



**SECURITIES AND EXCHANGE COMMISSION**  
**SEC FORM – I-ACGR**  
**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended December 31, 2021
2. SEC Identification Number 013039 3. BIR Tax Identification No. 320-000-484
4. Exact name of issuer as specified in its charter PACIFICA HOLDINGS, INC
5. Philippines  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. China Bank Corporate Center,  
Lot 2, Samar Loop corner Road 5,  
Cebu Business Park, Brgy. Mabolo, Cebu City  
Address of principal office 6000  
Postal Code
8. (632) 637-8851  
Issuer's telephone number, including area code
9. PACIFICA, INC. / c/o Manila Harbour Centre, R-10, Vitas, Tondo, Manila  
Former name, former address, and former fiscal year, if changed since last report.



**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board 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.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The Board represents a diverse background of professionals equipped with the necessary competencies to properly discharge his/her duties and exercise independent judgment on various matters requiring Board ratification.  All members of the Board possess the necessary qualifications and none of the disqualifications to serve in the Board.  Please refer to pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.  Please refer to Section 3 (h), page 8, of the Company's Revised Manual on Corporate Governance for the qualification standards for directors to facilitate the selection of potential nominees, a copy of which is hereto attached as Annex B.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Chairman Lowell L. Yu, Alexander S. Roleda, Luis Michael R. Yu III, Ian Norman E. Dato, Richard Rocha, Christian Francis C. Reyes, Mark Werner J. Rosal and Vittorio P. Lim (8 out of 9 Directors) are non-executive.  Please refer to pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	



Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to Section 3 (c), page 4, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. Company has an orientation program for first time directors.	Compliant	Please refer to Section 3 (c), page 4, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
3. Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>The current Board is composed of directors with experience and expertise in various disciplines which provides the required measure of diversity.</p> <p>Please refer to Section 3 (b) and (c), pages 3 and 4, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p> <p>All members of the Board are male.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Please refer to pages 13 and 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Non-Compliant		Considering that the company has not commenced commercial operations yet, Atty. Cristina S. Palma Gil-



		Please refer to Section 5, page 17, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	Fernandez, the Corporate Secretary, also acts as the Company's Compliance Officer. Once the company commences commercial operations, it will appoint a separate compliance officer, as may be necessary and appropriate.
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please see attached copy of certificate of attendance in CG Seminar for Atty. Cristina S. Palma Gil-Fernandez, the Company's Corporate Secretary (Annex C).	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	Atty. Cristina S. Palma Gil- Fernandez acts as the Company's Compliance Officer.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Please refer to Section 6, pages 17 and 18, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please refer to Annex C.	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			



<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	In all the meetings conducted in 2021, the directors participated in the discussion of the operating and financial performance of the Company, including issues and concerns which needed to be addressed.  Please refer to Section 3 (j), page 10, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Please refer to Section 3 (j), page 10, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	The Company's business objectives, strategy and budgets are reviewed and revised as may be necessary.	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Company reviews the vision, mission and core values as may be necessary.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	At the Board meetings, Management presents its report on the Company's accomplishments and performance for the Board's information and monitoring vis-à-vis the Company's objectives, business environment and culture.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	The Chairman of the Board is Mr. Lowell L. Yu.  Below is the profile of the Company's Chairperson:  Atty. Yu is currently the Chairman of Unido Capital Holdings, Inc., KuyaJ Group Holdings, Inc., Southeastasia Retail, Inc., Ikitchen, Inc., PLK Philippines, Inc., Grand	



