



BOARD CHARTER

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A. PURPOSE

The purpose of this Board Charter is to set out the responsibilities, structure, and processes of the Board of Directors (the “**Board**”) of Shakey’s Pizza Asia Ventures Inc. (“**SPAVI**” or the “**Corporation**”).

B. ROLES AND RESPONSIBILITIES

The role of the Board is to provide leadership and strategic guidance for the Corporation and oversee management’s implementation of its initiatives in order to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

The Board members should act collectively, on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Corporation and all shareholders.

The following are some of the Board’s key responsibilities:

1. Approve the strategic direction of the Corporation;
2. Approve the Corporation’s annual targets, business plans, operations, and budget;
3. Monitor financial performance against forecast and prior periods to determine whether the Corporation’s performance is on track or whether adjustments have to be made;
4. Determine whether dividends can or should be declared and, in the affirmative, the amount, nature and timing of such dividends to be paid;
5. Approve major capital expenditures and acquisition/disposition of major assets, including investments in other companies;
6. Approve a sound enterprise risk management (“**ERM**”) framework and monitor its implementation to effectively identify, monitor, assess and manage key business risks;
7. Select, appoint and terminate the external auditor;
8. Select and appoint the relevant officers and professional advisers of the Corporation;
9. Establish and oversee the various board committees;
10. Approve the remuneration packages and policies for corporate officers and employees;
11. Consider the social, ethical and environmental impact of the Corporation’s activities, setting standards and monitoring compliance with the Corporation’s sustainability policies and practices; and
12. Such other responsibilities as may be provided in the Manual of Corporate Governance.

C. POWERS OF THE BOARD

The Board of Directors shall conduct all the business, control all property of the corporation and exercise the following corporate powers of the corporation:

- a. To sue and be sued in the name of the corporation;
- b. To adopt and use a corporate seal;
- c. To amend the articles of incorporation in accordance with the Corporation Code of the Philippines;
- d. To adopt by-laws not contrary to law, morals, or public policy, and to amend or repeal the same;
- e. To issue or sell stocks to subscribers and to sell treasury stocks in accordance with the provisions of the Corporation Code of the Philippines;
- f. To purchase, receive, take or grant, hold, convey, sell, lease, pledge, mortgage and otherwise deal with such real and personal property, including securities and bonds of other corporations, as the transaction of the lawful business of the corporation may reasonably and necessarily require, subject to the limitations prescribed by law and the Constitution;
- g. To enter into merger or consolidation with other corporations;
- h. To make reasonable donations, including those for the public welfare or for hospital, charitable, cultural, scientific, civic, or similar purposes;
- i. To establish pension, retirement, and other plans for the benefit of its directors, officers, and employees; and
- j. To exercise such other powers as may be essential or necessary to carry out the purposes of the corporation.

D. COMPOSITION

1. CNPF's Board shall be composed of seven (7) directors, or such number of directors as the Corporation's constitutive documents may provide.
2. Each director must have at least one (1) share of the capital stock of the Company.
3. Directors shall serve for a period of one (1) year and until his/her successors are elected and qualified.
4. Three (3) members or one-third (1/3) of the Board, whichever is higher, must be independent directors. An independent director is 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.
5. The Board shall be composed of executive and non-executive directors; *provided*, that majority of the Board members must be non-executive directors who possess the necessary qualifications to effectively participate and help secure objective,

independent judgment on corporate affairs and to substantiate proper checks and balances; and *provided further* that a majority of the Board members must be residents of the Philippines.

6. Collectively, the Board members should have a broad range of skills, experience and knowledge necessary to guide the business of the Corporation.

E. BOARD DIVERSITY POLICY

1. Diversity Policy

The Corporation recognizes the benefits of having a diverse board and sees diversity as an essential element in supporting its continued growth and the attainment of its strategic objectives. The Board must aim to make good use of the differences in gender, age, cultural, educational background, ethnicity, professional experience, skills, and knowledge of its directors.

