

COVER SHEET

9 9 9 0 5

S.E.C. Registration Number

P H I L I P P I N E R E A L T Y A N D H O L D I N G S

C O R P O R A T I O N

(Company's Full Name)

O N E B A L E T E 1 B A L E T E D R I V E C O R

N D O M I N G O S T B R G Y K A U N L A R A N

D I S T R I C T 4 Q U E Z O N C I T Y 1 1 1 1

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

MARK ANTHONY RAMOS

Contact Person

1 2

Month

3 1

Day

I-ACGR

FORM TYPE

636-1170

Company Telephone Number

0 6

Month

3 0

Day

Annual Meeting

N/A

Secondary License Type, If Applicable

N.A.

Amended Articles Number/Section

Dept. Requiring this Doc.

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

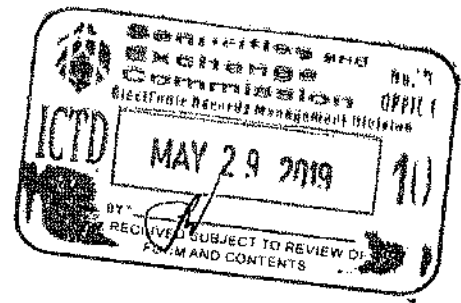
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Remarks = pls. use black ink for scanning purposes.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2018
2. SEC Identification Number: 99905 3. BIR Tax Identification No.: 000188233000.
4. Exact name of issuer as specified in its charter **PHILIPPINE REALTY AND HOLDINGS CORPORATION**

PHILIPPINES

5.
Province, Country or other jurisdiction of
incorporation or organization

One Balete 1 Balete Drive cor N. Domingo Street,
Barangay Kaunlaran, District 4 Quezon City

6. (SEC Use Only)
Industry Classification Code:

1111

7.
Address of principal office

Postal Code

631319

8.
Issuer's telephone number, including area code

Former Address: Andrea North Complex 1 Balete Drive Cor. N. Domingo St. New Manila Quezon City

9.
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			EXPLANATION
COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION		
The Board's Governance Responsibilities			
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 corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance REPLY: 1. Please check part IV of PRHC 2018 17A Annual report. Link: PSE EDGE portal http://edge.pse.com.ph/openDiscViewer.do?edge_no=515cc3f7b32c0b1fefdfc15ec263a54d#sthash.Fnx43EfZ.dpbs 2. Please check part IV of PRHC 2018 17A Annual report.	

		Link: PSE EDGE portal http://edge.pse.com.ph/openDiscViewer.do?edge_no=515cc3f7b32c0b1fefdfc15ec263a54d#sthash.Fnx43EfZ.dpbs 3. 1. Please check section 2.3.4.2 and 2.3.4.7 of PRHC Corporate Governance Manual http://philireality.com.ph/corporate-governance/ 3. 2. Please check part IV of PRHC 2018 17A Annual report. Link: PSE EDGE portal http://edge.pse.com.ph/openDiscViewer.do?edge_no=515cc3f7b32c0b1fefdfc15ec263a54d#sthash.Fnx43EfZ.dpbs	
Recommendation 1.2 1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	