		Majestic Convention City, Inc., 101 Restaurant City, Inc., Manila Comisario Central, Inc., iCuisine Inc., Curepro Plus, Inc., 100Holdings, Inc., One Vela Holdings, Inc. (also as President), 77 Living Spaces, Inc. (also as President), and Aldeaprime, Inc. (also as President). He is the President of iHoldings, Inc., Joune Capital Holdings Corporation, and 8990 Leisure and Resorts Corporation. He is a member of the Board of Directors of 8990 Holdings, Inc.	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-Compliant		The Succession Planning Program is being prepared.
2. Board adopts a policy on the retirement for directors and key officers.	Non-Compliant		The Retirement Policy is being prepared.
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Non-Compliant		The Remuneration Policy is being prepared.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Non-Compliant		The Remuneration Policy is being prepared.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	----- 00000 ----- Please refer to Section 3 (n), page 13, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the			



executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Please refer to Sections 3 (g), 4 (2), and 12 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.  There is no restriction in the Company's Articles & By-Laws, and Revised Manual on Corporate Governance. The Corporation Code allows every stockholder (including minority stockholders) to nominate.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system	Compliant		



governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.		Please refer to Sections 3 (f) (2) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	----- 00000 -----  Please refer to the Company's Policy On Material Related Party Transactions, a copy of which is attached hereto as Annex D.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	----- 00000 -----  Please refer to the Company's Policy On Material Related Party Transactions, a copy of which is attached hereto as Annex D.	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered de minimis or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	Please refer to the Company's Policy On Material Related Party Transactions, a copy of which is attached hereto as Annex D.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of <u>related party transactions</u> during shareholders' meetings.	Compliant	Please refer to the Company's Policy On Material Related Party Transactions, a copy of which is attached hereto as Annex D.	
<b>Recommendation 2.8</b>			





1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	The Board of Directors elect all officers of the Company. Please refer to Article IV of the Company's Amended By-Laws, a copy of which is hereto attached as Annex E.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to Section 8, page 20, of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Compliant	Please refer to Sections 4 and 8 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Please refer to Sections 4 and 8 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Non-Compliant		The Company believes that its internal control procedures is sufficient considering the size, risk profile, and operation of the Company.

<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-Compliant		The Board and Management are aware of the various risks that the Company and its operations are subject to. The major business risks are identified on page 5 of the Company's Annual Report.
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Non-Compliant		While the Company has not documented an Enterprise Risk Management (ERM) framework, it is guided by the principles provided in its Corporate Governance Manual and has adequately managed its enterprise risks in the course of its business activities.
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Please refer to the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.  Sections 4 to 18 of the Company's Corporate Governance Manual serve as its Board Charter.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Non-Compliant		The Company's insider trading policy is being prepared.
<b>Optional: Principle 2</b>			

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
<p><b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
<p><b>Recommendation 3.1</b></p>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>The Company has the following Board Committees:</p> <ol style="list-style-type: none"> <li>1. Audit Committee</li> <li>2. Nomination Committee</li> <li>3. Compensation Committee</li> </ol> <p>Board Committees and Membership; Organizational Meeting  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407</a></p>	
<p><b>Recommendation 3.2</b></p>			
1. Board establishes 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.	Compliant	<p>Please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407</a> and pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.</p> <p>Please refer also to Section 4 (3) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p> <p>The Audit Committee has the responsibility of recommending the appointment and/or removal of the external auditor, whose appointment is subject to the stockholders' approval during the Annual Stockholders' Meeting.</p>	

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>Compliant</p>	<p>Please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407</a></p> <p>Please refer also to Section 4 (3) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>Compliant</p>	<p>Please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407</a> and pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.</p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>Compliant</p>	<p>Please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=b54a4e0897a6f91b0de8473cebbd6407</a></p> <p>Mark Werner J. Rosal, the Chairman of the Audit Committee is not the Chairman of the Board or any other committee.</p>	
<p><b>Supplement to Recommendation 3.2</b></p>			
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Please refer also to Section 4 (3) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p>	
<p>2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.</p>	<p>Non-Compliant</p>		<p>The Audit Committee conducts meetings with the external audit team, as may be necessary.</p>
<p><b>Optional: Recommendation 3.2</b></p>			
<p>1. Audit Committee meet at least four times during the year.</p>			