2. Measurable Objective

The Corporate Governance & Nominations Committee, in identifying suitable candidates for the Board, will assess and make recommendations based on merit and potential contribution and with due regard for the benefits of diversity on the Board.

3. Review of the Policy

The Corporate Governance & Nominations Committee will discuss, review and assess the effectiveness of the policy annually. Said committee will discuss and recommend any revision that may be necessary and recommend them to the Board for adoption. At any given time the Board may seek to improve one or more aspects of its diversity and measure progress accordingly.

F. CHAIRPERSON

1. The Board will appoint one of its members as Chairperson.
2. The Chairperson, as much as possible, will not concurrently serve as Chief Executive Officer. In the event that one person is elected both Chairperson and Chief Executive Officer, the members of the board should appoint a lead director among the independent directors who must have the qualifications and perform the functions specified in number 4 below.
3. The following are the key responsibilities of the Chairperson:
 - (a) Preside at meetings and make certain that the meeting agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the

- developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations;
- (b) Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions;
 - (c) Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual directors;
 - (d) Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management;
 - (e) Assure the availability of proper orientation for first-time directors and continuing training opportunities for all directors; and
 - (f) Make sure that performance of the Board is evaluated at least once a year and discussed/ followed up on.
4. The lead director must be an independent director and must have sufficient authority to lead the board in case of conflict of interests. The lead director has the following functions:
- (a) Serve as an intermediary between the Chairman and the other directors when necessary;
 - (b) Convene and chair meetings of the non-executive directors; and
 - (c) Contribute to the performance evaluation of the Chairman, as required.

G. CHIEF EXECUTIVE OFFICER

1. The Board will appoint one of its members as Chief Executive Officer ("CEO") who shall be responsible for all day-to-day management decisions and for implementing the Corporation's long- and short-term plans.
2. The CEO acts as a direct liaison between the Board and management of the Corporation and communicates to the Board on behalf of management.
3. The following are the key responsibilities of the CEO:
 - (a) Determine the Corporation's strategic direction and formulates and implement its strategic plan on the direction of the business;

- (b) Communicate and implement the corporation's vision, mission, values and overall strategy and promotes any organization or stakeholder change in relation to the same;
- (c) Oversee the operations of the corporation and manages human and financial resources in accordance with the strategic plan;
- (d) Have a good working knowledge of the corporation's industry and market and keeps up-to-date with its core business purpose;
- (e) Direct, evaluate and guide the work of the key officers of the corporation;
- (f) Manage the Corporation's resources prudently and ensures a proper balance of the same;
- (g) Provide the Board with timely information and interfaces between the Board and the employees;
- (h) Build the corporate culture and motivates the employees of the Corporation; and
- (i) Serve as the link between internal operations and external stakeholders.

H. CORPORATE SECRETARY

1. The Board will appoint a Corporate Secretary who is primarily responsible to the Corporation and its shareholders, and not to the Chairman or President of the Corporation.
2. The Corporate Secretary must not be a director of the Corporation.
3. The Corporate Secretary cannot concurrently serve as the Corporation's Compliance Officer.
4. The Corporate Secretary must be a resident and citizen of the Philippines.
5. The Corporate Secretary shall annually attend training on corporate governance.
6. The following are the key responsibilities of the Corporate Secretary:
 - (a) Assist the Board and the board committees in the conduct of their meetings, including preparing an annual schedule of Board and committee meetings and the annual board calendar, and assisting the chairs of the Board and its committees to set agendas for those meetings;
 - (b) Safekeep and preserve the integrity of the minutes of the meetings of the Board and its committees, as well as other official records of the corporation;

- (c) Keep abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- (d) Work fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- (e) Advise on the establishment of board committees and their terms of reference;
- (f) Inform members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five (5) working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval;
- (g) Attend all Board meetings, except when justifiable causes, such as illness, death in the immediate family and serious accidents, prevent him/her from doing so;
- (h) Perform required administrative functions;
- (i) Oversee the drafting of the by-laws and ensures that they conform with regulatory requirements; and
- (j) Perform such other duties and responsibilities as may be provided by the Securities and Exchange Commission ("SEC").