		REPLY: <table border="1"> <thead> <tr> <th data-bbox="284 981 453 1240">Director's Name</th> <th data-bbox="284 732 453 981">Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]</th> </tr> </thead> <tbody> <tr> <td data-bbox="453 981 560 1240">LANUZA JR., GERARDO ORTIGAS</td> <td data-bbox="453 732 560 981">ED</td> </tr> <tr> <td data-bbox="560 981 667 1240">OLBES, ANTONIO ORTIGAS</td> <td data-bbox="560 732 667 981">ED</td> </tr> <tr> <td data-bbox="667 981 774 1240">BACANI, AMADOR CARLOS</td> <td data-bbox="667 732 774 981">NED</td> </tr> <tr> <td data-bbox="774 981 943 1240">LANUZA, GERARDO DOMENICO ANTONIO VERZOSA</td> <td data-bbox="774 732 943 981">ED</td> </tr> <tr> <td data-bbox="943 981 1011 1240">YANG, GREGORY</td> <td data-bbox="943 732 1011 981">NED</td> </tr> <tr> <td data-bbox="1011 981 1054 1240">NG, ANDREW</td> <td data-bbox="1011 732 1054 981">NED</td> </tr> <tr> <td data-bbox="1054 981 1123 1240">DEL ROSARIO JR., ALFREDO S.</td> <td data-bbox="1054 732 1123 981">ED</td> </tr> <tr> <td data-bbox="1123 981 1192 1240">TAN, LORENZO V.</td> <td data-bbox="1123 732 1192 981">ID</td> </tr> <tr> <td data-bbox="1192 981 1260 1240">AROLLADO, JOMARK ONG,</td> <td data-bbox="1192 732 1260 981">ID</td> </tr> <tr> <td data-bbox="1260 981 1367 1240">EIZMENDI, ALFONSO MARTIN</td> <td data-bbox="1260 732 1367 981">ID</td> </tr> <tr> <td data-bbox="1367 981 1399 1240">NUNEZ, RENATO</td> <td data-bbox="1367 732 1399 981">ID</td> </tr> </tbody> </table>	Director's Name	Type [Executive (ED), Non-Executive (NED) or Independent Director (ID)]	LANUZA JR., GERARDO ORTIGAS	ED	OLBES, ANTONIO ORTIGAS	ED	BACANI, AMADOR CARLOS	NED	LANUZA, GERARDO DOMENICO ANTONIO VERZOSA	ED	YANG, GREGORY	NED	NG, ANDREW	NED	DEL ROSARIO JR., ALFREDO S.	ED	TAN, LORENZO V.	ID	AROLLADO, JOMARK ONG,	ID	EIZMENDI, ALFONSO MARTIN	ID	NUNEZ, RENATO	ID	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors. REPLY: 1. Please refer to section 4 of the Corporate Governance Manual of the Company Link: http://philirealty.com.ph/corporate-governance/	
2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or 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.	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	REPLY: 2. Please refer to section 4 of the Corporate Governance Manual of the Company for the policy on Orientation Program for first time directors. New directors are given an orientation program to familiarize themselves with the Company's businesses and operations as well as their	

		responsibilities and duties as directors. As part of the continuing education process for directors, the Company's officers prepare and present programs concerning the Company's strategies, initiatives and business plans; arrange for presentations by outside parties concerning industry issues and general business and regulatory matters; and conduct on-site meetings with Company personnel. Directors are encouraged to attend, at the Company's expense, appropriate third-party programs relating to their continuing education especially on SEC and/or PSE-required seminars/workshops.
		Link: http://philirealty.com.ph/corporate-governance/ Please see below schedules of Board of Directors Training including the number of hours attended and topics covered.

Name of Director/Officer	Date of Training	Program	Name of Training Institution	Training hours
Andrew Ng	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices	4 hours
Jamark O. Arolado	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices	

					4 hours
Alfonso Martin E. Elzendi	November 21, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours
Gregory Yang	November 21, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours
Alfredo S. Del Rosario Jr.	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours
Gerardo Domenico Antonio Lanuza	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours
Renato Nunez	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours
Amador C. Bacant	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices		4 hours

Recommendation 1.4

1. Board has a policy on board diversity.

COMPLIANT

Provide information on or link/reference to a document containing information on the company's board diversity policy.

Indicate gender composition of the board.

REPLY:

Please refer to section 4 of the Corporate Governance Manual of

			the Company for the policy on Board Diversity Link: http://philirealty.com.ph/corporate-governance/ The Company's BOD is composed mainly of Male.	
Optional: Recommendation 1.4				
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity Provide link or reference to a progress report in achieving its objectives.		
Recommendation 1.5				
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.		
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT			
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT			
REPLY:				

Atty. Rex P. Bonifacio, Filipino Citizen, is currently the Corporate Secretary of Philippine Realty and Holdings Corporation. Concurrently, he is also the Corporate Secretary of Philippine Stock Exchange Centre Condominium Corporation and a Partner at Pastelero Law Office. He finished his Pre law at San Sebastian College Recoletos Manila in 1992 with a degree of AB Political Science, Cum Laude. In 1996, he completed his Bachelor of Laws degree in San Sebastian College of Law. The following are the duties and responsibilities of the Corporate Secretary as enumerated in the Corporate Governance Manual:

- o Gather and analyze all documents, records and other information essential to the conduct of his duties and responsibilities to the Corporation.
- o As to agenda, get a complete schedule thereof at least for the current year and put the Board on notice before every meeting.
- o Assist the Board in making business judgment in good faith and in the performance of their responsibilities and obligations.
- o Attend all Board meetings and maintain record of the same.
- o Submit to the Commission, at the end of every fiscal year, an annual certification as to the attendance of the directors during Board meetings.
- o Keeps abreast on relevant laws, regulations, all governance issuances, relevant industry developments and operations of the corporation, and advises the Board and the Chairman on all relevant issues as they arise;
- o Works fairly and objectively with the Board, Management and stockholders and contributes to the flow of information between the Board and management, the Board and its committees, and the Board and its stakeholders, including shareholders;
- o Advises on the establishment of board committees and their terms of reference;
- o Informs members of the Board, in accordance with the by-laws, of the agenda of their meetings at least five working days in advance, and ensures that the members have before them accurate information that will enable them to arrive at intelligent decisions on matters that require their approval

4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Please see below governance training attended, including number of hours and topics covered by the Company's Corporate Secretary
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REPLY:

Name of Director/Officer	Date of Training	Program	Name of Training Institution	Training hours
Rex Bonifacio	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices	4 hours

Optional: Recommendation 1.5

1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.

Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting.

Recommendation 1.6

- Board is assisted by a Compliance Officer.
- Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.
- Compliance Officer is not a member of the board.

Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.

REPLY:

EDMUNDO C. MEDRANO, Filipino Citizen, is the Company's Compliance Officer. He is currently the Senior Vice President and Chief Financial Officer, Treasurer, and Chief Subsidiary Management Officer of Philippine Realty and Holdings Corporation. He was elected in 2018 as an Independent Director of Credit Information Corporation and Chairman of its Audit Committee. He is currently a member of the Board of Directors of Casa Miguel Condominium Corporation, Universal Travel Corporation and Andrea North Condominium Corporation. He previously held the positions of Executive Vice President at Philtrust Bank; Vice Chairman, President and Chief Operating Officer at Producers Savings Bank Corporation; Senior Vice President at Asiatrust Development Bank; Senior Vice President at AB Capital and Investment Corporation and Head of Investment Banking and concurrently General Manager of AB Leasing and Finance Corporation; and First Vice President at AsianBank Corporation. He took his Masters of Business Management at the Asian Institute of Management from 1974 to 1976. He graduated from De La Salle College with a Degree of Bachelor of Science in Commerce major in Accounting in 1974, Cum Laude, and Bachelor of Arts major in Economics in 1974, Cum Laude.

His duties and functions are the following:

- o Appear before the Securities and Exchange Commission upon summon on similar matters that need to be clarified by the same;
- o Determine violation/s of the Manual and recommend penalty for violation thereof for further review and approval of the Board;
- o Issue a certification every January 30th of the year on the extent of the Corporation's compliance with this Manual for the completed year, explaining the reason/s of the latter's deviation from the same; and
- o Ensures proper onboarding of new directors (i.e., orientation on the company's business, charter, articles of incorporation and by-laws, among others);
- o Monitors, reviews, evaluates and ensures the compliance by the corporation, its officers and directors with the relevant laws, this Code, rules and regulations and all governance issuances of regulatory agencies;
- o Reports the matter to the Board if violations are found and recommends the imposition of appropriate disciplinary action;
- o Ensures the integrity and accuracy of all documentary submissions to regulators;
- o Identifies possible areas of compliance issues and works towards the resolution of the same;
- o Ensures the attendance of board members and key officers to relevant trainings.

4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	
REPLY:			

Name of Director/Officer	Date of Training	Program	Name of Training Institution	Training hours
Edmundo C. Medrano	November 20, 2018	Corporate Governance and Strategic Management	Center for Best Global Practices	4 hours
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.				
Recommendation 2.1				
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) REPLY: Please refer to item 18 of the Company's 2019 Definitive Information Statement regarding Major acts of the Board of Directors Minutes of the meeting can be access through the Company's Corporate Secretary.			
Recommendation 2.2				
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).			
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT			