2. Audit Committee approves the appointment and removal of the <u>internal auditor</u> .			
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Non - Compliant		The Board of Directors is already responsible for corporate governance under the Company's Corporate Governance Manual. As the Company already has separate Remuneration and Nomination Committees, and a Compliance Officer, the Board deems it no longer necessary to have a Corporate Governance Committee. The Company's operation is relatively small with simple organizational set-up which does not require a Corporate Governance Committee at the board level.
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non - Compliant		Please see response above.
3. Chairman of the Corporate Governance Committee is an independent director.	Non - Compliant		Please see response above.
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.			
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non - Compliant		The Company has not commenced its operations; hence, the Board believes that Pacifica Holdings, Inc. is just a relatively small company with simple organizational set-up, and thus, it does not need a separate BROC to manage its risks.

2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non - Compliant		Please see response above.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non - Compliant		Please see response above.
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non - Compliant		Please see response above.
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-Compliant		The Board currently oversees and reviews related party transactions.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Non-Compliant		Please see response above.
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-Compliant		The Company is preparing the respective charters. In the meantime, the Revised Corporate Governance Manual serves as the committees' charter.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-Compliant		Please see response above.
3. Committee Charters were fully disclosed on the company's website.	Non-Compliant		The Company is in the process of updating its website.



**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

**Recommendation 4.1**

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Please refer to Article IV of the Amended By-Laws and Section 4 (3) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Materials are distributed to all members of the Board and Board Committees prior to the meeting.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	During Board and Board Committee meetings, the Directors render active participation in discussions which include asking appropriate questions, seeking clarifications and additional explanations.	

**Recommendation 4.2**

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	Although the Company has no written policy on this, no current Member of the Board has directorship position in more than 5 publicly-listed companies.  Please refer to pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
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**Recommendation 4.3**

1. The directors notify the company's board before accepting a directorship in another company.	Non-Compliant		The Company does not find it necessary or fair to require this prior notification requirement from its directors.
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**Optional: Principle 4**

1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
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2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.			
4. Company requires as minimum quorum of at least 2/3 for board decisions.			

**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs

**Recommendation 5.1**

1. The Board has at least 3 independent directors <u>or</u> such number as to constitute one-third of the board, <u>whichever is higher</u> .	Non - Compliant	Please refer to page 13 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	<p>The Company follows the legal requirement of (i) at least two (2) independent directors under the Securities Regulation Code, or (ii) having independent directors constituting at least 20% of such board.</p> <p>The Company's Manual on Corporate Governance states:</p> <p>"There shall be at least two (2) independent directors or such number of independent directors that constitutes twenty percent (20%) of the members of the Board, whichever is lesser, but in no case less than two (2) to be nominated and elected to the Board."</p>
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**Recommendation 5.2**

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer also to the Certification of the Qualification of Independent Directors in the Company's SEC Form 20-IS.	
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Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	The Company has no shareholder agreement, by-laws provision, or other arrangements that constraint the directors' ability to vote independently. As disclosed in Item 11 of the Company's Annual Report, the Company does not have voting trust agreement with any shareholder.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to page 13 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Please refer to Section 7 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	As of this current year, no independent director has reached the 9 years threshold.  Please refer to page 13 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Chairman – Lowell L. Yu President & CEO – Winglip K. Chang	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to Section 4 (k) of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.  Please refer also to Articles II and IV of the Company's Amended By-Laws.	



		Chairman and CEO are not related.	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non - Compliant	The Chairman is not an independent director.	The Chairman is a non-executive director.  There are 2 independent directors in the Board. Both are qualified in their own rights and are able to perform their duties and responsibilities independently. As such, the Board does not see any need to appoint a lead independent director.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	In 2021, there was no any director with material interest affecting the Company.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		The non-executive directors (NED) do not find it necessary to meet separately.
2. The meetings are chaired by the lead independent director.	Non-Compliant		The non-executive directors (NED) do not find it necessary to meet separately.
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.			
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			

<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		The Board is in the process of institutionalizing a formal annual self-assessment exercise to be based on a defined set of criteria and standards of key Board functions.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		Please see response above.
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		Please see response above.
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		Please see response above.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		Please see response above. The Board shall include an option to engage an external facilitator to conduct the self-assessment exercise every three (3) years.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		The Board is in the process of institutionalizing a formal annual self-assessment exercise to be based on a defined set of criteria and standards of key Board functions.
2. The system allows for a feedback mechanism from the shareholders.			Please see response above.



