





**PHINMA Corporation**

INTEGRATED  
ANNUAL  
CORPORATE  
GOVERNANCE  
REPORT  
DECEMBER 2019

IN COMPLIANCE WITH SEC MEMORANDUM CIRCULAR 15 SERIES OF 2017

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>THE BOARD'S GOVERNANCE RESPONSIBILITIES</b>				
<b>Principle 1: 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 objectives and the long term interests of its shareholders and other stakeholders.</b>				
<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.	<b>Compliant.</b>	Provide information or link / reference to a document containing information on the following:  1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	<b>The Board of Directors of PHINMA Corporation is composed of directors with the appropriate skills, knowledge and expertise that are relevant to the businesses of the Company.</b>	
2. Board has an appropriate mix of competence and expertise.	<b>Compliant.</b>		<b>Relevant information on the composition of the board are found in the following documents and references:</b>	
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.	<b>Compliant.</b>	2. Qualifications standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance.	<b>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 - IS), on pages 44 to 45 of the 2019 Annual and Sustainability Report and in the company's website.</b>  <a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a>  <b>2. The qualifications of director nominees for the ensuing year are reviewed during the nomination process. The Corporate Governance and RPT Committee ensures that all the director nominees possess all the</b>	

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			<p>qualifications and none of the disqualifications for election to the board. Qualifications and disqualifications standards for directors are found on pages 12 to 16 of the Manual on Corporate Governance and on page 2 of the Board Charter which are both found in the company's website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
<b>Recommendation 1.2</b>				
1. Board is composed of a majority of non-executive directors.	<b>Compliant.</b>	Identify or provide link/reference to a document identifying the directors and the type of their directorships.	<p><b>The company's board of directors and their type of directorship in the company are found on pages 6 - 10 of the 2019 Information Statement (SEC Form 20 - IS), on pages 44 to 45 of the 2019 Annual and Sustainability Report and in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p> <p><b>For 2019, the board is composed of seven (7) Non-Executive Directors (including four (4) Independent Directors) and four (4) Executive Directors.</b></p>	
<b>Recommendation 1.3</b>				

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Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	<b>Compliant.</b>	Provide a link to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	<p><b>The policy on training of directors is found on page 7 of the Board Charter and on page 24 of the Manual on Corporate Governance which are both uploaded to the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Company has an orientation program for first time directors.	<b>Compliant.</b>	Provide information of a link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	<p><b>Every new director undergoes a briefing in order to assist in their on-boarding. This briefing is ideally done within the first month of their tenure and is to be conducted in a manner that allows them to meet with various business heads for an overview of the current business' position. The new director is likewise afforded the opportunity to consult with the Senior Management in order to appropriately keep them abreast of the various operational issues that beset the company. The company's future plans may likewise be discussed with the Chief Strategy Officer while company and regulatory policies are discussed by the Compliance Office and Corporate Secretary. The new director is also provided a copy of the Manual on Corporate Governance and advised of company policies pertaining to directors.</b></p> <p><b>The company conducted the onboarding seminar for Ms. Rizalina G. Mantaring, new Independent Director, on July 23, 2019. The session provided an overview of the PHINMA Group, a summary of financial</b></p>	

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			<p>results and projections, orientation on the Code of Business Conduct and Ethics &amp; Integrity Assurance Program and briefing on the Manual on Corporate Governance and Corporate Disclosure Policies. Strategic Business Units also presented their operations and financials.</p>	
3. Company has relevant annual continuing training for all directors	<b>Compliant.</b>		<p>The directors of the company has undergone Annual Corporate Governance Training for the last three (3) years as facilitated by the company. In 2019, the directors attended the Corporate Governance Seminar conducted by SGV &amp; Co. which covered topics on:</p> <ol style="list-style-type: none"> <li>1. Revised Corporation Code</li> <li>2. Related Party Transactions</li> <li>3. Succession Planning</li> <li>4. Change Management</li> </ol> <p>The seminar was conducted on August 13, 2019 from 2:00 to 6:00 p.m. (4 hours).</p>	
<b>Recommendation 1.4</b>				
1. Board has a policy on board diversity.	<b>Compliant.</b>	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	<p>Directors are elected on the basis of merit. Within that key principle of merit, there shall be diversity among the members of the board as to gender, age, ethnicity, background, skills and business. This policy statement is found in the company's Board Charter found in the company's website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	

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			<p>The company values diversity and supports workforce equality and is strongly against discrimination of any form at all levels thus it ensures that its board members are a combination of executive, non-executive and independent directors with varied but substantial professional knowledge and experience which creates a platform for balanced-view discussion necessary to arrive at key business decisions. Policy statement on board diversity is found on page 6 of the Manual on Corporate Governance.</p> <p>Further, the manual safeguards the interests of its shareholders thru this diversity policy to guarantee that no director or small group of directors dominate the decision-making process.</p> <p>Ms. Rizalina G. Mantaring was elected as Independent Director during the company's Annual Shareholders Meeting on April 12, 2019. As of current date, the board composition per gender is 9 male and 2 female.</p>	
Optional Recommendation 1.4				

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1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.  Provide link/reference to a progress report in achieving its objectives.		
<b>Recommendation 1.5</b>				
1. Board is assisted by a Corporate Secretary	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	<p><b>The Board has elected a Corporate Secretary who is neither the Compliance Officer nor a member of the Board of Directors. The names and qualifications of the company's Corporate Secretary and Assistant Corporate Secretary are found on page 12 of the 2019 Information Statement (SEC Form 20 - IS), in page 49 of the company's 2019 Annual and Sustainability Report and also in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p> <p><b>Their duties and functions are found on pages 6 to 7 of the Board Charter and pages 20 to 21 of the Manual on Corporate Governance. Section 7, Article VI of the company's Amended By-Laws also provide for the powers and duties of the Corporate Secretary.</b></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	<b>Compliant.</b>			
3. Corporate Secretary is not a member of the Board of Directors.	<b>Compliant.</b>			



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4. Corporate Secretary attends training/s on corporate governance.	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<p><b>The Corporate Secretary and Assistant Corporate Secretary attended the 2019 Corporate Governance Seminar conducted by SGV &amp; Co. on August 13, 2019 from 2:00-6:00 p.m. (4 hours) which covered topics on:</b></p> <ol style="list-style-type: none"> <li><b>1. Revised Corporation Code</b></li> <li><b>2. Related Party Transactions</b></li> <li><b>3. Succession Planning</b></li> <li><b>4. Change Management</b></li> </ol>	
<b>Optional Recommendation 1.5</b>				
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	<b>Compliant</b>	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.	<p><b>Materials for board meetings are distributed to the directors as early as possible through the most efficient manner such as emails. There are occasions of course, including when special or urgent meetings are deemed necessary to be called.</b></p>	
<b>Recommendation 1.6</b>				
1. Board is assisted by a Compliance Officer.	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on the Compliance Officer including his/her name, position, qualifications, duties and functions.	<p><b>The company's Compliance Officer has a rank of Vice President with adequate stature and authority in the company being a long-time officer thereof. The Compliance Officer is not a member of the board.</b></p> <p><b>The name and qualifications of the company's Compliance Officer are found on page 11 of the 2019 Information Statement (SEC Form 20 - IS), in page 48 of the company's 2019 Annual and Sustainability Report and in the company's website.</b></p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>Compliant.</b>			
3. Compliance Officer is not a member of the board.	<b>Compliant.</b>			

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			<a href="https://www.phinma.com.ph/directors/16/show">https://www.phinma.com.ph/directors/16/show</a>  <b>The duties and functions of the Compliance Officer are found on pages 1 to 2 of the Manual on Corporate Governance.</b>	
4. Compliance Officer attends training/s on corporate governance.	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<b>The Compliance Officer attended the 2019 Corporate Governance Seminar conducted by SGV &amp; Co. on August 13, 2019 from 2:00 to 6:00 p.m. (4 hours) which covered topics on:</b>  <b>1. Revised Corporation Code</b> <b>2. Related Party Transactions</b> <b>3. Succession Planning</b> <b>4. Change Management</b>  <b>The Compliance Officer likewise attended the Joint PSE-SEC Corporate Governance Forum on October 25, 2019.</b>	
<b>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, 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>				
<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.	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting).	<b>A summary of relevant resolutions approved by the Board of Directors are disclosed by the company in its Information Statement (SEC Form 20 - IS).</b>	

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<b>Recommendation 2.2</b>				
1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	<b>Significant matters approved by the board are disclosed by submission of a SEC Form 17-C which are also uploaded to the company's website.</b>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	<b>Compliant.</b>	Indicate frequency of review of business objectives and strategy.	<p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p>A summary of relevant resolutions approved by the Board of Directors are disclosed by the company in its Information Statement (SEC Form 20 - IS).</p> <p>The Chief Strategy Officer, who is also a member of the Board, oversees the semi-annual review of the company's strategies for the next three years. The budget for the current year is presented and approved at the last board meeting of the previous year.</p>	
<b>Supplement to Recommendation 2.2</b>				
1. Board has a clearly defined and updated vision, mission and core values.	<b>Compliant.</b>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p><b>The board, upon the recommendation of senior management, reviews the vision and mission of the company as it deems appropriate. The board, during its review ensures that the plans and actions of the company are aligned with its vision and mission. The company's mission, vision and core values are found in the Employee Handbook and in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	

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2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment and culture.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the strategy execution process.	<p><b>Periodic discussion and disclosure of the strategy execution process are accomplished through SEC Form 17 - C as posted in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p>SEC Form 17-A contains the management's discussion and analysis of financial condition and results of operation summarizing the effects of the growth strategies undertaken during the previous year. This report upon submission to the PSE and SEC is uploaded to the company's website.</p>	
<b>Recommendation 2.3</b>				
1. Board is headed by a competent and qualified Chairperson.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Chairperson, including his / her name and qualifications.	<p><b>The company's Chairperson is Mr. Oscar J. Hilado. His qualifications are found on page 6 of the 2019 Information Statement (SEC Form 20 - IS), on page 44 of the 2019 Annual and Sustainability Report and in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/directors/3/s/how">https://www.phinma.com.ph/directors/3/s/how</a></p> <p>Mr. Hilado was awarded Management Man of the Year in 1991 by the Management Association of the Philippines.</p>	
<b>Recommendation 2.4</b>				

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1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	<b>Compliant.</b>	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation.	<p><b>The company's Succession Planning Policy for directors is found in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Board adopts a policy on the retirement for directors and key officers.	<b>Compliant.</b>		<p><b>The retirement and retention policy of the Board is linked to the review of the performance of the directors. The Corporate Governance and Related Party Transactions Committee, as part of its function on nomination and election, is responsible for recommending the succession plan candidates for membership to the Board.</b></p> <p><b>The company has a succession management program in place for critical management and leadership positions that can become vacant due to retirement, resignation, death or new business opportunities. The program intends that a succession plan is developed, maintained and implemented, for all leadership positions. The standards for the appointment of key officers does not rely only on current skillset and performance review but also takes into serious consideration, the person's potential while keeping in mind business continuity and alignment with the company's vision and mission.</b></p> <p><b>The Human Resource department likewise provides leadership programs which aim to aid in the identification of suitable employees and officers to fill key</b></p>	

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			<p>management positions. Under these programs, high potential officers and employees undergo rigorous training and exposure. These programs are on a continuing basis and adjusted based on the current needs of the company.</p> <p>Further, Strategic Business Units are required to present their own succession plans to the board on at least an annual basis.</p>	
<b>Recommendation 2.5</b>				
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the company's remuneration policy and its implementation including the relationship between remuneration and performance.	<b>The board, through its Compensation Committee oversees the implementation of the remuneration packages of corporate officers and directors and provide oversight over remuneration of senior management and other key personnel ensuring that compensation is consistent with the company's culture, strategy and control environment. The company's Compensation</b>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	<b>Compliant.</b>			