		Indicate frequency of review of business objectives and strategy Monthly Meeting of the Board of Directors. REPLY: Please refer to Item 18 of the Company's 2019 Definitive Information Statement regarding Major acts of the Board of Directors Minutes of the meeting can be accessed through the Company's Corporate Secretary.		
Supplement to Recommendation 2.2				
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT - as to Vision and Mission NON-COMPLIANT - as to Core Values	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values. REPLY: Please refer to Company's website. Link: http://philirealty.com.ph/about-us/	REPLY: The Company is still in the process of formulating the Core Values. To achieve Principle 2 even without written Core Values of the Company, PRHC's Board and key officers are doing annual strategic meeting to discuss plans for the growth and development of the Company.	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	Provide information on or link/reference to a document containing information on the strategy execution process. REPLY: The monthly meeting /discussions of the Board of Directors and their individual recommendations during the said meeting facilitate effective management performance. The CEO/President and some Vice Presidents attend the Board meetings in order to be guided by the business strategies formulated and recommended by the individual Board members. The discussion of the Board for this purpose will be seen in the office of the Corporate Secretary upon the written request by the Stockholder.	
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications REPLY: Please check part IV of PRHC 2018 17A Annual report.	

		Link: PSE EDGE portal http://edge.pse.com.ph/openDiscViewer.do?edge_no=515cc3f7b32c0b1fefdfc15ec263a54d#sthash.Fnx43EfZ.dpb	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	REPLY: 1. Please refer to the Corporate Governance manual regarding information on succession planning program for directors, key officers and management. 2. Please refer to the retirement plan of the Company for information related to policy on the retirement for directors and key officers.	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		

3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	REPLY: 1 - 3 Please refer to the Corporate Governance manual regarding information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.
Optional: Recommendation 2.5		
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 on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.
Recommendation 2.6		
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	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
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	

3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	encourages nominations from shareholders.	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	REPLY: 1- 6. Please see below information on the company's nomination and its 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.	
	Procedure	Process Adopted	Criteria
	a. Selection/Appointment		
(i) Executive Directors		Executive Directors are elected annually by the Board of Directors, at its first meeting following the annual stockholders' meeting. They are elected by the majority	General principle of transparency, accountability and fairness.

		of the members of the Board. They are subject to the same and qualifications and disqualifications applicable to a director and can be removed at any time by the Board of Directors.		
	(ii) Non-Executive Directors	Non-Executive Directors are elected annually by the stockholders during a stockholders meeting. They are subject to the qualifications and disqualifications as provided in the Corporation Code and the Company's Manual on Corporate Governance. They can be removed by the stockholders representing at least 2/3 of the Company's outstanding capital stock in a regular or special meeting of the stockholders duly called for the purpose.	General principle of transparency, accountability and fairness.	

		(iii) Independent Directors	Independent Directors are nominated and elected in accordance with the Guidelines for the Nomination and Election of Independent Directors (S.E.C. Memorandum Circular No. 16, Series of 2002). They are subject to the qualifications and disqualifications as provided in the Guidelines and can be removed also in accordance with the said Guidelines. Re-election of the Company's Independent Directors is subject to 5 years limitation with 2 years "cooling off" period after 5 years. They cannot serve more than 10 years as Independent Directors of the Company.
			As per S.E.C. Memorandum Circular No. 16, Series of 2002
b. Re-appointment			

	(i) Executive Directors	The same procedure as in A (i) is observed	General principle of transparency, accountability and fairness.
	(ii) Non-Executive Directors	The same procedure as in A (ii) is observed	General principle of transparency, accountability and fairness.
	(iii) Independent Directors	The same procedure as in A (iii) is observed	General principle of transparency, accountability and fairness.
c. Permanent Disqualification			
	(i) Executive Directors	The Corporate Governance Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance.	General principle of transparency, accountability and fairness.
	(ii) Non-Executive Directors	The Corporate Governance Committee pre-screens and shortlists	General principle of transparency,

		all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance.	accountability and fairness.	
(iii) Independent Directors		The Corporate Governance Committee pre-screens and shortlists all candidates nominated to become an Independent Director in accordance with the Guidelines for the Nomination and Election of Independent Directors.	General principle of transparency, accountability and fairness.	
d. Temporary Disqualification				
(i) Executive Directors		The Corporate Governance Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications	General principle of transparency, accountability and fairness	

		provided for by law, rules and regulations, and the Company's Manual on Corporate Governance. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.		
	(ii) Non-Executive Directors	The Corporate Governance Committee pre-screens and shortlists all candidates nominated to become a member of the Board in the accordance with the qualifications and disqualifications provided for by law, rules and regulations, and the Company's Manual on Corporate Governance. A temporarily disqualified	General principle of transparency, accountability and fairness	