I. COMPLIANCE OFFICER

1. The Board shall be assisted in its duties by a Compliance Officer who should have a rank of Senior Vice President or an equivalent position with stature and authority in the Corporation.
2. The Compliance Officer must not be a director of the Corporation.
3. The Compliance Officer shall annually attend training on corporate governance.
4. The Compliance Officer is primarily responsible to the Corporation and its shareholders.
5. The following are the key responsibilities of the Compliance Officer:
 - (a) Ensure proper onboarding of new directors (i.e., orientation on the Corporation's business, charter, articles of incorporation and by-laws, among others);

- (b) Monitor, review, evaluate and ensure the compliance by the Corporation, its officers and directors with the relevant laws, the Code of Corporate Governance for publicly listed companies, rules and regulations and all governance issuances of regulatory agencies;
- (c) Report the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- (d) Ensure the integrity and accuracy of all documentary submissions to regulators;
- (e) Appear before the SEC when summoned in relation to compliance with the Code of Corporate Governance for Publicly Listed Companies;
- (f) Collaborate with other departments to properly address compliance issues, which may be subject to investigation;
- (g) Identify possible areas of compliance issues and works towards the resolution of the same;
- (h) Ensure the attendance of board members and key officers to relevant trainings; and
- (i) Perform such other duties and responsibilities as may be provided by the SEC.

J. INVESTOR RELATIONS OFFICER

1. The Corporation must appoint an Investor Relations Officer (“IRO”) who will be primarily responsible for creating and presenting a consistently applied investment message to the investment community on behalf of the Corporation
2. The following are the duties and functions of the IRO, among others:
 - (a) Establish an investors relations program that (i) ensures constant engagement with its shareholders (ii) sets up an avenue to receive feedback, complaints and queries from shareholders to assure their active participation with regard to activities and policies of the company and (iii) ensures that all information regarding the activities of the Corporation are properly and timely communicated to shareholders;
 - (b) Manage the investor relations portion of the Corporation’s website and serve as the key point of contact for the investment community;
 - (c) Attend every shareholders’ meeting;
 - (d) Create presentations; press releases, and other communication materials for industry reports and presentations to analysts, brokers and investors and shall

- also be in charge of organizing conferences, road shows, and investors meetings;
and
- (e) Provide feedback to the management team regarding the investment community's perception of how the Corporation is being managed and their view of financial results.

K. BOARD COMMITTEES

1. The Board shall establish the following committees which shall have their own respective charters published in the Corporation's website:
 - (a) Audit Committee;
 - (b) Corporate Governance & Nominations Committee,
 - (c) Board Risk Oversight Committee; and
 - (d) Related Party Transaction Committee.
2. The Board will determine the membership and composition of each of the Board committees, having regard to workload, skill and experience and regulatory requirements.
3. In addition to the foregoing, the Board may establish ad hoc Board committees from time to time to consider matters of special importance or exercise the delegated authority of the Board.

L. SELF-ASSESSMENT

1. The Board should conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three (3) years, the assessment should be supported by an external facilitator, such as a consulting firm, academic institution or professional organization.
2. The Board should have in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, committees and such system should allow for a feedback mechanism from the shareholders.
3. The Board will have drafted a self-assessment forms to be distributed to each member of the Board and shall be filled up. Comments, if any, arising out of the results of the assessment forms will be discussed in the next board meeting of the Corporation.

M. DIRECTOR ONBOARDING & CONTINUING EDUCATION

1. The Compliance Officer will be in charge of welcoming and onboarding a new director and will be in charge of: (a) introducing the Corporation to the new director by providing him with literature about the Corporation including the constitutive

documents, latest definitive information statement and annual report of the Corporation and (b) introducing the new director to the other members of the board, department heads and other employees.

2. The Compliance officer can arrange for orientations and plant tours of the director in coordination with the relevant department heads of the Corporation.
3. The Corporation recognizes the importance of continuing education of its Board members and encourages the directors to become members of professional associations and to attend relevant educational events.