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3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>Compliant.</b>		<p><b>Committee approves the fixed remuneration of the Chief Executive Officer (CEO). The fixed remuneration of key management officers are approved by the CEO.</b></p> <p><b>The directors are paid a bonus based on the net income of the company for each calendar year. The compensation received by the officers who are not included in the Board of Directors of the company represents salaries and bonuses.</b></p> <p><b>The directors receive allowances, per diem and bonus based on a percentage of the net income of the company for each calendar year. There are no other existing arrangements/ agreements to which said Directors are to be compensated during the last completed calendar year and the ensuing year.</b></p> <p><b>The company has semi-annual performance appraisal to align corporate goals with the setting and achievement of targets on a per employee basis. In 2015, the company's Human Resources Group implemented the Balanced Scorecard system in assessing performance and became the basis for employee salary increases beginning 2016.</b></p>	
Optional Recommendation 2.5				

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1. Board approves the remuneration of senior executives.		Provide proof of board approval.		
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.		Provide information or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.		
<b>Recommendation 2.6</b>				
1. Board has a formal and transparent board nomination and election policy	<b>Compliant.</b>	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	<b>The Corporate Governance and Related Party Transactions Committee, as part of its functions on nominations and elections, pre-screens and shortlists all candidates nominated to become members of the board of directors in accordance with the qualifications and disqualifications criteria set forth in the Manual on Corporate Governance.</b>  <b>The rights of shareholders, including minority shareholders, is found on page 26 of the Manual on Corporate Governance. The Board's policy on nomination and election is found on pages 12 to 16 of the Manual on Corporate Governance.</b>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance	<b>Compliant.</b>	Provide proof if minority shareholders have a right to nominate candidates to the board.		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	<b>Compliant.</b>	Provide information if there was an assessment of the effectiveness of the board processes in the nomination,		
4. Board nomination and election policy includes how the board shortlists candidates.	<b>Compliant.</b>			



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5. Board nomination and election policy includes an assessment of the Board's processes in the nomination, election or replacement of a director.	<b>Compliant.</b>	election or replacement of a director.	<b>Review of the policy and processes on nomination, election and replacement of a director is done during the periodic review of the Manual on Corporate Governance where said policies and processes are contained.</b>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>Compliant.</b>		<b>The annual board self-assessment exercise is another venue where directors may raise comments or suggestions on the nomination and election process.</b>	
<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.		Identify the professional search firm used or other external sources of candidates.		
<b>Recommendation 2.7</b>				
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>Compliant.</b>	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs.	<b>The company has a policy on Related Party Transactions (RPT) that is found in the company's website. This policy has been amended in June 2019 to comply with SEC Memorandum Circular No. 10 Series of 2019 Rules on Material Related Party Transactions for Publicly Listed Companies. The policy</b>	

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2. RPT policy includes appropriate review and approval of material RPTs which guarantee fairness and transparency of the transactions	<b>Compliant.</b>	Identify transactions that were approved pursuant to the policy.	<p>has been adopted group-wide and its compliance manual has been discussed and disseminated to the companies under the Group to spread scope of responsibility in reporting related party transactions.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>Compliant.</b>		<p>In the last two (2) years, the company has not been a party in any transaction in which a director or executive officer of the company, any nominee for election as a director, any security holder owning more than ten percent (10%) of the company's issued and outstanding shares and/or any member of his immediate family had a material interest.</p> <p>Any transaction between the company and a related party must be approved by the Corporate Governance and Related Party Transaction Committee whose members are all independent directors. The Committee uses acceptable valuation methods common in the industry or project involved, including but not limited to:</p> <p>1) Joint Venture Method, a market-based approach which uses actual transactions on the asset;</p> <p>2) Comparative Valuation Method which uses similar projects to estimate the value of an asset; and</p>	

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			<p><b>3) Multiple Exploration Expenditure Method</b> which uses historical cost as basis for estimating asset value.</p> <p>The transactions and balances of accounts for the year with related parties are disclosed in the company's Information Statement (SEC Form 20 – IS).</p>	
<p><b>Supplement to Recommendations 2.7</b></p>				
<p>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.</p>	<p><b>Compliant.</b></p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories.</p>	<p>The company adopted the materiality threshold of at least 10% of consolidated assets in the revised RPT policy approved in June 2019, to comply with SEC Memorandum Circular No. 10 Series of 2019 Rules on Material Related Party Transactions for Publicly Listed Companies.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>The transactions and balances of accounts for the year ended December 31, 2019 with the related parties are found on pages 122 to 123 of the 2019 Information Statement (SEC Form 20 – IS) and on pages 150 to 152 of the 2019 Annual and Sustainability Report .</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party</p>	<p><b>Compliant.</b></p>	<p>Provide information on voting system, if any.</p>	<p>Included in the Annual Shareholders Meeting's Agenda is the approval of related party transactions such as the approval of the Renewal of the Management Contract with PHINMA, Inc. which requires the</p>	

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transactions during shareholders meetings.			affirmative vote of at least two-thirds (2/3) of the total outstanding capital stock of the Company entitled to vote.	
<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).	<b>Compliant.</b>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the management team appointed.</p>	<p><b>Approving the selection of the Chief Executive Officer, Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive is the responsibility of the Board as found on page 7 of the Manual on Corporate Governance. The recommendation and approval of the management team for the ensuing year is done in the yearly organizational meeting that is convened soon after the shareholders' meeting. Thereafter, any change to the management team is approved at the quarterly board meetings.</b></p> <p><b>The company's management team for the year 2019 is listed below:</b></p> <ol style="list-style-type: none"> <li><b>1. Oscar J. Hilado – Chairman</b></li> <li><b>2. Ramon R. del Rosario – Vice Chairman, President and Chief Executive Officer</b></li> <li><b>3. Roberto M. Laviña – Senior Executive Vice President and Chief Operating Officer</b></li> <li><b>4. Victor J. del Rosario – Executive Vice President and Chief Finance Officer</b></li> <li><b>5. Pythagoras L. Brion, Jr. - Senior Vice President and Group CFO</b></li> <li><b>6. Regina B. Alvarez - Senior Vice President Finance</b></li> </ol>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
			<p>7. Cecille B. Arenillo - Vice President Treasury and Compliance Officer</p> <p>8. Rizalina P. Andrada – Vice President Finance</p> <p>9. Nanette P. Villalobos – Vice President and Treasurer</p> <p>10. Rolando D. Soliven - Vice President Group Corporate Assurance</p> <p>11. Danielle R. del Rosario – Vice President - Director for Strategy</p> <p>12. Peter V. Perfecto – Vice President - Public Affairs</p> <p>13. Edmund A. Qua Hiansen – Assistant Vice President - Investor Relations Officer</p> <p>14. Grace M. Purisima – Assistant Treasurer</p> <p>15. Troy A Luna – Corporate Secretary</p> <p>16. Ma. Concepcion Z. Sandoval – Assistant Corporate Secretary</p> <p>The company’s Chief Audit Executive is Mr. Rolando D. Soliven who is the Group Chief Audit Executive under the parent company, PHINMA, Inc.</p>	
<p>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).</p>	<p><b>Compliant.</b></p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment processes and indicate frequency of assessment of performance.</p>	<p><b>Assessment of the Chief Executive Officer, Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive is the responsibility of the Board. This is found on page 7 of the Manual on Corporate Governance and in the Board Assessment Policy and Procedures document.</b></p> <p><b>The annual board self-assessment, including the assessment of the performance of the CEO for the year 2019, was completed in the</b></p>	

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			<p>first quarter of 2020.</p> <p>The COO, who is also a member of the Board, is in charge of assessing the performance of the Compliance Officer, Chief Risk Officer and the Chief Audit Executive, using the Balanced Scorecard system, who then recommends the performance assessment to the CEO. This assessment exercise is conducted on an annual basis.</p>	
<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.	<b>Compliant.</b>	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	<p>The company conducts a semi-annual performance appraisal to align corporate goals with the setting and achievement of targets on a per employee basis. In 2015, the company's Human Resources Group implemented the Balanced Scorecard system in assessing performance. It aims to eradicate subjectivity in terms of employee evaluation and make performance evaluation more standard. Its successful implementation for the year became the basis for employee salary increases starting in 2016. Thru the scorecard, the employees training and coaching needs are easily identified as well as monitored thereby providing a solid background for numeric ratings by year end. Its "critical incident" component allows for transparency in terms of learning opportunities and action items. Performance discussions also provide the avenue for</p>	
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.	<b>Compliant.</b>			

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			<p>immediate managers to communicate and align the performance targets of the employee with the company's goals and objectives for the ensuing year.</p>	
<b>Recommendation 2.10</b>				
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<b>Compliant.</b>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.</p>	<p><b>The board's oversight responsibility on the company's internal control system is found on page 4 of the Manual on Corporate Governance.</b></p> <p><b>PHINMA's Group Internal Audit is an independent and objective assurance consulting team that is guided by a philosophy of adding value to improve the operations of the company. While Internal Audit and Control is the main function of the company's Internal Audit Department, adherence to the same is every employee's</b></p>	

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2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>Compliant.</b>		<p>accountability. The Chief Audit Executive reports functionally to the Board through the Audit Committee and administratively to Senior Management.</p> <p>The internal control system of the company includes any action taken by management, the board, and other parties to manage risk and increase the likelihood that established objectives and goals will be achieved. Management plans, organizes, and directs the performance of sufficient actions to provide reasonable assurance that objectives and goals will be achieved.</p>	
3. Board approves the Internal Audit Charter.	<b>Compliant.</b>	Provide reference or link to the company's Internal Audit Charter.	<p>The company's Internal Audit Charter is found in the company's website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<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.	<b>Compliant.</b>	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	The board's oversight responsibility on the company's enterprise risk management framework is found on page 5 of the Manual on Corporate Governance. The Risk Oversight Committee develops a formal enterprise risk management plan which contains well-defined risk management	



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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.	<b>Compliant.</b>	Provide proof of effectiveness of risk management strategies, if any.	<p>goals, objectives and oversight, processes of assessing risks and developing strategies to manage prioritized risks, designing and implementing risk management strategies, and continuing assessments to improve risk strategies, processes and measures.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>The effectiveness of risk management strategies undertaken by the company are discussed in Annex C Management Report of the 2019 Information Statement (SEC Form 20 – IS) and in the Financial Risk Management Objectives and Policies on pages 156 to 163 of the 2019 Annual and Sustainability Report .</p>	
<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.	<b>Compliant.</b>	Provide link to the company's website where the Board Charter is disclosed.	<p>The company's formal Board Charter containing the roles, responsibilities and accountabilities of the Board is found in the company's website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	<b>Compliant.</b>			

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3. Board Charter is publicly available and posted on the company's website.	<b>Compliant.</b>			
<b>Additional Recommendation to Principle 2</b>				
1. Board has a clear insider trading policy.	<b>Compliant.</b>	Provide information on or link/reference to a document showing company's insider trading policy.	<b>The company's Insider Trading Policy is found in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<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.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.		
2. Company discloses the types of decision requiring board of directors' approval.	<b>Compliant.</b>	Indicate the types of decision requiring board of directors' approval and where these are disclosed.	<b>Consistent with the Corporation Code of the Philippines, every corporate action are in general approved by the Board, unless delegated to the Executive Committee and/or covered by an officer's defined duties and functions.</b>	
<b>Principle 3: 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 nominations and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</b>				
<b>Recommendation 3.1</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on all the board committees established by the company.	<p><b>The board has established committees such as Corporate Governance and Related Party Transaction, Audit and Risk Oversight Committees.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>Descriptions of the functions of the committees are found in the Manual of Corporate Governance, in the Corporate Governance section of the 2019 Annual and Sustainability Report and in the company's website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Recommendation 3.2</b>				
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.	<b>Compliant.</b>	<p>Provide information or link/reference to a document containing information on the Audit Committee including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p><b>The Audit Committee's roles and responsibilities, including the duty to recommend the appointment and removal of the company's external auditor, are found in the Audit Committee Charter which is uploaded in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the members of the Audit Committee including their	<b>The Audit Committee is composed of three (3) qualified non-executive directors, two of whom are independent directors including the Chairman and one (1) non-executive director. The members of the Audit</b>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
majority of whom, including the Chairman is independent.		qualifications and type of directorship.	<p>Committee are Juan B. Santos (Chairman/Independent), Rizalina G. Mantaring (Independent) and Magdaleno B. Albarracin, Jr. (Non-Executive). The qualifications of the committee members are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 – IS), on pages 44 and 45 of the 2019 Annual and Sustainability Report and in the company's website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	<p>Information on the relevant background, knowledge, skills, and/or experience of the members of the Audit Committee are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 – IS), on pages 44 and 45 of the 2019 Annual and Sustainability Report , in their Certificates of Independent Director and in the company's website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or any other committee.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	<p>The Chairman of the Audit Committee is Mr. Juan B. Santos who is an independent director and is not the Chairman of the Board or of any other committee. This is indicated in the letter disclosure to the regulators last April 2019 which lists the committee memberships of the directors. The composition of the board committees is</p>	