		director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the disqualification shall become permanent.		
	(iii) Independent Directors	The Corporate Governance Committee pre-screens and shortlists all candidates nominated to become an Independent Director in accordance with the Guidelines for the Nomination and Election of Independent Directors. A temporarily disqualified director shall, within sixty (60) business days from such disqualification, take the appropriate action to remedy or correct the disqualification. If he fails or refuses to do so for unjustified reasons, the	General principle of transparency, accountability and fairness	

		disqualification shall become permanent.	
e. Removal			
(i) Executive Directors		Any director of the Company may be removed from office by a vote of the stockholders holding or representing at least two-thirds (2/3) of the outstanding capital stock. The removal shall take place either at a regular meeting of the Company or at a special meeting called for the purpose, and in either case, after previous notice to stockholders of the Company of the intention to propose such removal at the meeting. A special meeting of the stockholders of the Company for the purpose of removal of any director must be called by the secretary on order of the president or on the written demand of the	General principle of transparency, accountability and fairness

stockholders representing or holding at least a majority of the outstanding capital stock. Should the secretary fail or refuse to call the special meeting upon such demand or fail or refuse to give the notice, or if there is no secretary, the call for the meeting may be addressed directly to the stockholders by any stockholder of the Company signing the demand. Notice of the time and place of such meeting, as well as of the intention to propose such removal, must be given by publication or by written notice as prescribed in the Corporation Code. The vacancy resulting from such removal may be filled by election at the same meeting without further notice, or at any regular or at any special meeting called for the purpose, after giving

		notice as prescribed by the Corporation Code. Removal may be with or without cause; Provided, That removal without cause may not be used to deprive minority stockholders or members of the right of representation to which they may be entitled under Section 24 of the Corporation Code. (Section 28, Corporation Code of the Philippines).	
(ii) Non-Executive Directors	The same procedure as in the removal of Executive Director is observed.	General principle of transparency, accountability and fairness	
(iii) Independent Directors	The same procedure as in the removal of Executive Director is observed.	General principle of transparency, accountability and fairness	

Optional: Recommendation to 2.6

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

Recommendation 2.7			
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.	COMPLIANT	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	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	REPLY:	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	1 – 3. Please refer to Sec. 2.2.2 of the Company's Corporate Governance Manual and Policy on Related Party Transaction Link: http://philirealty.com.ph/corporate-governance/	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories REPLY: Please refer to Sec. 2.2.2 of the Company's Corporate Governance Manual and Policy on Related Party Transaction.	

		Link: http://philirealty.com.ph/corporate-governance/	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	Provide information on voting system, if any. REPLY: Please refer to Sec. 2.2.2 of the Company's Corporate Governance Manual and Policy on Related Party Transaction. Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 2.8			

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed REPLY: Please refer to Sec. 2.2.3 of the Company's Corporate Governance Manual regarding information on the Board's policy and responsibility for approving the selection of management. Link: http://philirealty.com.ph/corporate-governance/ Please refer to PSE website for the Complete list of Management Team Link: http://edge.pse.com.ph/companyPage/directors and management list.do?cmpy_id=40	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.	

		Provide information on the assessment process and indicate frequency of assessment of performance. REPLY: Please refer to Sec. 2.2.4 of the Company's Corporate Governance Manual regarding information containing the Board's policy and responsibility for assessing the performance of management. Link: http://philirealty.com.ph/corporate-governance/		
Recommendation 2.9				
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel. REPLY: Please refer to Sec. 2.2.4 of the Company's Corporate Governance Manual regarding information containing the Board's policy and responsibility for assessing the performance of management.		
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT			

		Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	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	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT	REPLY: PRHC's Board oversees that an appropriate internal control system is in place through the Audit Committee. The functions of Audit Committee are the following: > Increase the integrity and efficiency of the internal control process as well as the financial reporting of the company > Reviews policies regarding risk assessment and risk management > Ensures effective implementation of Good Governance within the Organization The audit committee has also oversight responsibilities over the	

		following areas: ➤ Financial reporting ➤ Risk Management and Internal Controls ➤ Internal and External audit Philippine Realty and Holdings Corporation is committed to establish and maintain a system of Internal Control for the efficient and effective management of its resources, operations, reliability of financial reporting and compliance with applicable laws and regulations. And, improve the overall effectiveness of risk management, control and process. The Audit Committee reviewed and found adequate the effectiveness of the system of internal control being implemented by the Corporation. The director's criteria for assessing the effectiveness of the internal control system is whether the internal control fulfilled its function as stated in the general objectives of internal control.		
3. Board approves the Internal Audit Charter.	NON-COMPLIANT	Provide reference or link to the company's Internal Audit Charter	REPLY:	The Company has already an existing Internal Audit Charter, and for this

