disclosures are made and/or information is provided to regulating and supervising authorities.
- Regularly report to the Board, the activities, findings, decisions, deliberation and recommendations in connection with any RPT.
- Oversee the implementation of the system of identifying, monitoring, measuring, controlling and reporting RPT, including periodic review of RPT-related procedures and policies.

F. Committee Charters

All established committees shall be required to have Committee Charters which shall state their purpose, memberships, structures, operations, accountabilities, reporting processes, resources and such other relevant information. The Charters shall provide the standards for self-assessment and disclosed in the Company website.

5. Reinforcing Board Independence

- A. The Board shall ensure that its independent directors possess the necessary qualifications and none of the disqualifications as required by SEC and other applicable laws and regulations. Prior to election, the nominees shall, submit a Certification of Qualification.**
- B. The positions of Chairman of the Board and Chief Executive Officer shall be held by separate individuals and each should have clearly defined responsibilities.**
- C. The Board as it may deem necessary designate a lead director who shall be an independent director. The lead director shall serve as an intermediary between the Chairman and other directors ; convene and chair the meetings of non-executive directors and contribute to the performance evaluation of the Chairman.**
- D. Whenever necessary, the non-executive directors (NED) may have separate meetings with the external auditor and heads of internal audit, compliance and risk functions, without any executive director.**

III. DISCLOSURE AND TRANSPARENCY

1. Reportorial or Disclosure System of Company's Corporate Governance Policies

- a. The reports or disclosure required under this Manual shall be prepared and submitted to the Commission by the responsible Committee or officer, through the Corporation's Compliance Officer.
- b. All material information, i.e., anything that could potentially affect share price, shall be publicly disclosed. Such information shall include earnings results, acquisition or disposal of assets, board changes, and related party transactions, shareholding of directors and changes of ownership, including material and reportable non-financial and sustainability issues.
- c. Other information that shall always be disclosed includes remuneration (including stock options) of all directors and senior management, corporate strategy and off balance sheet transactions.

- d. All disclosed information shall be released via the approved stock exchange procedure for corporate announcements as well as through the annual report.
- e. The board shall commit at all times to fully disclose information on material dealings. It shall cause the filing of all required information for the interest of its stockholders and other stakeholders.
- f. The Company shall establish corporate disclosure policies and procedures that are practical, reasonable and in accordance with best practices, regulatory expectations and legal requirements, to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders, giving a fair and complete picture of a company's financial condition, results and business operations.
- g. The Company shall maintain a comprehensive and cost efficient communication channel for disseminating relevant information, which may include media and analysts' briefings.

2. External Auditor

- a. The selection, appointment, re-appointment, removal and fees of external auditor shall be approved by the Board upon the recommendation of the Audit Committee and ratified by the stockholders. An external auditor shall ensure an environment of good corporate governance as reflected in the financial records and reports of the Corporation.
- b. The reason/s for any resignation, dismissal or cessation from service and the date thereof of the external auditor shall be reported in the Corporation's annual and current reports. The reports shall include a discussion of any disagreement with the former external auditor on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.
- c. The external auditor of the Corporation shall not at the same time serve as its internal auditor to the same client. The Corporation shall ensure that other non- audit work will not be in conflict with the functions of the external auditor. Should there be non-audit services, the Company shall disclose its nature in the Annual Report.
- d. The Corporation's external auditor shall either be rotated or the handling partner shall be changed every five (5) years or earlier.

- e. If an external auditor believes that the statements made in the Corporation's annual report, information statement or proxy statement that were filed during his engagement is incorrect or incomplete, he shall present his views on the reports.
- f. The Audit Committee Charter shall include the Audit Committee's responsibility on assessing the integrity and independence of external auditors.

IV. INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK

- a. The Company shall establish a strong and effective internal control system and enterprise risk management framework.
- b. A separate independent internal audit function in the Company shall be in place, to monitor and guide the implementation of company policies. This function shall be performed by an Internal Auditor or a group of Internal Auditors, through which the Board, senior management, and stockholders shall be provided with reasonable assurance that its key organizational and procedural controls are effective, appropriate, and complied with.
 - The Internal Auditor shall be appointed by the Board and directly report to the Audit Committee. He/she shall oversee and be responsible for the internal audit activity of the Company.
 - The minimum internal control mechanisms for management's operational responsibility shall center on the CEO, ultimately accountable for the Corporation's organizational and procedural controls.
 - The scope and particulars of a system of effective organizational and procedural controls shall be based on the following factors; the nature and complexity of business and the business culture; the volume, size and complexity of transactions; the degree of risk; the degree of centralization and delegation of authority; the extent and effectiveness of information technology; and the extent of regulatory compliance.
 - The functions of Internal Auditor shall be provided in the Internal Audit Charter.
- c. The Company shall have a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).

There shall be a clear communication between the Audit Committee and the CRO. The functions are:

- Supervise the entire ERM process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation.
- Communicates the top risks and status of implementation of risk management strategies and action plans to the Audit Committee.
- Collaborates with CEO in updating and making recommendations to the Audit Committee.
- Suggest ERM policies and related guidance as may be needed.

V. SHAREHOLDER'S BENEFIT

The Corporation recognizes that the most cogent proof of good corporate governance is that which is visible to the eyes of its investors. Therefore, the following provisions are issued for the guidance of all internal and external parties concerned, as a covenant of good governance between the Corporation and all its investors:

A. Investors' Right and Protection

1. Rights of Investors/shareholders

The Board respects the rights of the shareholders in accordance with the Corporation Code.

2. Voting Right

- Shareholders shall have the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code and the Corporation's By-laws.
- Cumulative voting may be used in the election of directors.
- A director shall not be removed without cause if it will deny minority shareholders representation in the Board.