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			<p>also found on page 38 to 39 of the 2019 Annual and Sustainability Report.</p> <p>The qualifications of the Chairman of the Audit Committee are found on page 45 of the 2019 Annual and Sustainability Report, on page 9 of the 2019 Information Statement (SEC Form 20 – IS), in his Certificate of Independent Director and in the company’s website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
Supplement to Recommendation 3.2				
1. Audit Committee approves all non-audit services conducted by the external auditor.	<b>Compliant.</b>	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	The Audit Committee, in its Audit Committee Report found on page 53 of the 2019 Annual and Sustainability Report, certifies that non-audit services and related fees of the external auditor were also reviewed and concluded that these fees are not significant to impair independence.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	<b>Non-compliant</b>	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.		Each and every member of the Board of the company are professional, well-respected members of the business community who are aware and highly conscious of their fiduciary roles, responsibilities and accountabilities as Board members, as provided under the law, the company’s articles of incorporation and by-laws. This includes the members of the Audit Committee composed of two (2) Independent Directors one of whom

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				<p>acts as Chairman, and a Non-Executive director. There is no need at this time for regular meetings of the Audit Committee with the external audit team. The Audit Committee members know when to call such meetings to address audit and related issues. Neither is it necessary at this time to exclude management from such meetings who are in fact seen as necessary to quickly and efficiently address all issues discussed in the meeting. The company believes that with the number, qualifications and the active role of the directors in the board, including its composition where majority of the board are Non-Executive Directors, it satisfies the underlying principle of the recommendation that the board should be supported by committees in the effective performance of its functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns. Independent Directors take on lead roles in board committees including the Audit Committee. The minutes of the meetings of the Audit Committee of the Company show that material transactions or information are discussed openly during the said meetings.</p>

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<b>Optional Recommendation 3.2</b>				
1. Audit Committee meets at least four times during the year.	<b>Compliant.</b>	Indicate the number of Audit Committee meetings during the year and provide proof.	<b>The Audit Committee had five (5) meetings in 2019 and this information is disclosed in the Audit Committee Report on page 69 of the 2019 Annual and Sustainability Report .</b>	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.		
<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.	<b>Compliant.</b>	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions.  Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	<b>The Board has established a Corporate Governance and Related Party Transactions Committee that includes the functions of the Nominations Committee. Further information on the Committee's functions and responsibilities are contained in its Charter found in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	<b>The Corporate Governance and Related Party Transactions Committee is composed of three (3) members, all of whom are Independent Directors. The CG and RPT Committee is composed of Atty. Lilia B. De Lima (Chairman/Independent), Guillermo D. Luchangco (Independent) and Rizalina G. Mantaring (Independent). The qualifications of the members of the Corporate Governance and RPT Committee are found on pages 8 to 10 of the 2019 Information</b>	

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			<p>Statement (SEC Form 20 – IS), on page 45 of the 2019 Annual and Sustainability Report, in their Certificates of Independent Director and in the company’s website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
3. Chairman of the Corporate Governance Committee is an independent director.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<p><b>Atty. Lilia B. De Lima (Independent Director) is Chairman of the Corporate Governance and RPT Committee.</b></p> <p>The qualifications of the committee chairman are found on page 9 of the 2019 Information Statement (SEC Form 20 – IS), on page 45 of the 2019 Annual and Sustainability Report, in their Certificate of Independent Director and in the company’s website.</p> <p><a href="https://www.phinma.com.ph/directors/25/show">https://www.phinma.com.ph/directors/25/show</a></p>	
<b>Optional Recommendation 3.3</b>				
Corporate Governance Committee meet at least twice during the year.	<b>Compliant.</b>	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	<p><b>The CG and RPT Committee of the company had four (4) meetings in 2019 which were held on January 7, March 5, March 27 and September 27, 2019.</b></p>	
<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	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC) and its functions.	<p><b>The Risk Oversight Committee assists the board in fulfilling its corporate governance responsibility with respect to its oversight of the company’s risk management framework. The charter of the Risk Oversight Committee is found in the company’s website.</b></p>	



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system to ensure its functionality and effectiveness.			<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. BROCC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the members of the BROCC, including their qualifications and type of directorship.	<p><b>The Risk Oversight Committee is composed of three (3) members, two (2) of whom are Independent Directors including the Chairman of the committee. The committee is composed of Messrs. Guillermo D. Luchangco (Chairman/Independent), Victor J. del Rosario and (Atty. Lilia B. De Lima (Independent). The qualifications of the members of the Risk Oversight Committee are found on pages 38 to 43 of the 2019 Annual and Sustainability Report and in their Certificates of Independent Director found in the website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
3. The Chairman of the BROCC is not the Chairman of the Board or any other committee.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Chairman of the BROCC.	<p><b>The Chairman of the Risk Oversight Committee is Mr. Guillermo D. Luchangco who is not the Chairman of the Board or of any other committee. His qualifications are contained on page 45 of the 2019 Annual and Sustainability Report and in his Certificate of Independent Director in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/directors/7/s/how">https://www.phinma.com.ph/directors/7/s/how</a></p>	

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4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the background, skills and/or experience of the members of the BROC.	<p><b>The qualifications of the members of the Risk Oversight Committee are found on page 45 of the 2019 Annual and Sustainability Report and in their Certificates of Independent Director found in the website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
<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.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	<p><b>The Board has established a Corporate Governance and Related Party Transactions Committee tasked with reviewing all material related party transactions of the company. Further information on the Committee's functions and responsibilities are contained in its Charter found in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	<p><b>The Corporate Governance and Related Party Transactions Committee is composed of three (3) members, all of whom are independent directors. The members of the committee are Atty. Lilia B. De Lima (Chairman/Independent Director), Guillermo D. Luchangco (Independent Director) and Rizalina G. Mantaring (Independent Director). The qualifications of the committee members are found on pages 8 to 10 of the 2019 Information Statement (SEC Form 20 – IS), on page 45 of the 2019</b></p>	

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			Annual and Sustainability Report, in their Certificates of Independent Director and in the company's website.  <a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a>	
<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.	<b>Compliant.</b>	Provide information or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	<b>The charters of the committees contain their functions and responsibilities including the profiles of membership. All these become the basis for the committee's self-assessment process at the end of the year. The charters of each committee are found in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>Compliant.</b>			
3. Committee Charters were fully disclosed on the company's website.	<b>Compliant.</b>	Provide link to company's website where the Committee Charters are disclosed.	<b>Please see the links below to the company website for the Committee Charters:</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>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.</b>				
<b>Recommendation 4.1</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
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.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.  Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	<b>The company adopted the guidelines issued by the SEC in 2001 for the conduct of teleconferencing and video conferencing i.e. conferences or meetings through electronic medium or telecommunications where participants are not physically present.</b>  <b>The directors' attendance to the board meetings held in 2019 are found on page 37 of the 2019 Annual and Sustainability Report. The directors' attendance to committee meetings are discussed on page 38 of the 2019 Annual and Sustainability Report. Their attendance to the shareholders' meeting are found in the minutes of Annual Stockholders Meeting as posted in the company's website.</b>	
2. The directors review meeting materials for all Board and Committee meetings.	<b>Compliant.</b>		<b>Directors are sent and review materials for Board and Committee meetings and in fact ask questions thereon.</b>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.	<b>Minutes of Committee and Board meetings document the questions and discussions of the board. Records of the minutes of the meetings of the Board are maintained by the Corporate Secretary.</b>	
<b>Recommendation 4.2</b>				
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time	<b>Compliant.</b>	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.	<b>In March 2018, the company further amended its Manual on Corporate Governance to adopt the limit on board seats of Non-Executive Directors to publicly-listed companies to five (5) seats. This policy</b>	

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to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.		Provide information or link/reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.	<p>statement is found on page 16 of the Manual.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>The directorships of the company's directors in both listed and non-listed companies are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 - IS), on pages 44 to 45 of the 2019 Annual and Sustainability Report and in the Certificates of Independent Directors found in the company's website. No non-executive director has a board seat beyond the 5 seats limit.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<b>Recommendation 4.3</b>				
1. The directors notify the company's board before accepting a directorship in another company.	<b>Compliant.</b>	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	In June 2020, the Corporate Secretary was informed by Atty. De Lima of the changes in their directorships in other companies.	
<b>Optional Principle 4</b>				
1. Company does not have executive directors who serve in more than two boards of listed companies outside of the group.	<b>Compliant.</b>		Mr. Ramon R. del Rosario, Vice-Chairman and President & CEO of the company sit in only one listed company outside the PHINMA Group; as an Independent Director of Ayala Corporation.	

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2. Company's schedules board of directors meetings before the start of the financial year.	<b>Compliant.</b>		A proposed schedule of board meetings for the entire year is sent out to all directors at the start of the year. Requests for resetting are considered and the notice of the actual board meeting date is sent out at least a week before the meeting.	
3. Board of directors meet at least six times during the year.	<b>Compliant.</b>	Indicate the required number of board meetings during the year and provide proof.	The Board of Directors held four (4) regular, three (3) special and one (1) organizational meeting in 2019. The details of the significant resolutions taken up during the meetings are in Annex E of the 2019 Information Statement (SEC Form 20 – IS) found in the company's website.  <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	<b>Compliant.</b>	Indicate the required minimum quorum for board decisions.	Board decisions are always made during board meetings. Items such as the approval of minutes of previous board meeting, adjournment, etc. are approved by the Board. Requiring at least 2/3 quorum for Board decisions will thus apply to approval even of matters taken up in due course. Until such time as the Corporation is able to identify specific decisions that, to the benefit of the Corporation and its stockholders, should require 2/3 quorum, the current majority quorum requirement is implemented. In any event, the company has four (4) Independent Directors to ensure protection of stockholder and stakeholder interest.	

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<b>Principle 5: The board should endeavour to exercise an objective and independent judgment on all corporate affairs.</b>				
<b>Recommendation 5.1</b>				
The Board has at least 3 independent directors or such number as to constitute one third of the board whichever is higher.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the number of independent directors in the board.	<p>Following the ASM on April 19, 2019, one (1) additional female Independent Director was elected. As of December 2019, the company four (4) Independent Directors constituting 1/3 of its 11 board seats. This information is also found on pages 12 to 13 of the 2019 Information Statement (SEC Form 20 – IS), on pages 40 to 43 of the 2019 Annual and Sustainability Report and in the company’s website.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<b>Recommendation 5.2</b>				
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the qualifications of independent directors.	<p>The qualifications of the company’s elected Independent Directors are found in their respective Certificates of Independent Directors attached to the SEC Form 20 - Information Statement, on pages 40 to 43 of the 2019 Annual and Sustainability Report and in the company’s website.</p> <p><a href="https://www.phinma.com.ph/annual-report">https://www.phinma.com.ph/annual-report</a></p>	
<b>Supplement to Recommendation 5.2</b>				
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain	<b>Compliant.</b>	Provide information or link/reference to a document containing information that directors are not constrained to vote independently.	The company has no shareholder agreements, by-laws provisions or other arrangements that constrain the directors’ ability to vote. Directors are expected to exercise independent judgment in	

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the directors' ability to vote independently.			performing their duties and responsibilities, including when voting on board matters. The by-laws of the company can be found in the company's website.	
<b>Recommendation 5.3</b>				
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	<b>Compliant.</b>	Provide information or link/reference to a document showing the years IDs have served as such.	<p>The period of service that the Independent Directors have served in such capacity is found in their Certificate of Independent Director attached to the 2019 Information Statement (SEC Form 20 – IS) and on page 45 of the 2019 Annual and Sustainability Report found in the website. On the average, the independent directors of the company has served no more than seven (7) years from 2012.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.	In March 2018, the company further amended its Manual on Corporate Governance to implement the cumulative term limit of nine years (reckoned from 2012) for Independent Directors. This policy statement is found on page 15 of the Manual.	
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	<b>Compliant.</b>	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	As of reporting date, the company's independent directors have not exceeded the nine-year limit. The company keeps track of the period of service rendered by its Independent Directors counted from reckoning date of 2012. The company will provide meritorious reasons and seek	