			purpose, it is been utilize already by the Internal auditor of the Company, however, it is not yet presented to the Board for approval because there are still some items in the Charter that requires improvements so that it can fully help the Company in improve its internal control.
Recommendation 2.11			
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.	COMPLIANT	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.	
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.	COMPLIANT	Provide proof of effectiveness of risk management strategies, if any. REPLY: 1-2 .Please refer to Sec. 2.2.5 of the Company's Corporate Governance Manual regarding Information 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. Link: Link: http://philireality.com.ph/corporate-governance/	

(a) Overall risk management philosophy of the company.

Risk management is an essential component of effective corporate governance and an integral part of a sound management practice. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Audit Committee's roles and responsibilities are defined in the Audit Committee Charter approved by the Audit Committee. The Committee assists the BOD in fulfilling its oversight responsibility to the shareholders particularly on the quality and integrity of the risk management process. The Committee has reviewed the effectiveness and adequacy of the Company's risk management system, including any updates on its procedures and processes. The Committee reports to the BOD during its meetings.

Recommendation 2.12

			REPLY:
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	NON-COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	The Board of Directors currently does not have a Board Charter in place, as it follows the Corporation's New Manual on Corporate Governance and by-laws in the discharge of its duties and functions.
2. Board Charter serves as a guide to the directors in the performance of their functions.	NON-COMPLIANT		Moreover, the Board's role, responsibilities, accountabilities in carrying out its role as well as the guide to the Director's performance of their duties are embodied in the Corporation's New Manual on Corporate Governance which is posted in the Company's website.
3. Board Charter is publicly available and posted on the company's website.	NON-COMPLIANT		Currently, the Company is in the process of developing its Board Charter to be submitted for approval of the Board.
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy.	

		REPLY: Please refer to the Company's website showing company's insider trading policy. Link: http://philireality.com.ph/corporate-governance/	
Optional: Principle 2			
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		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
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 nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	Provide information or link/reference to a document containing information on all the board committees established by the company.	

			REPLY: Please refer to the Company's website containing information on all the board committees established by the company. Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 3.2 1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.				
		COMPLIANT	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. REPLY: Please refer to 2.6.1 of the Company's Corporate Governance Manual containing information on the Audit Committee, including its functions as well as Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. Link: http://philirealty.com.ph/corporate-governance/	

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. REPLY: MEMBERS OF THE AUDIT COMMITTEE Chairman: <u>Renato G. Nuñez / 49</u> (Independent Director) - Filipino Members: <u>Amador C. Bacani/70 (Non-Executive Director - Filipino</u> <u>Alfonso Martin Elzmandi/54</u> (Independent Director) - Filipino Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the qualifications and type of directorship.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT		

		REPLY: Chairman: <u>Renato Nunez/48</u> (Independent Director) - <u>Filipino</u> Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the information on the Chairman of the Audit Committee.	
Supplement to Recommendation 3.2 1. Audit Committee approves all non-audit services conducted by the external auditor.			
	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor. REPLY: Please refer to 2.6.1.5 of the Corporate Governance Manual as a proof that Audit Committee approved all non-audit services conducted by the external auditor. Link: http://philreality.com.ph/corporate-governance/	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	NON-COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	REPLY: The Audit Committee of the Company met the External Auditors in April 2019 to discuss and approved the Company's 2018 Audited Financial Statements. The Audit Committee assures the board that

			next year and, in the years, to come they will be active on their duties and responsibilities including conducting regular meetings with the External Auditor.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.			Indicate the number of Audit Committee meetings during the year and provide proof
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
Recommendation 3.3			
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.	COMPLIANT	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. REPLY: Please refer to 2.6.2 of the Corporate Governance Manual of the Company containing information on the Corporate Governance Committee, including its functions	

		The Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	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. REPLY: MEMBERS OF THE CORPORATE GOVERNANCE COMMITTEE Chairman: Lorenzo V. Tan/57 (Independent Director) - Filipino Members: Renato Nunez/49 (Independent Director) – Filipino Alfonso Martin Eizmendi / 54 (Independent Director) - Filipino Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the qualifications and type of directorship.	