	Non-Compliant		
<b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Non-Compliant		The Company has no formal Code of Business Conduct and Ethics. The Company's Revised Manual on Corporate Governance serves as its guide.
2. The Code is properly disseminated to the Board, senior management and employees.	Non-Compliant		Please see response above.
3. The Code is disclosed and made available to the public through the company website.	Non-Compliant		The Company is currently updating its website.
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Non-Compliant		The Company has no formal Code of Business Conduct and Ethics. The Company's Revised Manual on Corporate Governance serves as its guide.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-Compliant		The Company has no formal Code of Business Conduct and Ethics. The Company's Revised Manual on Corporate Governance serves as its guide.



2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Non-Compliant		Please see response above.
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**Disclosure and Transparency**

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>The Company faithfully complies with the Disclosure Rules and the reporting rules and regulations set by the PSE, SEC, and other regulatory bodies.</p> <p>Please refer to Section 14 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p>	
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**Supplement to Recommendations 8.1**

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Non-Compliant	<p>The Company was compliant with the submission of its quarterly financial reports.</p> <ol style="list-style-type: none"> <li>2. 1QTR 2021 Results – June 7, 2021</li> <li>3. 2QTR 2021 Results - August 20, 2021</li> <li>4. 3QTR 2021 Results - November 15, 2021</li> </ol>	Due to the restrictions on mobility, then imposed in Cebu City, which affected the timely completion of the interim financial statement, the Company was only able to submit its Quarterly Report for the quarter ended 31 March 2021 on 7 June 2021.
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	<p>The Company believes that there is no principal risk to any minority shareholder who may be associated with the identities of the Company's controlling shareholders.</p> <ol style="list-style-type: none"> <li>1. cross-holdings among company affiliates;</li> </ol> <p>There are no cross-holdings among Company affiliates for disclosure.</p>	

		<p>2. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> <p>The Company believes there is no imbalance in this regard for need of disclosure.</p>	
<b>Recommendation 8.2</b>			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	Non-Compliant	<p>Please refer to Sections 14 and 15 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p>	<p>The Company is preparing its policy on insider trading.</p>
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within <u>three business days</u>.</p>	Non-Compliant		<p>Please see response above.</p>
<b>Supplement to Recommendation 8.2</b>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	Compliant	<p>Please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a463c957e8e486023470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a463c957e8e486023470cea4b051ca8f</a> and <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=29b2cb3c777561a53470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=29b2cb3c777561a53470cea4b051ca8f</a></p>	
<b>Recommendation 8.3</b>			



1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to pages 13 to 15 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting <u>Board</u> remuneration, including the level and mix of the same.	Compliant	Please refer to Item 10 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
2. Company provides a clear disclosure of its policies and procedure for setting <u>executive</u> remuneration, including the level and mix of the same.	Non-Compliant		The Company's current policy on executive compensation is provided in Item 10 of the Company Annual Report, a copy of which is attached hereto as Annex A.  The Board finds it sufficient for the purposes of the Company at this time.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Please refer to Item 10 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant		No director had any conflict of interest in 2021 that required abstention from Board discussion.
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	The Company's RPTs for 2021 were fully disclosed in its Audited Financial Statements, as required by financial	



		reporting rules. There was no material or significant RPTs during the year that required the detailed disclosure of information listed above.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	There was no conflict of interest in 2021.  While the Company in principle prohibits conflict of interest transactions involving its directors, it is required that the director concerned must declare the conflict as soon as he becomes aware of such actual or potential instances.	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	In 2021, there was no acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	In 2021, there was no acquisition or disposal of significant assets that needed third-party evaluation.  No rules and procedures for evaluating the fairness of the transaction price were needed as there was no such transaction in 2021.	
<b>Supplement to Recommendation 8.6</b>			