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during the annual shareholders meeting.			stockholders' approval when such condition happens.	
<b>Recommendation 5.4</b>				
1. The positions of Chairman of the board and Chief Executive Officer are held by separate individuals.	<b>Compliant.</b>	Identify the company's Chairman of the Board and Chief Executive Officer	<b>The Chairman of the Board is Mr. Oscar J. Hilado and the Chief Executive Officer is Mr. Ramon R. del Rosario.</b>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.  Identify the relationship of Chairman and CEO.	<b>The roles and responsibilities of the Chairman of the Board and the Chief Executive Officer are contained in the Manual on Corporate Governance and the Performance Assessment templates.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>  <b>The Chairman of the Board presides at all meetings of the Board of Directors and stockholders. The Chairman is responsible for leadership in the Board.</b>  <b>The Chief Executive Officer is responsible for the general supervision of the company's business, properties and affairs and managing it within the authorities delegated by the Board.</b>	
<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.	<b>Non-Compliant.</b>	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.		<b>With the current composition of the Board, the qualifications of the Directors, including the active role of Non-Executive Directors and Independent Directors, the Board as a</b>

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		Indicate if Chairman is independent.		<b>body, exercises objective and independent judgment on all corporate affairs. Independent Directors take leading roles in the board committees such as the Audit, Risk Oversight and Corporate Governance and RPT. The Board will consider designating a Lead Independent Director in the future, when the need arises.</b>
<b>Recommendation 5.6</b>				
1. Directors with material interest in transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	<b>Compliant.</b>	Provide proof of abstention, if this was the case.	<b>In 2019, there were no transactions brought for the board's approval where any director had material interest in.</b>	
<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 directors present.	<b>Non-Compliant.</b>	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.		<b>The company believes that with the current set up, it substantially complies and preserves the underlying principle of the recommendation that the board should endeavor to exercise an objective and independent judgment on all corporate affairs is satisfied. Independent directors take leading roles in the board committees including the Audit Committee and the CG and RPT Committee.</b>
2. The meetings are chaired by the lead independent director.	<b>Non-Compliant.</b>			<b>In March 2018, the Audit Committee Charter was revised to explicitly</b>

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				include this recommendation. On November 8, 2019, the Head of Internal Audit met thru an Executive Session with the Audit Committee. As necessary, meetings with the external auditor, without anyone from management present will be conducted.
<b>Optional Principle 5</b>				
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years.		
<b>Principle 6: 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>				
<b>Recommendation 6.1</b>				
1. Board conducts an annual self-assessment of its performance as a whole.	<b>Compliant.</b>	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.	<p><b>The board self-assessment exercise for the year 2019 was completed in the 1st quarter of 2020 which included the assessment of the Board as a body, the Individual Directors, the Chief Executive Officer and the Chairman. The Audit Committee conducted its assessment covering the year 2019 on March 4, 2020.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. The Chairman conducts a self-assessment of his performance.	<b>Compliant.</b>			
3. The individual members conduct a self-assessment of their performance.	<b>Compliant.</b>			
4. Each committee conducts a self-assessment of its performance.	<b>Compliant.</b>			

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5. Every three years, the assessments are supported by an external facilitator.	<b>Non-Compliant.</b>	Identify the external facilitator and provide proof of use of an external facilitator.		<b>The self-assessments were implemented starting 2018 for the year 2017. The board will employ the services of an external facilitator on the third year or 2020 as it deems necessary to assist in the performance assessments.</b>
<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.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders.	<p><b>The Board adopted a self-assessment performance evaluation process that used a five-point rating scale (1-Excellent to 5-Needs Improvement) to score the performance of the Board as a body, the individual directors, the Chief Executive Officer and the Chairman of the Board. The key areas of governance in these assessments are based on the duties and responsibilities listed in the Manual on Corporate Governance, Charters and relevant company policies are:</b></p> <ul style="list-style-type: none"> <li>- Composition and Quality of the Board</li> <li>- Conduct of Board Meetings</li> <li>- Duties and Responsibilities</li> </ul> <p><b>Fields for comments and suggestions to improve board performance are also included in the self-assessment.</b></p> <p><b>The Board Assessment Policy and Procedure document including the templates of the assessments are uploaded in the company's website.</b></p>	

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			<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. The system allows for a feedback mechanism from the shareholders.	<b>Compliant.</b>		<p>The assessment was conducted starting in 2018 for the year 2017. During the Annual Shareholders Meeting, shareholders can raise any comment on board's performance. The board opens the floor for any questions on the company operations and performance of the board.</p> <p>Feedback from shareholders may also be done through the Investor Relations Office of the company, the contact details of which are included in the annual report and in the website.</p> <p><a href="https://www.phinma.com.ph/#investor-section">https://www.phinma.com.ph/#investor-section</a></p>	

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<b>Principle 7: Members of the Board are duty-bound to apply high-ethical standards, taking into account the interests of all stakeholders.</b>				
<b>Recommendation 7.1</b>				
1. Board adopts a Code of Business Conduct and Ethics which provide standards for professional and ethical behaviour, as well as, articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	<b>Compliant.</b>	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	<p><b>The Code of Business Conduct and Ethics of the company contains policies on professional decorum, conflict of interest and penalties for violations. Directors, officers and employees are required to always act in the best interest of the company. As a matter of policy, every director, officer and employee of the company should avoid any situation that could interfere or appear to interfere with their independent judgment in performing their duties. The Code of Business Conduct and Ethics is found in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. The Code is properly disseminated to the Board, senior management and employees.	<b>Compliant.</b>	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	<p><b>The Manual on Corporate Governance and Code of Conduct and Ethics are available to all directors and employees in the website. The Employee Handbook are provided to employees and officers of the company to serve as their guide. Yearly, the Integrity Assurance team requires the submission of the Integrity Assurance Form (disclosure form) by all directors, officers and employees. Lastly, policies under the Integrity Assurance Program are also uploaded to the company's website.</b></p>	

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			<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
3. The Code is disclosed and made available to the public through the company website.	<b>Compliant.</b>	Provide a link to the company's website where the code of Business Conduct and Ethics is posted / disclosed.	<b>The company's Code of Business Conduct and Ethics is found in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<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.	<b>Compliant.</b>	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	<b>The company's anti-bribery and corruption policies are contained in its Gifts and Gratuities Policy under the Code of Business Conduct and Ethics.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Recommendation 7.2</b>				
1. Board ensures the proper and efficient implementation and monitoring of compliance	<b>Compliant.</b>	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	<b>The implementation and strict compliance of the company's code of ethics is overseen by the Integrity Assurance and Human Resource Teams.</b>	

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with the Code of Business Conduct and Ethics.			<p>The Integrity Assurance Team is in charge of confirming that all covered officers and employees required to fill-up and submit the Integrity Assurance Form upon employment and every year thereafter complies with the same. In instances when any of the information disclosed has changed, the covered officer or employee has the obligation to amend his Integrity Assurance Form accordingly. The form details information regarding aspects of an employee's personal and/or professional dealings that may be in conflict with the said program.</p> <p>The Human Resources Team deals with guaranteeing that all employees are made aware of the Company's core values, prescribed work attitude as well as penalties and sanctions to be incurred in the event of a violation.</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	<b>Compliant.</b>	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	<b>The Code of Business Conduct and Ethics applies to all directors, officers and employees of the company including its vendors and suppliers.</b>	
<b>DISCLOSURE AND TRANSPARENCY</b>				
<b>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with the best practices and regulatory expectations.</b>				
<b>Recommendation 8.1</b>				
1. Board establishes corporate disclosure policies and	<b>Compliant.</b>	Provide information on or link/reference to the company's	<b>The Corporate Disclosures Procedure Manual describes the standard procedures</b>	



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<p>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.</p>		<p>disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p>	<p><b>to be followed in the management of required corporate disclosures in compliance with PSE and SEC rules and regulations. The procedure manual also covers the submission of information on transactions / dealings of directors and officers on the company's securities. The procedure manual applies to all officers and employees of the company in charge of corporate disclosure responsibilities. The procedure manual details the disclosure process including the work instructions, identifying the assigned person for disclosure, the deadlines per type of disclosures and sources of data for the reports.</b></p> <p>The company's policies and procedures on corporate disclosure are found in the Manual on Corporate Governance and detailed in the Corporate Disclosure Procedure Manual which are uploaded to the company's website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<p><b>Supplement to Recommendations 8.1</b></p>				

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<p>1. Company distributes or makes available annual or 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.</p>	<p><b>Compliant.</b></p>	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p><b>The company complies with the SEC-mandated deadline in filing its Annual Report (SEC Form 17-A) which is within 105 calendar days from end of the Fiscal Year. The quarterly reports are submitted within 45 calendar days from end of quarter. The company believes that it complies with the principle of the recommendation on having disclosure policies and procedures that are practical and in accordance with the best practices and regulatory expectations. Given the degree of accuracy, scope and details required in the SEC Form 17-A, the company believes that 90 days will not be practical and possible to complete the report.</b></p>	
<p>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.</p>	<p><b>Compliant.</b></p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol>	<p><b>The company's controlling shareholders and cross-holdings among company affiliates are found on pages 4 to 5 and on pages 74 to 75 of the Annual Report (SEC Form 17-A). None of the directors and officers own five percent (5%) or more of the outstanding capital stock of the company.</b></p>	
<p><b>Recommendation 8.2</b></p>				

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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.	<b>Compliant.</b>	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>The company's Corporate Disclosure policy requires that all directors and principal officers shall submit the duly signed and accomplished SEC Form 23-B (Report on Beneficial Ownership) to the Compliance unit within 24 hours from transaction date. This policy statement is found on page 6 of the Corporate Disclosure Procedure Manual which is uploaded to the website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	<b>Compliant.</b>		<p>The company's Public Ownership Report as of June 30, 2020 and SEC 23 B reports of directors and officers that dealt in the company's shares in 2019 are uploaded to the company's website.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<b>Supplement to Recommendation 8.2</b>				
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 buyback program)	<b>Compliant.</b>	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p>	<p>The company's conglomerate map as of December 31, 2019 is found in the 2019 Information Statement and also found in the website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p> <p>The company's directors, officers and controlling shareholders submit their SEC</p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
			<p>Form 23-B within the required date or on a monthly basis as applicable.</p> <p>The company's Top 100 Shareholders and Public Ownership Report are uploaded in the website.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p>Disclosures relating to the company's Share Buy-Back Program for 2019 are uploaded in the website.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</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 conflict of interest that might affect their judgment.	<b>Compliant.</b>	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	<p><b>Information on directors' academic qualifications, membership in other boards, other executive positions, professional experience and expertise are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 - IS), on page 45 of the 2019 Annual and Sustainability Report and in their Certificates of Independent Director found in the website.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p> <p>The directors' shareholdings in the company are disclosed on page 5 of the 2019 Information Statement (SEC Form 20 - IS)</p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
			<p>and on page 79 of the Annual Report (SEC Form 17-A) found in the website.</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflict of interest that might affect their judgment.</p>	<p><b>Compliant.</b></p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p><b>Information on key officers' academic qualifications, membership in other boards, other executive positions, professional experiences and expertise are found on pages 10 to 11 of the of the 2019 Information Statement (SEC Form 20 - IS).</b></p> <p><b>The officers' shareholdings in the company are disclosed on page 10 of the 2019 Information Statement (SEC Form 20 - IS) and on page 75 of the Annual Report.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<p><b>Recommendation 8.4</b></p>				
<p>1. Company provides a clear disclosure of its policies and procedures for setting Board remuneration, including the level and mix of the same.</p>	<p><b>Compliant.</b></p>	<p>Disclose or provide link reference to the company policy and practice for setting board remuneration.</p>	<p><b>The company's practice for setting board remuneration is provided on page 19 of the 2019 Information Statement (SEC Form 20 – IS).</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. Company provides a clear disclosure of its policies and procedures for setting executive remuneration, including the level and mix of the same.	<b>Compliant.</b>	Disclose or provide link reference to the company policy and practice for determining executive remuneration.	<p>The company's practice for setting executive remuneration is provided on pages 15 to 16 of the 2019 Information Statement (SEC Form 20 – IS).</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provision	<b>Non-compliant</b>	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.		<p>The company discloses the remuneration of directors and principal officers on an aggregate basis. As required in the Revised Code of Corporate Governance, the company discloses fixed and variable compensation paid to its directors and top four management officers on page 73 of the Annual Report. The Directors receive allowances, per diem and bonus based on a percentage of the net income of the Company for each calendar year. The compensation received by the officers who are not included in the Board of Directors of the Company represents salaries and bonuses. We believe that this submission complies with the spirit of the recommendation without risk to the aforementioned directors and CEO (SEC Form 17-A).</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>
<b>Recommendation 8.5</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	<b>Compliant.</b>	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p><b>The Related Party Transaction Policy is uploaded in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p><b>RPT policies are also found on page 11 of the company's Manual on Corporate Governance uploaded to the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	<b>Compliant.</b>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e. names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. other terms and conditions</li> </ol>	<p><b>The company disclosed the significant related party transactions entered into by the company on pages 122 to 123 of the 2019 Information Statement (SEC Form 20 – IS).</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>Supplement to Recommendation 8.5</b>				
1. Company requires directors to disclose their interests in transactions or any other conflicts of interests.	<b>Compliant.</b>	Indicate where and when directors disclose their interests in transactions or any other conflicts of interests.		
<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>Compliant.</b>	Provide link or reference where this is disclosed, if any.	<p><b>The significant related party transactions entered into by the company with its associates under common control are disclosed on pages 122 to 123 of the 2019 Information Statement (SEC Form 20 – IS).</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p><b>These RPTs are all in compliance with the RPT policies of the company that includes terms that are at fair and at arms-length basis.</b></p>	
<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	<b>Compliant.</b>	Provide link or reference where this is disclosed.	<p><b>Material information or transactions disclosed by the company to SEC and PSE through SEC Form 17-C are enclosed as Annex C to the Annual Report (SEC Form 17 – A) and uploaded to the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	



SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
interest of its shareholders and other stakeholders.			The company has a Corporate Disclosures Manual which directors and key management are required to follow.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<b>Compliant.</b>	Identify independent party appointed to evaluate the fairness of the transaction price  Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.	The company discloses its policies in the determination of fair value on pages 164 to 165 of the 2019 Annual and Sustainability Report.  Details on the acquisitions and disposal of assets transacted by the company in 2019 are found on pages 102 to 104 of the 2019 Annual and Sustainability Report.	
<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.	<b>Compliant.</b>	Provide link or reference where those are disclosed.	There are no shareholder agreements that may have impact on the control, ownership and strategic direction of the company.	
<b>Recommendation 8.7</b>				
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>Compliant.</b>	Provide link to the company's website where the Manual on Corporate Governance is posted.	The company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance and Corporate Disclosures Procedure Manual found in the website.	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. Company's MCG is submitted to the SEC and PSE.	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
3. Company's MCG is posted on its company website.	<b>Compliant.</b>		<b>The Manual on Corporate Governance is complemented by the Corporate Disclosure Manual which describes the standard procedures to be followed in the management of required corporate disclosures in compliance with applicable rules and regulations.</b>	
<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.	<b>Compliant.</b>	Provide proof of submission	<b>The Manual on Corporate Governance was amended in 2017 to comply with the new Code of Corporate Governance and the amended manual was submitted to the PSE and SEC in May 2017. The Manual was further amended in March 2018. Copies of the revised manual were submitted to the PSE and SEC in the same month.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Optional: Principle 8</b>				
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	<b>The company's 2019 Annual and Sustainability Report is uploaded in its website.</b>	
a. Corporate Objectives	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/annual-report">https://www.phinma.com.ph/annual-report</a>	
b. Financial performance indicators	<b>Compliant.</b>			

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
c. Non-financial performance indicators	<b>Compliant.</b>			
d. Dividend policy	<b>Compliant.</b>			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	<b>Compliant.</b>			
f. Attendance details of each director in all directors meetings held during the year	<b>Compliant.</b>			
g. Total remuneration of the board of directors	<b>Compliant.</b>			
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.	<b>Compliant.</b>	Provide link or reference where this is contained in the Annual Report.	<p><b>The Company substantially complies with the principles and best practices contained in the Code of Corporate Governance.</b></p> <p><b>As of December 31, 2019, there were no sanctions imposed on any director, officer or employee for non-compliance.</b></p> <p><b>This information is also disclosed in the Corporate Governance section on page 38 of the 2019 Annual and Sustainability Report.</b></p> <p><a href="https://www.phinma.com.ph/annual-report">https://www.phinma.com.ph/annual-report</a></p>	
3. The Annual Report / Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including	<b>Compliant.</b>	Provide link or reference where this is contained in the Annual Report.	<b>The Audit Committee assists the board in its oversight responsibilities on financial reporting process, assessment of internal controls, the audit process, risk management process, and the company's process for</b>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
operational, financial and compliance controls) and risk management systems.			monitoring compliance with laws and regulations. The Audit Committee discloses on page 39 of the 2019 Annual and Sustainability Report that it has reviewed the audit reports submitted by the Group Internal Audit and found that the company's internal control system is generally adequate and effective. The committee certifies that it held meetings to review key emerging risks.	
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.	<b>Compliant.</b>	Provide link or reference where this is contained in the Annual Report.	In accordance with its Charter, the Group Internal Audit performs various internal control reviews of the company, its subsidiaries and affiliates. Based on the reviews, Group Internal Audit reported that overall controls adequate and effective. The Audit Committee disclosed that the company's internal control system are generally adequate and effective in the Audit Committee Report found on page 53 of the 2019 Annual Report.	
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, and economic).	<b>Compliant.</b>	Provide link or reference where these are contained in the Annual Report.	The risks related to the company's business and operations are discussed on pages 100 to 109 of the 2019 Information Statement (SEC Form 20-IS).  <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
<b>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.</b>				
<b>Recommendation 9.1</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	<b>Compliant.</b>	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the external auditors.	<p><b>The Audit Committee is tasked to review the annual assessment of external auditor prepared by management which becomes the basis for the recommendation for re-appointment of the external auditor for the succeeding year.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. The appointment, re-appointment, removal and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	<b>Compliant.</b>	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditors.	<p><b>The Audit Committee in its report to the Board of Directors proposes the retention of the external auditor for the subsequent year. This is found on page 40 of the 2019 Annual and Sustainability Report.</b></p> <p><b>The percentage of shareholders that ratified the appointment is recorded in the Minutes of Annual Stockholders' Meeting uploaded in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
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.	<b>Compliant.</b>	Provide information or link/reference to a document containing the company's reason for removal or change of external auditor.	<b>There has been no cause for the removal of the external auditor for the past 5 years.</b>	
<b>Supplement to Recommendation 9.1</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Company has a policy of rotating the lead audit partner every five years.	<b>Compliant.</b>	Provide information or link/reference to a document containing the policy of rotating the lead audit partner every five years.	<p><b>The policy of rotating the lead auditor every five years is in the Audit Committee Charter.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Recommendation 9.2</b>				
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <p>i. assessing the integrity and independence of external auditors;</p> <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>	<b>Compliant.</b>	Provide link/reference to the company's Audit Committee Charter	<p><b>These responsibilities are all contained in the Audit Committee Charter and is in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></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.	<b>Compliant.</b>	Provide link/reference to the company's Audit Committee Charter	<p><b>This responsibility is contained in the Audit Committee Charter and is in the company's website.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	

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<b>Supplement to Recommendation 9.2</b>				
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.	<b>Compliant.</b>	Provide link/reference to the company's Audit Committee Charter	<b>This responsibility is contained in the Audit Committee Charter and is in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	<b>Compliant.</b>	Provide link/reference to the company's Audit Committee Charter	<b>This responsibility is contained in the Audit Committee Charter and is in the company's website.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Recommendation 9.3</b>				
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.	<b>Compliant.</b>	Disclose the nature of non-audit services performed by the external auditor, if any.	<b>The non-audit fees paid by the company for the conduct of the Corporate Governance training of its directors and officers in 2019 is P 1,142,857. The Audit Committee, in its report found on pages 69 to 70 of the 019 Annual and Sustainability Report, expressly stated that such fees are not significant to impair their independence.</b>	

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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.	<b>Compliant.</b>	Provide link or reference to guidelines or policies on non-audit services	<p><b>Non-audit services and related fees for the services of external auditors were reviewed by the Audit Committee and were found to be not significant to impair independence as expressly stated in the Audit Committee Report found on pages 69 to 70 of the 2019 Annual and Sustainability Report. The guidelines on engaging non-audit services is found in the Audit Committee Charter.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Supplement to Recommendation 9.3</b>				
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	<b>Compliant.</b>	Provide information on audit and non-audit fees paid.	<p><b>Breakdown of audit and non-audit fees in 2019:</b></p> <p><b>Audit Fees: P 3,650,000.00</b>  <b>Non-Audit Fees: P 1,142,857 (represents various engagements like valuation of options, organizational study, transfer pricing and training fees)</b></p>	
<b>Additional Recommendation to Principle 9</b>				
1. Company's external auditor is duly-accredited by the SEC under Group A category.	<b>Compliant.</b>	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> <li>1. name of the audit engagement partner;</li> <li>2. accreditation number;</li> <li>3. date accredited;</li> <li>4. Expiry date of accreditation; and</li> </ol>	<p><b>The company's external lead auditor is duly accredited by the SEC under Group A Category. Below are the information on the company's external auditor:</b></p> <ol style="list-style-type: none"> <li><b>1. Belinda T. Beng Hui</b></li> <li><b>2. SEC Accreditation No. 0943-AR-3 (Group A)</b></li> <li><b>3. March 14, 2019</b></li> </ol>	



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		5. Name, address, contact number of the audit firm.	<b>4. March 13, 2022</b> <b>5. Sycip Gorres Velayo &amp; Co. / 6760 Ayala Avenue 1226 Makati City Philippines / 891 0307</b>	
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).	<b>Compliant.</b>	Provide information on company's external auditor, such as: 1. date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	<b>The company's external auditor has been selected for the SOAR inspection of the SEC in 2019.</b>  <b>1. Date it was subjected to SOAR inspection: November 12 to 23, 2019</b> <b>2. Name of the Audit Firm: SGV &amp; Co.</b> <b>3. Members of the engagement team inspected by the SEC - The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</b>	
<b>Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.</b>				
<b>Recommendation 10.1</b>				

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<p>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.</p>	<p><b>Compliant</b></p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p><b>Promoting social responsibility initiatives, with specific focus on community development, social progress, and environmental management, in accordance with all pertinent Philippine laws, rules and regulations is one of the duties and responsibilities of the board as mentioned on page 4 of the company's Board Charter.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>For the reporting of material sustainability information, PHINMA complied with the SEC M.C. No. 4 Series of 2019 on Sustainability Reporting Guidelines for Publicly Listed Companies. The company's 2019 Annual and Sustainability Report is found in the website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>The Sustainability Report for PHINMA Corporation, covers the calendar year 2019 and presents the performance of our strategic business units: PHINMA Inc., PHINMA Corporation, PHINMA Education Holdings Inc., PHINMA Property Holdings, Inc., PHINMA Solar Energy Corporation, and Union Galvasteel Corporation. This is the first official aggregated Sustainability Report measuring our sustainability performance on material issues under the triple bottomline of economic, social and environmental impacts. This inaugural report was prepared</p>	