3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee. REPLY: Chairman: Lorenzo V. Tan/57 (Independent Director) - Filipino Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the information on the Chairman of the Corporate Governance Committee.	
Optional: Recommendation 3.3			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions REPLY: Please refer to 2.6.3 of the Corporate Governance Manual of the Company containing information on	

		the Board Risk Oversight Committee (BROC), including its functions Link: http://philirealty.com.ph/corporate-governance/	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship REPLY: MEMBERS OF THE BOARD RISK OVERSIGHT COMMITTEE Chairman - <u>Alfonso Martin Elzmemdi/55 (Independent Director) - Filipino</u> Members: <u>Lorenzo V. Tan/58 (Independent Director) - Filipino</u> <u>Renato Nunez/48 (Independent Director) - Filipino</u> <u>Gerardo Lanuza, Jr./ 72 (Executive Director) – Other Allen/Spanish</u> Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement	

		(Annex A) for the qualifications and type of directorship.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC REPLY: Chairman - <u>Alfonso Martin Eizmendi/55 (Independent Director) - Filipino</u> Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the information on the Chairman of the BROC.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC. REPLY: Members of the BROC is currently and former President and CEO of some notable Organizations which have risk management policies.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is	COMPLIANT	Provide information or link/reference to a document containing	

tasked with reviewing all material related party transactions of the company.		information on the Related Party Transactions (RPT) Committee, including its functions. REPLY: Please refer to the Company's website containing information on the Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company Link: http://philirealty.com.ph/corporate-governance/	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship. REPLY: MEMBERS OF THE RELATED PARTY TRANSACTION (RPT) COMMITTEE <u>Lorenzo V. Tan/57 (Independent Director) - Filipino</u> <u>Renato Nunez/49 (Independent Director) - Filipino</u>	

		<u>Alfonso Marlin Eizmendi/54</u> <u>(Independent Director) – Filipino</u> <u>Gerardo Domenico Antonio V. Lanuza/35 – Filipino</u> Please refer to the Company's 17A Annual Report (Item 9) and 2019 Definitive Information Statement (Annex A) for the qualifications and type of directorship.	
Recommendation 3.6			
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.	COMPLIANT	Provide information on 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. REPLY: Please refer to the Company's website for the information to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes. Link: http://philirealty.com.ph/wp-content/uploads/2019/01/Board-Committee-Charters.pdf	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		

3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed. REPLY: Link: http://philrealty.com.ph/wp-content/uploads/2019/01/Board-Committee-Charters.pdf	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business. Recommendation 4.1 1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	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. REPLY: Please refer to 2.3.3.4 of the Corporate Governance Manual of the Company 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.			
A. 2018 attendance and participation of directors to Board, Committee and shareholders' meetings.						
Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings attended	%	REMARKS
Chairman	Gerardo O. Lanuza Jr.	July 23, 2018	12	11	92%	
Member	Antonio O. Olbes	July 23, 2018	12	9	75%	
Member	Gregory Yang	July 23, 2018	12	9	75%	
Member	Gerardo Dominica Antonio Lanuza V.	July 23, 2018	12	11	92%	
Member	Andrew Ng	July 23, 2018	12	10	83%	
Member	Alfredo S. Del Rosario Jr.	July 23, 2018	12	12	100%	

	Member	Amador Bancani	C.	July 23, 2018	12	12	100%	
	Independent	Lorenzo V. Tan		July 23, 2018	12	10	83%	
	Independent	Renato Nunez		July 23, 2018	12	11	92%	
	Independent	Jomark Arallado	Ong	July 23, 2018	12	10	83%	
	Independent	Alfonso Eizmendi	Martin	July 23, 2018	12	12	100%	
2. The directors review meeting materials for all Board and Committee meetings.				COMPLIANT				
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.				COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors REPLY: During monthly BOD meetings, any Director can raise questions or seek clarification and explanation from the Board. Minutes of the Board Meetings will show information on any questions raised or clarification/explanation sought by the directors. This document can be access through the Company's Corporate Secretary.			

Recommendation 4.2 1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies REPLY: Please refer to 2.3.4.5 of the Corporate Governance Manual of the Company containing information of a policy setting the limit of board seats that a non-executive director can hold simultaneously. Please see below information on the directorships of the company's directors in both listed and non-listed companies other than PRHC.	