1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	There was no such agreement entered into in 2-21, as disclosed in the Company's latest Annual Report (Item 12).	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please see attached Annex B.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Non-Compliant		The Company is in the process of updating its website.
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	<p>The Company shall submit to the Securities Exchange Commission and Philippine Stock Exchange an updated Manual on Corporate Governance should there be changes in its corporate governance practices.</p> <p>The Company's Revised Manual on Corporate Governance was submitted on 30 May 2017.</p>	
<b>Optional: Principle 8</b>			
1. Does the company's <u>Annual Report</u> disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			



c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	Please refer to Item 8 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.  Please refer to Section 4 (2), of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Non-Compliant		While the stockholders ratified the approval of the external auditors, their fees were not submitted for ratification of the stockholders.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	There was no change in the external auditor of the Company in 2021.	

**Supplement to Recommendation 9.1**

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Please refer to Section 4 (2), of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.  Please refer also to Item 8 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
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**Recommendation 9.2**

1. Audit Committee Charter includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors;	Non-Compliant		The Company is preparing the Audit Committee Charter. In the meantime, the Revised Manual on Corporate Governance serves as its guide.
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<p>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>Non-Compliant</p>		<p>Please see response above.</p>
<p><b>Supplement to Recommendations 9.2</b></p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>Non-Compliant</p>		<p>The Company is preparing the Audit Committee Charter. In the meantime, the Revised Manual on Corporate Governance serves as its guide.</p>
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Non-Compliant</p>		<p>Please see response above.</p>
<p><b>Recommendation 9.3</b></p>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p>Compliant</p>	<p>Please refer to Item 8 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.</p>	
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p>Non-Compliant</p>		<p>The Company is preparing the Audit Committee Charter. In the meantime, the Revised Manual on Corporate Governance serves as its guide.</p>



Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Please refer to Item 8 of the Company's latest Annual Report. A copy of the annual report is hereto attached as Annex A.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<ol style="list-style-type: none"> <li>1. Name of the audit engagement partner; Isla Lipana &amp; Co. (Paul Chester U. See)</li> <li>2. Accreditation number; SEC Accreditation No. 0142-SEC (Group A) ( SEC Accreditation No. 104941-SEC)</li> <li>3. Date Accredited; 2020 (partner - 2021)</li> <li>4. Expiry date of accreditation; valid to audit 2020 to 2024 financial statements(partner- valid to audit 2021 to 2025 financial statements)</li> <li>5. Name, address, contact number of the audit firm. 29th Floor, Philamlife Tower, 8767 Paseo de Roxas, 1226 Makati City Tel. No. (632) 8845 2806</li> </ol>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Non-Compliant		The Company was informed by Isla Lipana & Co. that it is willing to be subjected to the SOAR Inspection, if and when required.
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	The Company abides by the Disclosure Rules of the PSE and SEC which includes timely disclosure of material non-financial information.  Please refer to Sections 14 and 15 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant		The Company has plans to generate a Sustainability Report in the foreseeable future.
<p><b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p><b>Recommendation 11.1</b></p>			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Non-Compliant		There was no analysts' briefing conducted in 2021.
<p><b>Supplemental to Principle 11</b></p>			
1. Company has a website disclosing up-to-date information on the following:	Non-Compliant		The Company is in the process of updating its website.
a. Financial statements/reports (latest quarterly)	Non-Compliant		Please see response above.
b. Materials provided in briefings to analysts and media	Non-Compliant		Please see response above.
c. Downloadable annual report			Please see response above.