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			<p>in accordance with the Global Reporting Initiative (GRI Standards: Core option), and materiality aspects may be adjusted to reflect impacts of the global pandemic in 2020 and future years.</p> <p>In determining the GRI topics material to our stakeholders, a materiality workshop was conducted together with the key process owners in each strategic business unit. The results of the materiality assessment and engagement activities for 2019 are presented in the 2019 Annual and Sustainability Report.</p>	
2. Company adopts a globally-recognized standard/framework in reporting sustainability and non-financial issues.	<b>Compliant.</b>	Provide link to Sustainability Report, if any. Disclose the standards used.	<p><b>The Sustainability Report for PHINMA Corporation was submitted together with the company's Annual Report (SEC Form – 17A). This inaugural report was prepared in accordance with the Global Reporting Initiative (GRI Standards: Core option). In creating our sustainability framework, PHINMA is guided by the United Nations (UN) Sustainable Development Goals (SDGs) and has aligned them with particular relevance to our industry and core business</b></p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
			models. A copy of the 2019 Annual and Sustainability Report is uploaded in the company's website.  <a href="https://www.phinma.com.ph/annual-report">https://www.phinma.com.ph/annual-report</a>	
<b>Principle 11: The Company should maintain a comprehensive and cost-efficient communication channels for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</b>				
<b>Recommendation 11.1</b>				
1. Company has media and analysts' briefings as channels of communications to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	<b>Compliant.</b>	Disclose and identify the communication channels used by the company (i.e. website, Analyst's briefing, media briefings/press conferences, quarterly reporting, current reporting, etc.). Provide links if any.	<b>The company uses its company website to upload disclosures to the public.</b>  <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
<b>Supplement to Principle 11</b>				
1. Company has a website disclosing up to date information on the following:		Provide link to company website.	<b>The following are promptly posted to the company's website.</b>	
a. Financial statements/reports (latest quarterly)	<b>Compliant.</b>		a. Financial statements/reports (latest quarterly) <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
b. Materials provided in briefings to analysts and media	<b>Compliant.</b>		b. Materials provided in briefings to analysts and media	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
c. Downloadable annual report	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/">https://www.phinma.com.ph/</a>	
d. Notice of ASM and/or SSM	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/annual-report">https://www.phinma.com.ph/annual-report</a>	
e. Minutes of ASM and/or SSM	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
f. Company's Articles of Incorporation and By-Laws	<b>Compliant.</b>		<a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a> <a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a>	
<b>Additional Recommendation to Principle 11</b>				
1. Company complies with SEC-prescribed website template	<b>Compliant.</b>		The company's website complies with the content requirements of the SEC-prescribed website template. There are some variances in the headers used but the information, reports and disclosures that are required to be posted are all uploaded to the website.	
<b>INTERNAL CONTROL SYSTEM AND RISK MANAGEMENT FRAMEWORK</b>				
<b>Principle 12: 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>				
<b>Recommendation 12.1</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p><b>Compliant.</b></p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system.</p>	<p><b>The Internal Audit team reviews and updates the audit plan during their mid-year planning based on the results of completed engagements and recent developments or issues encountered. On a quarterly basis, the Internal Audit team reports results and updates on the audit plan. Audit plans and scope of the audits are then presented to the Audit Committee on an annual basis for review and approval.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p><b>The Audit Committee reports on the adequacy and effectiveness of the internal controls system in its Audit Committee Report found on page 69 to 70 of the 2019 Annual and Sustainability Report.</b></p>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<p>2. Company has an adequate and effective internal control system and enterprise risk management framework in the conduct of its business.</p>	<p><b>Compliant.</b></p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p><b>The company adopts a risk philosophy aimed at maximizing business opportunities and minimizing adverse outcomes, thereby enhancing shareholder value by effectively balancing risks and rewards. The company recognizes risk management as an integral component of good corporate governance and fundamental in achieving its strategic and operational objectives. It improves decision-making, defines opportunities and mitigates material events that may impact shareholder value.</b></p> <p><b>The company's philosophy of risk management has its foundation in the concept that taking risks is required in order to seek rewards and fulfil the company's mission. However, these risks should be continuously identified and assessed to ensure that effective mitigation strategies are employed to the greatest extent possible.</b></p> <p><b>A discussion on the management of the financial risks the company is exposed to particularly on credit risk, liquidity risk, market risk, foreign currency risk, interest rate risk and equity price risk on pages 100 to 110 of the 2019 Information Statement (SEC Form 20-IS). The company also discloses the risk factors relating to operations of its various business lines on pages 10 to 29 of the 2019 Annual Report.</b></p>	

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			<p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p>The Risk Oversight Committee requires all SBUs to assess the status of their key risks on a semi-annual basis. The results of these assessments, together with the corresponding mitigation strategies, are presented by the SBU Heads themselves to the Risk Oversight Committee.</p> <p>On March 21, 2013, the Executive Committee, approved and mandated the implementation of the Business Continuity Management which has been renamed since then as Business Resiliency Program. The program provides governance framework to develop business resiliency, build capability to safeguard the interests of the key shareholders, as well as the reputation and value-creating activities of the company in all its functions and operations.</p> <p>Effective that same year, all member companies of the PHINMA Group undergo a risk assessment exercise on a semi-annual basis in coordination with the Business Resiliency program. The results of these assessments, together with the overall implementation of the risk management system, including the Business Resiliency Program, will be subject to a review of its adequacy and effectiveness by the Risk Oversight Committee.</p>	



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<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.	<b>Compliant.</b>	Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.  Indicate frequency of review.	<p><b>The company's compliance program is anchored on the Manual on Corporate Governance with detailed processes documented in the Corporate Disclosures Manual. Both manuals are subject to periodic review and amendment to comply with relevant laws and regulations.</b></p> <p><b>In June 2019, the Related Party Transactions policy was revised to align with the SEC M.C. No. 10 Series 2019 Rules on Material Related Party Transactions for PLCs.</b></p> <p><b>In February 2020, the Corporate Disclosures Manual was amended to include detailed procedures in reporting of material RPTs especially coming from SBUs, reporting of material information, and disclosures of press release. The new processes were presented to the representatives from different SBUs, Finance and Public Affairs.</b></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Optional Recommendations 12.1</b>				
1. Company has a governance process on IT issues including disruption, cyber-security and disaster recovery to ensure	<b>Compliant.</b>	Provide information on IT governance process.	<b>The IT group of the company has policies and procedures in place to address issues on disruption, cyber-security and disaster recovery. These include putting in place</b>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
that all key risks are identified, managed and reported to the board.			hardware and software infrastructure to improve IT security, IT security awareness training for employees, periodic vulnerability testing, offsite backup data center, and reviews by IT security consultant. IT security and disruption issues are reported to senior management and critical issues and incidents, if any, will be reported to the Audit Committee.	
<b>Recommendation 12.2</b>				
1. Company has in place an independent internal audit function that provides an independent and objective assurance and consulting services designed to add value and improve the company's operations.	<b>Compliant.</b>	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The company has an in-house Group Internal Audit which performs independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the company. It assists the company in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Recommendation 12.3</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	<b>Compliant.</b>	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<p>The company's Chief Audit Executive is Mr. Rolando Soliven. He holds a Bachelor of Science degree in Accountancy and is a Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner. The duties and responsibilities of the Chief Audit Executive are contained in the Audit Committee Charter.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></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.	<b>Compliant.</b>		The Chief Audit Executive oversees the internal audit activity of the company. The company has not outsourced any portion of the Internal Audit function.	
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.	<b>Compliant.</b>	Identify qualified independent executive or management personnel, if applicable.	The company has not outsourced the Internal Audit function.	
<b>Recommendation 12.4</b>				
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>Compliant.</b>	Provide information on company's risk management function.	A Business Resiliency Program is currently in place for the entire PHINMA Group. This program supersedes the previous Business Continuity Management program and expands its coverage further by going beyond the traditional confines of BCM and integrates Risk Management concepts with	

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			<p>the disciplines of Disaster Response Planning, Crisis Management and Communications and Business Continuity Planning.</p> <p>The Risk Oversight Committee held its initial meeting on February 26, 2018. Its board-approved charter, containing its functions, is found in the company's website. In 2017, the oversight of risk management and audit functions were originally performed by a single committee, the Audit and Risk Oversight Committee. These two functions were eventually separated and assigned to two distinct committees, the Audit Committee and Risk Oversight Committee (ROC). To facilitate the continuity of risk-related discussions, the Audit Committee continued to perform the risk oversight functions up to the end of 2017.</p>	
<b>Supplement to Recommendation 12.4</b>				
1. Company seeks external technical support in risk management when such competence is not available internally.	<b>Compliant.</b>	Identify source of company's risk management function.	<b>The company's risk management function is headed by its Chief Risk Officer Mr. Rolando Soliven. He holds a Bachelor of Science degree in Accountancy and is a Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner.</b>	
<b>Recommendation 12.5</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
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).	<b>Compliant.</b>	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	<b>The company's Chief Risk Officer is Mr. Rolando Soliven. He holds a Bachelor of Science degree in Accountancy and is a Certified Public Accountant, Certified Internal Auditor and Certified Fraud Examiner. The duties and responsibilities of the Chief Risk Officer are contained in the Risk Oversight Committee Charter.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
2. CRO has adequate authority, stature, resources and support to fulfill his / her responsibilities	<b>Compliant.</b>			
<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.	<b>Compliant.</b>	Provide link to CEO and CAE's attestation.	<b>The Audit Committee attests to the soundness of internal audit, control and compliance system in its Report to the Board of Directors found on pages 69 to 70 of the 2019 Annual and Sustainability Report .</b>	
<b>CULTIVATING A SYNERGISTIC RELATIONSHIP WITH SHAREHOLDERS</b>				
<b>Principle 13: The company should treat all shareholders fairly and equitably, and also recognize protect and facilitate the exercise of their rights</b>				
<b>Recommendation 13.1</b>				
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	<b>Compliant</b>	Provide link or reference to the company's Manual on Corporate Governance where shareholders rights are disclosed.	<b>Shareholders' Rights is found on page 26 of the Manual on Corporate Governance.</b>  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>Compliant</b>	Provide link to company's website	Shareholders' Rights is found on page 26 of the Manual on Corporate Governance which is uploaded in the company's website. <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Supplement to Recommendation 13.1</b>				
1. Company's common share has one vote for one share.	<b>Compliant</b>		The company's voting procedures is detailed on pages 19 to 20 of the 2019 Information Statement (SEC Form 20 – IS). <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights, and transfer rights.	<b>Compliant</b>	Provide information on all classes of shares, including their voting rights, if any.	The company only has common shares which carry one vote per share.	
3. Board has an effective, secure and efficient voting system.	<b>Compliant</b>	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	Voting is done by raising of hands or viva voce. All stockholders votes are counted and reported in the Minutes of Stockholders' Meetings. The company's voting procedures is also detailed on pages 19 to 20 of the 2019 Information Statement (SEC Form 20 – IS). <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
4. Board has an effective shareholder voting mechanisms such as	<b>Compliant</b>	Provide information on shareholder voting mechanisms such as	All other matters in the Agenda that require corporate action will require the affirmative vote of a majority of the issued and	

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supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.		supermajority or "majority of minority", if any.	<p>outstanding shares of the company's common stock present and represented and entitled to vote at the Shareholders' Meeting. Supermajority votes, e.g. 2/3 vote of stockholders, are required on items which requires such vote under the Corporation Code. The company's voting procedures is also detailed on pages 19 to 20 of the 2019 Information Statement (SEC Form 20 – IS).</p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
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.	<b>Compliant</b>	Provide information on how this was allowed by board (i.e. minutes of meeting, board resolution)	<p>Shareholders' Rights is found on pages 26 to 27 of the Manual on Corporate Governance.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>The By-Laws of the company further provides that special meetings of stockholders may be called at the request of stockholders holding majority of the shares issued and outstanding, unless otherwise provided by law (Sec. 5 Article II). The Bylaws are uploaded in the company's website.</p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	<b>Compliant</b>	Provide information or link/reference to the policies on treatment of minority shareholders	Shareholders' Rights is found on page 26 to 27 of the Manual on Corporate Governance.	