3. Pre-emptive Right

All shareholders shall enjoy pre-emptive right to subscribe to all issues or disposition of shares of any class in proportion to their respective shareholdings unless such rights is denied in the Company's Articles of incorporation or an amendment thereto. This right shall be subject to the limitations/expectations prescribed under the Corporation Code.

4. Power of Inspection

Shareholders shall be allowed to inspect corporate books and records in accordance with the Corporation Code. They shall be furnished with the Corporation's Annual Report/s (SEC Form 17-A filed with the SEC) upon request to the Office of the Corporate Secretary. Shareholders shall also be furnished with a copy of the audited Financial Statements (which form part of SEC form 17-IS or SEC 20 filed with the SEC).

5. Right to Information

- The Shareholders shall be provided, upon request, with the latest available reports which disclose personal and professional information about the directors and officers and certain other matters such as their holdings of the Corporation's shares, dealings with the Corporation, relationships among directors and key officers, and the aggregate compensation of directors and officers.
- The minority shareholders shall be granted the right to propose the holding of a meeting in accordance with Section 50 of the Corporation Code and the By-laws of the Corporation and to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.

6. Right to Dividends

- Shareholders shall have the right to receive dividends subject to the discretion of the Board, and in accordance with the Corporation Code.

- The Corporation shall be compelled to declare dividends when its retained earnings shall be in excess of 100% of its paid-in capital stock, except: a) when justified by definite corporate expansion projects or program approved by the Board; or b) when the corporation is prohibited under any loan agreement with any financial institution and creditor, whether local or foreign, from declaring dividends without its consent, and such consent has not been secured; or c) when it can be clearly shown that such retention is necessary under special circumstances obtaining in the Corporation, such as when there is a need for special reserve for probable contingencies.

7. Appraisal Right

The shareholders shall have appraisal right or the right to dissent and demand payment of the fair value of their shares in the manner provided for Under Section 82 of the Corporation Code of the Philippines, under any of the following circumstances:

- In case any amendment to the articles of incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any respect superior to shortening the term of corporate existence;
- In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the corporate property and assets as provided in the Corporation Code; and
- In case of merger or consolidation

8. Promotion and Enhancement of Rights

It shall be the duty of the directors to promote Shareholder rights, remove impediments to the exercise of shareholders rights and allow possibilities to seek redress for violation of their rights. They shall encourage the exercise of shareholders voting rights and the solution of problems through collective action by the appropriate mechanisms. They shall be instrumental in removing excessive cost and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic

filing and distribution of information necessary for shareholders to make informed decisions, subject to legal constraints.

9. Shareholder's Attendance and Participation in the Annual Meeting

The Board shall encourage active shareholder participation by sending Notice of Annual and Special Meetings with sufficient relevant information at least twenty eight (28) days before the meeting.

10. Results of the Annual or Special Shareholders' Meeting

Results of the meeting shall be publicly available the next working day after the meeting and the Minutes shall be available on the Company website within five (5) business days from the end of the meeting.

11. Investor Relations Office (IRO)

An Investor Relations Office (IRO) shall be established and its officer shall be present at every shareholders' meeting.

B. Encouraging Employees' Participation

1. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of Company's goals and in its governance.
2. The Board shall adopt an anti-corruption policy and program properly disseminated to the employees across the Company.
3. The Board shall establish a suitable framework for whistleblowing that will allow employees to freely communicate their concerns about illegal and unethical practices.

C. Encouraging Sustainability and Social Responsibility

The Company shall 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.

VI. COMMUNICATION PROCESS

- A. This manual shall be available for inspection by any stockholder of the Corporation at reasonable hours on business days.
- B. All directors, executives, division and department head are tasked to ensure the thorough dissemination of this Manual to all employees and related third parties, and to likewise enjoin compliance in the process.
- C. A copy of the Manual shall be posted on the Company Website.

VII. MONITORING AND ASSESSMENT

- A. Each Committee shall report regularly to the Board of Directors.
- B. 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 Part 8 of this Manual.
- C. The establishment of the evaluation system, including the features thereof, shall be disclosed in the company's annual report or in such form of report that is applicable to the Corporation. The adoption of such performance evaluation system must be approved by the Board.
- D. This Manual shall be reviewed by the Board as needed, unless the Board determines that it should be reviewed at more frequent intervals. The manual may be amended as determined by the Board from time to time.
- E. All business processes and practices being performed within any department or business unit of Asian Terminal, Inc. that are not consistent with any portion of this manual shall be discontinued unless they are changed to the extent necessary to be compliant with this manual.

VIII. PENALTIES FOR NON-COMPLIANCE WITH THE MANUAL

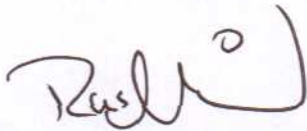
A. To strictly observe and implement the provisions of this Manual, the following penalties shall, after notice and hearing, be imposed on the company's directors, officers and staff, and on the respective directors, officers and staff of subsidiaries and affiliates in case of violation of any of the provisions of this Manual:

- In case of the **first violation**, the subject person shall be reprimanded.
- Suspension from office shall be imposed in case of the **second violation**. The duration of the suspension shall depend on the gravity of the violation.
- **For the third violation**, the maximum penalty of removal from office shall be imposed.

B. The commission of a third violation of this manual by any member of the board of the corporation or its subsidiary and affiliate shall be a sufficient cause for removal as a director

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

Signed this 10th day of May 2017.



RASHED ALI HASSAN ABDULLA
Chairman



RODOLFO G. CORVITE, JR.
Compliance Officer