	Non-Compliant		
d. Notice of ASM and/or SSM	Non-Compliant		Please see response above.
e. Minutes of ASM and/or SSM	Non-Compliant		Please see response above.
f. Company's Articles of Incorporation and By-Laws	Non-Compliant		Please see response above.
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Non-Compliant		The Company is in the process of updating its website.
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	<p>The Company has adequate systems and procedures in place (such as financial audit and operational/process audit) to provide necessary checks and balances on its transactions and activities.</p> <p>Management reviews the effectiveness of the internal control system of the Company from time to time as may be necessary.</p>	

		Please refer also to Section 4 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The Company has its own risk management system to identify, manage, and control its enterprise and operating risks based on best practices applicable to the mining industry adopted globally.</p> <p>The key risks and how these are managed are fully disclosed in the Company's SEC Form 17A.</p> <p>The framework and corresponding risks are evaluated and reviewed as frequently as these are encountered in the course of the Company's operations.</p>	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Non-Compliant		The Company is in the process of developing a formal comprehensive enterprise-wide compliance program.
<b>Optional: Recommendation 12.1 †</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant		
<b>Recommendation 12.2</b>			
1. Company has in place an <u>independent internal audit function</u> that provides an independent and			Given that the Company has not commenced commercial operations,



<p>objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Non-Compliant</p>		<p>the Company's existing internal control systems and procedures are adequate to provide assurance on the overall integrity of the Company's financial and operating activities, even without an internal audit department.</p> <p>Nonetheless, the Company is aware of the usefulness of internal audit function and plans to set up the department in due time as its need to the Company's operations becomes more important and relevant.</p>
<p><b>Recommendation 12.3</b></p>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Non-Compliant</p>		<p>When the Company deems it already necessary to set up an internal audit department, the internal auditor will act as the CAE.</p>
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>Non-Compliant</p>		<p>Please see response above.</p>
<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.</p>	<p>Non-Compliant</p>		<p>At the proper time, the Company will evaluate and decide whether an outsourced or in-house internal audit function will be more advantageous for the Company's purposes.</p>
<p><b>Recommendation 12.4</b></p>			
<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Non-Compliant</p>		<p>Since the Company has not commenced operations, the Company deems that a separate risk management function is not required at the moment. At the proper time, the</p>

			Company will evaluate and decide whether such separate function will be established for the Company's purposes.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company may seek professional technical support in risk management as needed. The Company did not engage third-party expertise on risk management for 2021.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-Compliant		Since the Company has not commenced operations, the Company deemed it proper not to appoint a Chief Risk Officer yet.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		Please see response above.
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	The Company's Statement of Management's Responsibility for Financial Statements, signed by the Chairman of the Board, President & CEO, and Treasurer, states that the necessary internal control is in place, serving a basis for the external auditors to express their fairness opinion on the Company's financial statements, without which internal control effectiveness such fairness opinion would not be possible.  Please see Statement of Management's Responsibility attached to the latest Annual Report: <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=42bda27e72ea83f43470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=42bda27e72ea83f43470cea4b051ca8f</a>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to Sections 12 and 13 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.	



2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-Compliant		The Company is in the process of updating its website.
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	Please see Article II of the Amended By-Laws of the Company.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	The Company has only one class of shares – common shares, which as provided in the Company's amended By-Laws, "stockholders may vote at all meetings the number of shares registered in their respective names..."	
3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to the Amended By-Laws of the Company.	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Please see Article II of the Amended By-Laws of the Company.	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Please refer to Section 12 of the Company's Revised Manual on Corporate Governance, to wit:  "Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders an opportunity to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation."	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to Section 12 of the Company's Revised Manual on Corporate Governance, to wit:	

		<p>“Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders an opportunity to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.”</p> <p>Please see Section 13 of the Company's Revised Manual on Corporate Governance (Annex B).</p>	
7. Company has a transparent and specific dividend policy.	Non-Compliant	The Company has not declared any dividend in the past three years.	The Company does not find it necessary to have a dividend policy at this time as it is still in the process of building up its retained earnings.
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information <u>at least 28 days before the meeting.</u>	Non-Compliant		The Company deferred its annual stockholders' meeting for 2021 due to logistical issues.
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Non-Compliant		The Company deferred its annual stockholders' meeting for 2021 due to logistical issues.
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Non-Compliant		The Company deferred its annual stockholders' meeting for 2021 due to logistical issues.