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			<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
7. Company has a transparent and specific dividend policy	<b>Compliant</b>	<p>Provide information on or link/reference to the company's dividend policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip dividends, indicate if the company paid the dividends within 60 days from declaration.</p>	<p><b>There is no restriction on the payment of dividends other than the availability of retained earnings following the SEC rule on calculation of available retained earnings for dividend declaration.</b></p> <p><b>The company declares cash or stock dividends to its common shareholders on a regular basis in amounts determined by the Board of Directors taking into consideration the results of the company's operations, its cash position, investments and capital expenditure requirements, and unrestricted retained earnings. The company also declares special cash dividends where appropriate. This information is also found on page 18 of the 2019 Information Statement (SEC Form – 20 IS).</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p> <p><b>On March 5, 2019, the company declared a cash dividend of P0.40 per share, paid on March 29, 2019. On November 11, 2019, company declared a special cash dividend of P0.40 per share, paid on December 9, 2019.</b></p>	
Optional Recommendation 13.1				



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1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders Meeting.	<b>Compliant</b>	Identify the independent party that counted / validated the votes at the ASM, if any.	<b>Stock Transfer Service, Inc. was appointed as the independent party to count and/or validate the votes at the Annual Stockholders Meeting.</b>	
<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 at least 28 days before the meeting.	<b>Compliant</b>	<p>Indicate the number of days before the annual stockholders meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p><b>The Notice and Agenda of the ASM held on April 12, 2019 were sent on March 5, 2019.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<b>Supplemental to Recommendation 13.2</b>				
1. Company's Notice of Annual Stockholders Meeting contains the following information:		Provide link or reference to the company's Annual Shareholders' Meeting		
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience and directorships in other listed companies)	<b>Compliant</b>		<p><b>The profiles of directors are found on pages 6 to 10 of the 2019 Information Statement (SEC Form 20 – IS).</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	

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b. Auditors seeking appointment /reappointment	<b>Compliant</b>		Auditors seeking reappointment are found on page 3 of the 2019 Information Statement (SEC Form 20 – IS). <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
c. Proxy documents	<b>Compliant</b>		Proxy documents are attached to the 2019 Information Statement (SEC Form 20 – IS). <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
<b>Optional Recommendation 13.2</b>				
1. Company provides rationale for the agenda items for the annual stockholders meeting	<b>Compliant</b>	Provide link or reference to the rationale for the agenda items.	The agenda details is attached in the Notice of Annual Stockholders Meeting which is disclosed to the regulators and uploaded to the company's website. <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	
<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.	<b>Compliant</b>	Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM / SSM.	Prompt disclosure of all material items taken at the Annual Shareholders' Meeting is sent to the SEC and the PSE. The detailed Minutes of the ASM is uploaded to the website within 5 days from the meeting and contains all questions raised and answered and vote results of all items raised. <a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a>	

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2. Minutes of the Annual and Special Shareholders' Meetings were available on the company's website within five business days from the end of the meeting.	<b>Compliant</b>	<p>Provide link to minutes of meeting in company's website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>	<p><b>Minutes of the Annual Stockholders Meeting is uploaded to the website within 5 business days.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<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.	<b>Compliant</b>	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.	<p><b>Representatives of the company's external auditor, SGV &amp; Co., the transfer agent and all key management officers were present at the ASM as indicated in the minutes of the Annual Stockholders Meeting.</b></p> <p><a href="https://www.phinma.com.ph/#disclosure-section">https://www.phinma.com.ph/#disclosure-section</a></p>	
<b>Recommendation 13.4</b>				
1. Board makes available, at the option of the shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	<b>Compliant</b>	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.	<p><b>The Board has adopted to establish an alternative dispute resolution system for the amicable settlement of conflicts and differences among all stakeholders including the regulatory authorities. There has been neither dispute nor conflict between the corporation and its stockholders, third parties including regulatory authorities for the past three years. In the event that one</b></p>	

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			arises, the company is committed to resolve the same by exhausting all diplomatic means available prior to resorting to legal measures.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>Compliant</b>	Provide link/reference to where it is found in the Manual on Corporate Governance.	<p>The policy statement on alternative dispute resolution system is found on page 5 of the Manual on Corporate Governance.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Recommendation 13.5</b>				
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	<b>Compliant</b>	<p>Disclose the contact details of the officer/office responsible for investor relations such as:</p> <ol style="list-style-type: none"> <li>1. Name of the person</li> <li>2. Telephone number</li> <li>3. Fax number</li> <li>4. E-mail address</li> </ol>	<p>Below are the details of the company's Investor Relations Officer which are also shown in the company's website and annual report:</p> <ol style="list-style-type: none"> <li>1. Edmund Alan A. Qua Hiansen</li> <li>2. Tel +632 8700130</li> <li>3. Fax +632 870 0456</li> <li>4. <a href="mailto:eaquahiansen@phinma.com.ph">eaquahiansen@phinma.com.ph</a></li> </ol> <p><a href="https://www.phinma.com.ph/#investor-section">https://www.phinma.com.ph/#investor-section</a></p>	
2. IRO is present at every shareholders meeting	<b>Compliant</b>	Indicate if the IRO was present during the ASM.	The Investment Relations Officer was present at the 2019 and 2020 Annual Stockholders Meetings.	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>Supplemental Recommendation to Principle 13</b>				
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	<b>Compliant</b>	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	<b>There are no anti-takeover measures or similar devices written or included in the Articles of Incorporation, Bylaws, Corporate Governance Manual and/or other written or oral rules or policies of the Corporation and no such measure or devices were taken up in 2019. Any proposal to implement anti-takeover measures or similar devices will be scrutinized by the Corporate Governance (CG) and Related Party Transactions (RPT) Committee prior to discussion at Board level.</b>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>Compliant</b>	Indicate the company's public float.	<b>As of reporting date, the company has a public float of 40%.</b>	
<b>Optional Principle 13</b>				
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting.		Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.		
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.		
<b>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholder's rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</b>				

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>Recommendation 14.1</b>				
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	<b>Compliant.</b>	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	Shareholders' Rights is found on pages 26 to 27 of the Manual on Corporate Governance which is uploaded to the company's website.  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Recommendation 14.2</b>				
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	<b>Compliant.</b>	Identify policies and programs for the protection and fair treatment of company's stakeholders.	Shareholders' Rights is found on pages 26 to 27 of the Manual on Corporate Governance which is uploaded to the company's website.  <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
<b>Recommendation 14.3</b>				
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.	<b>Compliant.</b>	Provide the contact details (i.e. name of the contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.  Provide information on whistleblowing policy, practices and procedures for stakeholders.	Below are the details of the company's investor relations officer:  1. Edmund Alan A. Qua Hiansen 2. Tel +632 8700130 3. Fax +632 870 0456 4. <a href="mailto:eaquahiansen@phinma.com.ph">eaquahiansen@phinma.com.ph</a>  <a href="https://www.phinma.com.ph/#investor-section">https://www.phinma.com.ph/#investor-section</a>  The company's Integrity Hotline details are:  Mobile: 0917174462  Email: <a href="mailto:phi@phinmaintegrity.com.ph">phi@phinmaintegrity.com.ph</a>	

SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>Supplement to Recommendation 14.3</b>				
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	<b>Compliant.</b>	Provide information on the alternative dispute resolution system established by the company.	<p><b>There has been neither dispute nor conflict between the corporation and its stockholders, third parties including regulatory authorities for the past three years.</b></p> <p><b>In the event that one arises, the Company is committed to resolve the same by exhausting all diplomatic means available prior to resulting to legal measures.</b></p>	
<b>Additional Recommendations to Principle 14</b>				
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 specific steps being taken to finally comply with the applicable law, rule or regulation.	<b>Compliant.</b>	Disclose any requests for exemption by the company and the reason for the request.	<b>The company has not sought 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 specific steps being taken to finally comply with the applicable law, rule or regulation.</b>	
2. Company respects intellectual property rights.	<b>Compliant.</b>	Provide specific instances, if any.	<p><b>There were no issues in relation to Intellectual Property Rights (IPR) for 2019. The company observes IPR as it also secures protection of its IPR such as securing patents for its products.</b></p>	

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<b>Optional Principle 14</b>				
1. Company discloses its policies and practices that address customers' welfare.	<b>Compliant</b>	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	<p><b>Policies, programs and practices on customers' welfare are managed thru the strategic business units within PHINMA Group.</b></p> <p><b>For PHINMA Education, information on student support services are accessible in the websites of PHINMA schools.</b></p> <p><b>Araullo University:</b>  <a href="https://www.au.phinma.edu.ph/student-life">https://www.au.phinma.edu.ph/student-life</a></p> <p><b>Cagayan de Oro College:</b>  <a href="https://www.coc.phinma.edu.ph/student-life">https://www.coc.phinma.edu.ph/student-life</a></p> <p><b>University of Pangasinan:</b>  <a href="https://www.up.phinma.edu.ph/student-life">https://www.up.phinma.edu.ph/student-life</a></p> <p><b>Southwestern University:</b>  <a href="https://www.swu.edu.ph/student-life">https://www.swu.edu.ph/student-life</a></p> <p><b>Saint Jude College:</b>  <a href="https://www.sjc.phinma.edu.ph/student-life">https://www.sjc.phinma.edu.ph/student-life</a></p> <p><b>PHINMA Properties provides guides for homebuyers and sellers as well as lease management information and FAQs in its website.</b></p> <p><a href="http://phinmaproperties.com/guide">http://phinmaproperties.com/guide</a></p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures.		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.		



SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
<b>Principle 15: 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>				
<b>Recommendation 15.1</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.	<b>Compliant.</b>	Provide information or link/reference to company's policies, programs and procedures that encourage employee participation.	<p><b>Thru the standard performance scorecard, the employees training and coaching needs are clearly identified as well as monitored thereby providing a solid background for numeric ratings by year end. Its “critical incident” component allows for transparency in terms of learning opportunities and action items. It also makes clear to the employee his/her individual objectives and the measurement of KPIs for the year. The self-development component of the performance assessment ensures employee engagement by self-identification of programs and trainings that will assist the employee in the achievement of their goals for the year.</b></p> <p><b>Through the various Corporate Social Responsibility programs, the company seeks to create awareness and instill the value of service to others by providing opportunities for employees to join programs benefiting the community, the environment and its adopted beneficiaries.</b></p>	
<b>Supplement to Recommendation 15.1</b>				

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1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	<b>Compliant.</b>	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	<b>The company has a Stock Purchase Plan to motivate the Senior Officers to achieve the Parent Company's goals, to help make the personal goals and corporate goals congruent and to reward the senior officers for the resulting increase in the value of PHN shares.</b>	
2. Company has policies and practices on health, safety and welfare of its employees.	<b>Compliant.</b>	Disclose and provide information on policies and practices on health, safety and welfare of employees.  Include statistics and data, if any.	<b>The company has various policies and practices to promote the health, safety and welfare of its employees.</b>  <b>RELATED POLICIES</b> <ol style="list-style-type: none"> <li>1. Anti-Sexual Harassment- RA 7877</li> <li>2. Drug Free Workplace- DOLE Order 5303</li> <li>3. HIV- AIDS in the workplace RA 8504</li> <li>4. Special Leave for Women DO 112-11</li> <li>5. Victims of Violence against Women and Children – RA 9262</li> <li>6. Lactation Station</li> <li>7. TB in the workplace</li> <li>8. Hepa- B in the Workplace</li> <li>9. Solo Parent Leave Dole - Advisory No. 5 Series of 2010</li> </ol> <a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	

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			<p><b>OTHER INITIATIVES ON EMPLOYEE WELFARE</b></p> <ol style="list-style-type: none"> <li>1. Annual Physical Exam in accredited clinics and hospitals</li> <li>2. Annual Medicine Allowance, each employee gets P12, 500</li> <li>3. Dental Retainership coverage with unlimited consultation, free oral prophylaxis, simple tooth extraction and temporary filling with a reputable Dentist</li> <li>4. Health Insurance Coverage- employees are covered by an insurance, limit varies based on rank</li> <li>5. Vacation and Sick Leave credits- Employees earn 1.25 VL and SL credit per month, equivalent to 15 days VL and 15 days SL per year</li> <li>6. Group Insurance coverage including Accident and Burial, limit varies per rank</li> <li>7. Flu vaccination for employees and dependents</li> </ol> <p><b>SAFETY DRILLS (From Paramount - Bldg. Admin)</b></p> <ul style="list-style-type: none"> <li>• Fire drill seminar was conducted by SFO2 Richelle Leal of BFP last July 4, 2019.</li> </ul>	
3. Company has policies and practices on training and development of its employees.	<b>Compliant.</b>	Disclose and provide information on policies and practices on training and development of employees. Include any information on any training conducted or attended.	<p>In 2019, a total of 32,800 hours of trainings, done internally, were provided to employees of PHINMA and its subsidiaries. This includes workshops on leadership, safety, and other technical training</p> <p>PHINMA Employee Development Programs</p>	