b. Auditors seeking appointment/re-appointment	Compliant	Please see response above.	
c. Proxy documents	Non-Compliant		The Management does not solicit proxies. It may however accept such proxy forms in accordance with the requirements under the law.
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Non-Compliant		The Company deferred its annual stockholders' meeting for 2021 due to logistical issues.
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website <u>within five business days</u> from the end of the meeting.	Non-Compliant		The Company is in the process of updating its website.
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Non-Compliant		The Company deferred its annual stockholders' meeting for 2021 due to logistical issues.
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-Compliant		The Company has not had any intra-corporate dispute to trigger this requirement.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please see Section 12 of the Company's Revised Manual on Corporate Governance (Annex B).	



Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-Compliant		The Company has not formally established an investors Relations Officer. However, any member of the Board of Directors and officers may be approached by the shareholders for any concerns.
2. IRO is present at every shareholder's meeting.	Non-Compliant		Please see response above.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	There are no anti-takeover measures or similar devices in place in the Company.  The Board has not considered any anti-takeover measures.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant		The Company's public ownership ending December 31, 2021 was 22.05%. For reference, please see <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=381f1aad295ffed3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=381f1aad295ffed3470cea4b051ca8f</a>
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			

**Duties to Stakeholders**

**Principle 14:** 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.

**Recommendation 14.1**

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>The Company's top 100 stockholders are regularly posted in the Company's website and PSE Edge System which the Board has knowledge. Through reports to the SEC and filings with the PSE, policies and programs of the Company are made known to its stockholders to promote rapport and cooperation between them.</p> <p>The Company' SEC Form 20-IS (Information Statement), SEC Form 17A (Annual Report,) SEC Form 17Q (Quarterly Financial Reports), and SEC Form 17C (Other Disclosures) contain the information on Company matters.</p> <p>In addition to the ASM when the Board can meet and interact with stockholders, the latter are also free to communicate with the Company through various addresses and contact details provided in the Company's website.</p>	
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**Recommendation 14.2**

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Please refer to Section 12 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p> <ul style="list-style-type: none"> <li>• The Board should be transparent and fair in the conduct of the annual and special stockholders' meetings of the corporation.</li> <li>• 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. Subject to the requirements of the bylaws, the exercise of that right shall not be unduly restricted and any doubt about</li> </ul>	
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		<p>the validity of a proxy should be resolved in the stockholder's favor.</p> <ul style="list-style-type: none"> <li>• It is the duty of the Board to promote the rights of the stockholders, remove impediments to the exercise of those rights and provide an adequate avenue for them to seek timely redress for breach of their rights.</li> <li>• Although all stockholders should be treated equally or without discrimination, the Board should give minority stockholders an opportunity to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.</li> </ul>	
<b>Recommendation 14.3</b>			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	Compliant	<p>Stakeholders may contact any member of the Board of Directors. They may also contact the Corporate Secretary, Atty. Cristina S. Palma Gil-Fernandez at (632) 8888 0999.</p> <p>Please refer also to Section 13 of the Company's Revised Manual on Corporate Governance, a copy of which is hereto attached as Annex B.</p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	Non-Compliant		<p>No dispute has arisen to trigger a need for the establishment of an alternative dispute resolution with parties to the dispute.</p>
<b>Additional Recommendations to Principle 14</b>			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the</p>	Compliant	<p>The Company has not made any request to seek exemption from any law, rule or regulation issued by the regulators.</p>	



specific steps being taken to finally comply with the applicable law, rule or regulation.			
2. Company respects intellectual property rights.	Compliant	The Company complies with the intellectual property laws.  The Company is not party to any intellectual property dispute.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1.indiv</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Non-Compliant		In anticipation of the commencement of the Company's operations, policies, programs and procedures that encourage employee participation are being prepared.
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company has no Stock Option Plan but the Company may reward employees through bonuses, annual salary increases, promotions, and increased benefits based on their performance.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company complies with the policies and practices on health, safety and welfare of employees as provided by relevant laws.	

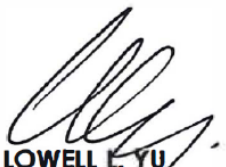


3. Company has policies and practices on training and development of its employees.	Non-Compliant		The Company has no training and development program/policy for employees. At the proper time, the Company may establish such programs or policies as may be warranted or required.
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Non-Compliant		The Company has no Code of Ethics. The Company's Revised Manual on Corporate Governance serves as its guide.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Non-Compliant		The Company has no Code of Ethics. The Company's Revised Manual on Corporate Governance serves as its guide.
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee <u>involvement in offering, paying and receiving bribes.</u>	Non-Compliant	There was no such incident in 2021.	The Company has no Code of Ethics. The Company's Revised Manual on Corporate Governance serves as its guide. The Company also strictly adheres to the requirements under relevant laws and regulations.
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Non-Compliant		The Company has no Code of Ethics. Whistleblowing policies are being prepared. In the meantime, the Company's Revised Manual on Corporate Governance serves as its guide.  The Company also strictly adheres to the requirements under relevant laws and regulations.

<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p>Non-Compliant</p>		<p>Whistleblowing policies are being prepared. In the meantime, the Company's Revised Manual on Corporate Governance serves as its guide.</p> <p>The Company also strictly adheres to the requirements under relevant laws and regulations.</p>
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>Compliant</p>	<p>No incident of this nature occurred in 2021.</p>	
<p><b>Principle 16:</b> The company 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.</p>			
<p><b>Recommendation 16.1</b></p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Non-Compliant</p>		<p>The Company has no formal community involvement and environment-related programs. At the proper time, the Company shall establish such programs as may be necessary and required.</p>
<p><b>Optional: Principle 16</b></p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>			
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>			

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_\_\_ in

MAKATI CITY



**LOWELL E. YU**  
Chairman of the Board

A handwritten signature in black ink, appearing to read 'Wing H. K. Chang', is written over the printed name and title.

**WING H. K. CHANG**  
President and Chief Executive Officer

  
**MARK WERNER J. ROSAL**  
Independent Director



**VITTORIO P. LIM**  
Independent Director

SUBSCRIBED AND SWORN to before me this 30 May 2022 in Makati City, affiants exhibiting to me their government-issued IDs as follows:

<b>NAME</b>	<b>GOVERNMENT-ISSUED ID</b>	<b>DATE AND PLACE OF ISSUE</b>
Lowell Yu	TIN 225-146-343	-
Winglip K. Chang	TIN 103-790-386	-
Mark Werner J. Rosal	TIN 221-697-168	-
Vittorio P. Lim	TIN 239-269-242	-

Doc. No. 489;  
Page No.99;  
Book No. IV;  
Series of 2022.

  
**JULIENNE ANGELA B. DEL ROSARIO**  
Appointment No. M-227  
Notary Public for Makati City  
Until December 31, 2022  
Liberty Center-Picazo Law  
104 H.V. Dela Costa Street, Makati City  
Roll of Attorney's No. 74725  
**PTR No. 885517/Makati City/01-04-2022**  
**IBP No. 171537/Cagayan/01-03-2022**  
**MCLE Exempted-Admitted to the bar in 2020**



This is to certify that the undersigned reviewed the contents of the document and to the best of her knowledge, belief and on the basis of certain representations of relevant officers of the Corporation, the information set forth in this document are true, complete, and correct.

IN WITNESS WHEREOF, I have hereunto set my hand on 30 May 2022 in Makati City.



**CRISTINA S. PALMA GIL-FERNANDEZ**  
Corporate Secretary and  
Corporate Information Officer

SUBSCRIBED AND SWORN to before me on 30 May 2022, affiant exhibiting to me her Passport No. P5655630A issued on 18 January 2018 at DFA NCR South, Philippines.

Doc. No. 501;  
Page No. 102;  
Book No. IV;  
Series of 2022.



**JULIENNE ANGELA B. DEL ROSARIO**  
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