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			<p><b>Staff Excellence Program (StEP).</b> Enhance employees' skills, knowledge and expertise in their role.</p> <p><b>Junior Management Program (JuMP).</b> Prepare high potential employees to deal management and leadership roles.</p> <p><b>Line Managers Excellence Acceleration Program (LEAP).</b> Broaden people management skills, business perspective and functional competencies.</p> <p><b>Leadership Development Program (LEAD).</b> Develop skills in handling the challenges associated with the Company's business drivers.</p> <p><b>Senior Officers Advancement Resources Program (SOAR).</b> Access to opportunities that will help keep abreast of developments and trends in management, business and industry.</p> <p>Lastly, the company, thru its Human Resources unit, continues to guide new hires through the New Employees' Orientation Program which helps employees adjust better with the PHINMA culture.</p>	
<b>Recommendation 15.2</b>				
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and	<b>Compliant.</b>	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption.	<b>The company's anti-bribery and corruption policies are contained in its Gifts and Gratuities Policy and Whistleblowing and</b>	

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program in its Code of Conduct.			<p>Anti-Retaliation policies are found in the website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	<b>Compliant.</b>	Identify how the board disseminated the policy and program to employees across the organization.	<p><b>The implementation and strict compliance of the company's code of ethics is overseen by the Integrity Assurance and Human Resource Teams.</b></p> <p><b>PHINMA Integrity Initiative Programs:</b></p> <p><b>Values Summit - The Values Summit brings together various key stakeholders to highlight the Group's progress on its Integrity Assurance Program and renew its commitment to the PHINMA Core Values of Integrity, Patriotism, Competence, and Professionalism.</b></p> <p><b>Integrity Roadshow - Integrity Program that creates awareness across the PHINMA Group by highlighting the PHINMA Core Values, and the PHINMA Code of Business Conduct.</b></p> <p><b>Values Integration - Through Values in Practice Talks, the Integrity Assurance Program aims to bring closer the management to the Group's employees by inviting PHINMA Leaders and guest speakers to speak once every quarter to share their wisdom, and discuss their experiences as they live through PHINMA's Core Values of</b></p>	

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			<p><b>Integrity, Patriotism, Competence, and Professionalism.</b></p> <p><b>Vendor Integrity Program - The Vendor Orientation aims at raising compliance standards and create awareness among all vendors about the Integrity Assurance Program and the Code of Business Conduct. It sets out to guide employees and vendors in creating an ethical and sustainable business partnership with the organization. Integrity Hotline. The Integrity Hotline is used to provide a venue where all employees can raise genuine concerns about work-related matters confidently and without fear of retaliation.</b></p> <p><b>The Human Resources Team deals with guaranteeing that all employees are made aware of the Company's core values, prescribed work attitude as well as penalties and sanctions to be incurred in the event of a violation.</b></p> <p><a href="https://www.phinma.com.ph/#company-section">https://www.phinma.com.ph/#company-section</a></p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Supplement to Recommendation 15.2</b>				
1. Company has clear and stringent policies and procedures on curbing and penalizing employee	<b>Compliant.</b>	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.	<b>The company's anti-bribery and corruption policies are contained in its Gifts and Gratuities Policy and Whistleblowing and Anti-Retaliation policies are found in the website</b>	

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involvement in offering, paying and receiving bribes.		Include any finding of violations of the company policy.	<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>  As of reporting date, There have been no material violations on company policies in relation to offering, paying and receiving bribes.	
<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.	<b>Compliant.</b>	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.  Indicate if the framework includes procedures to protect the employees from retaliation.	<b>Through its Whistleblowing and Non-Retaliation Policy under the Integrity Assurance Program, the company provides a mechanism for reporting perceived and actual irregularities that are contrary to PHINMA's Core Values while providing appropriate protection for whistle-blowers from possible retaliation.</b>  <b>An Integrity Hotline has been launched, an independent, dedicated email facility provided by the Company for receiving Whistleblower reports. All reports submitted through this facility shall be received by the Integrity Officer and the PHINMA Group Internal Audit Head.</b>  <b>All reports shall be investigated according to the PHINMA Response Plan. In the event that a whistleblowing report was made in bad faith, appropriate disciplinary or legal action shall be meted pursuant to the policies and procedures of PHINMA, and any applicable laws or regulations.</b>	
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.	<b>Compliant.</b>	Provide contact details to report any illegal or unethical behaviour.		

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			<a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>Compliant.</b>	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	<b>On a yearly basis, the Integrity Officer is required to report to the Audit Committee any reports received from the facility.</b>	
<b>Principle 16: 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.</b>				
<b>Recommendation 16.1</b>				
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.	<b>Compliant.</b>	Provide information or reference to a document containing information on the company's community involvement and environment related programs.	<p><b>PHINMA is strongly committed to improving the quality of life in areas where we operate. We believe that in creating inclusive growth in our partner communities, we can support sustainable development relevant to their culture and realities.</b></p> <p><b>The company reports on community involvement and environment related programs in its 2019 Annual and Sustainability Report.</b></p> <p><b>EDUCATION</b></p> <p><b>In 2019, the PHINMA National Scholarship (PNS), the flagship program of the PHINMA</b></p>	



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			<p>Foundation, supported 86 students from the Philippine Normal University, University of the Philippines, and the Polytechnic University of the Philippines. PNS is a holistic program with three key components - scholarship, mentorship, and leadership. The members of the PHINMA National Scholarship Alumni Association (PNSAA) continue to pay forward by sponsoring four high school scholars</p> <p><b>COMMUNITY WELFARE</b></p> <p>With the goal of helping build inclusive communities, the PHINMA Foundation teamed up with AHA! Learning Center. The center is a project of the Commodore Jose Francisco Foundation, which offers afterschool enrichment programs for public schools and communities in Makati City.</p> <p><b>PHINMA Hero</b></p> <p>In 2019, PHINMA Hero celebrated a decade of employee volunteerism across the PHINMA Group. In collaboration with the strategic business units, PHINMA Hero coordinates cross volunteerism efforts and joint projects within the PHINMA Group.</p> <p>PHINMA Reaches Out Year 4 was celebrated last September-November 2019 with the theme Our Mission Continues. Over 800 volunteers were mobilized nationwide in 30 sites to participate in various volunteer activities such as clean up drives, tree</p>	

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			<p>planting, blood drives, donation drives, and teaching.</p> <p>The company also provides for a dedicated page on its website to report on its Corporate Social Responsibility programs.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p>	
<b>Optional Principle 16</b>				
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	<b>Compliant.</b>	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	<p>The company ensures compliance to the laws, rules and regulations that concern its business. The company discloses its corporate social responsibility activities on pages 30 to 35 of the 2019 Annual and Sustainability Report and in its website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p>PHINMA Education, PHINMA Properties, and the PHINMA Construction Materials Group led the reforestation efforts in 15 sites nationwide. Collectively, the Group was able to plant 8,990 seedlings of different native trees. PHINMA Hospitality led the Group's Clean Up Drives in 13 sites nationwide, which included tourist and cultural heritage sites.</p> <p>In 2019, PHINMA started its Going Green Campaign through PHINMA Hero. In partnership with The Plastic Solution,</p>	

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			<p>employees were able to repurpose over 30,000 kilos of plastic into ecobricks.</p> <p>Union Galvasteel Corporation has a full time Research and Development Section and one of its main functions is to take the lead in the Continuous Improvement Program in order to enhance product quality, customer service and cost competitiveness. UGC is an ISO-certified company for its Quality and Environmental Management Systems.</p> <p>UGC, as a corporate citizen, is committed to protect the environment and safeguard the health and safety of its employees. It strictly conforms to government environmental regulatory standards through its pollution control facilities for water and air. It continuously monitors its wastewater and air emissions and maintains and improves such facilities and processes to ensure environment friendly results. Regular tests conducted internally and by third parties show that effluents consistently met Department of Environmental and Natural Resources (DENR) and Laguna Lake Development Authority (LLDA) standards. In addition, UGC is a member of the Local Government Units (Calamba Green Stream Brigade and Laguna Water Conservancy), Pollution Control Association of the Philippines, Inc. (PCAPI) and Water Environment Association of the Philippines (WEAP) to strengthen its commitment and involvement for a better environment.</p>	

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			<p>An Environmental Management Group which reports directly to the Vice President - Production is responsible for the implementation of the Company's Environmental Program including compliance with all laws and regulations on Environmental Standards.</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p><b>Compliant.</b></p>	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p>	<p>The company discloses its corporate social responsibility activities on pages 30 to 35 of the 2019 Annual and Sustainability Report and in its website.</p> <p><a href="https://www.phinma.com.ph/#corporate-section">https://www.phinma.com.ph/#corporate-section</a></p> <p><b>COMMUNITY WELFARE</b></p> <p>With the goal of helping build inclusive communities, the PHINMA Foundation teamed up with AHA! Learning Center. The center is a project of the Commodore Jose Francisco Foundation, which offers afterschool enrichment programs for public schools and communities in Makati City.</p> <p><b>PHINMA Hero</b></p> <p>In 2019, PHINMA Hero celebrated a decade of employee volunteerism across the PHINMA Group. In collaboration with the strategic business units, PHINMA Hero coordinates cross volunteerism efforts and joint projects within the PHINMA Group.</p> <p>PHINMA Reaches Out Year 4 was celebrated last September-November 2019 with the</p>	

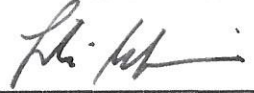
SEC RECOMMENDED CORPORATE GOVERNANCE PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION (REQUIRED)	INFORMATION PROVIDED FOR COMPLIANT ITEMS	EXPLANATION FOR NON-COMPLIANT ITEMS
			<p>theme <b>Our Mission Continues</b>. Over 800 volunteers were mobilized nationwide in 30 sites to participate in various volunteer activities such as clean up drives, tree planting, blood drives, donation drives, and teaching.</p>	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report for 2019 is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on \_\_\_\_\_, 2020.

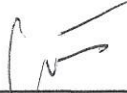
**SIGNATURES**



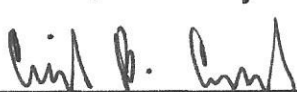
**OSCAR J. HILADO**  
Chairman of the Board




**LILIA B. DE LIMA**  
Independent Director



**JUAN B. SANTOS**  
Independent Director



**CECILLE B. ARENILLO**  
Compliance Officer



**RAMON R. DEL ROSARIO, JR.**  
President and Chief Executive Officer



**GUILLERMO D. LUCHANGCO**  
Independent Director



**RIZALINA G. MANTARING**  
Independent Director



**TROY A. LUNA**  
Corporate Secretary

SUBSCRIBED AND SWORN to before me this AUG 18 2020 day of \_\_\_\_\_, 2020, affiants exhibiting to me their Competent Identification Certificates as follows:

NAME	NUMBER	DATE OF ISSUE	PLACE OF ISSUE
PHINMA Corporation	Community Tax Certificate No. CCC 00108902	12 January 2019	Makati City
Oscar J. Hilado	Passport No. 7959521A	16 July 2018	DFA NCR East
Ramon R. Del Rosario, Jr.	Passport No. 5770713A	26 January 2018	DFA NCR East
Rizalina G. Mantaring	Passport No. EC5964028	13 November 2015	DFA Manila
Guillermo D. Luchangco	Passport No. EC7496033	26 April 2016	DFA Manila
Juan B. Santos	Passport No. 4425820A	17 September 2017	DFA Manila
Lilia B. De Lima	Passport No. P6254214A	2 March 2018	DFA Manila
Cecille B. Arenillo	Passport No. EC5403293	20 September 2015	DFA NCR South
Troy A. Luna	Driver's License No. D04-80-004044	2 May 2023 (Date of Expiry)	LTO Makati

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Series of 2020

**JOEL S. ARENILLO**  
NOTARY PUBLIC  
COMMISSION NO. M-204  
NOTARY PUBLIC FOR MAKATI CITY  
UNTIL DECEMBER 31, 2020  
12/F THE PHINMA PLAZA, 39 PLAZA DRIVE  
ROCKWELL CENTER, MAKATI CITY  
ROLL NO. 53693  
PTR NO. 8127094; 1/4/2020; MAKATI CITY  
IBP NO. 974819; 9/13/14 LIFETIME; BULACAN CHAPTER  
MCLE Compliance No. VI-0021494