Director's Name	Corporate Name of the Group Company	Type of Directorship (Executive, Non-Executive, Independent). Indicate if director is also the Chairman.
Gerardo O. Lanuza, Jr.	Greenhills Properties, Inc.	ED / President
	Universal Travel Corporation	ED / Chairman
	Xcell Property Ventures, Inc.	ED / Chairman
	Meridian Assurance Corporation	ED / Chairman
	Gerzon Management Corporation	ED
	Broadford Property Holdings Inc	ED
	Merdom Corporation	ED
	Al Husn Manila, Inc.	ED
	Xcell Property Ventures Inc	ED
	Julnad Assets Holdings Inc.	ED
	Mernic Assets Holdings Inc.	ED
	La Bodequita del Medio Inc.	ED
	Merlan Holdings Inc.	ED

		Peridot Asset Holdings Inc.	ED	
		Penzance Properties Holdings Corporation	ED	
		Ju-Lan Assets Holdings Co. Inc	ED	
		Stonehaven Realty Services Inc.	ED	
	Amador C. Bacani	PRHC Property Managers, Inc.	ED / Chairman	
		Teklite Insurance Brokers, Inc.	ED / Chairman	
		Xcell Property Ventures, Inc.	ED / President	
		Universal Travel Corporation	ED / Treasurer	
	Antonio O. Olbes	Universal Travel Corporation	ED / Vice Chairman	
		Greenhills Properties, Inc.	ED / Treasurer	
	Alfredo S. Del Rosario Jr.	Sultan Powers Inc.	ED / Treasurer	
	Gerardo Domenico Antonio V. Lanuza	Meridian Assurance Corporation	ED / President	
		Sultan Powers Inc.	ED / President	
		A Brown Co., Inc.	NED	
	Lorenzo V. Tan	Smart Communications	NED	

	House of Investments	NED
	Malayan Insurance Co. Inc.	NED
	EEL Corporation	NED
	Sunlife Grepa Financial	NED
	Digital Communications	ID
	Voyager Innovations	ID
Renato G. Nunez	CATS Motor Inc.	ED
	Techzone Philippines Inc.	NED
	Toosie's Tagaytay Restaurant Inc.	NED
	Lia Philfoods, Inc.	NED
	Javi Philfoods, Inc.	NED
	Everland Estate Dev't Corp.	NED
Jomark Ong Arallado	N/A	N/A
Alfonso Martin Eizmendi	N/A	N/A

Recommendation 4.3

1. The directors notify the company's board before accepting a directorship in another company.

COMPLIANT

Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.

		REPLY: Please refer to section 2.3.3.3 of the Corporate Governance Manual of the Company containing information on policy regarding directors notify the company's board before accepting a directorship in another company. For year 2018 no discussion was taken up to the board regarding this matter.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	
5. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board REPLY: Please refer to the Company's website that shows information on the number of independent directors in the board Link: http://philirealty.com.ph/about-us/	
Recommendation 5.2 1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors. REPLY: All the Company's independent director possess the following qualifications below:	
- o Is not, or has not been, a senior officer or employee of the covered company unless there has been a change in the controlling ownership of the company; - o Is not, and has not been, in the three years immediately preceding the election, a director of the covered company; a director, officer, employee of the covered company's subsidiaries, associates, affiliates or related companies; or a director, officer, employee of the covered company's substantial shareholders and its related companies;			

- Has not been appointed in the covered company, its subsidiaries, associates, affiliates or related companies as Chairman "Emeritus," "Ex-Officio" Directors/Officers or Members of any Advisory Board, or otherwise appointed in a capacity to assist the Board in the performance of its duties and responsibilities within three years immediately preceding his election;
- Is not an owner of more than two percent (2%) of the outstanding shares of the covered company, its subsidiaries, associates, affiliates or related companies;
- Is not a relative of a director, officer, or substantial shareholder of the covered company or any of its related companies or of any of its substantial shareholders. For this purpose, relatives include spouse, parent, child, brother, sister and the spouse of such child, brother or sister;
- Is not acting as a nominee or representative of any director of the covered company or any of its related companies;
- Is not a securities broker-dealer of listed companies and registered issuers of securities. "Securities broker-dealer" refers to any person holding any office of trust and responsibility in a broker-dealer firm, which includes, among others, a director, officer, principal stockholder, nominee of the firm to the Exchange, an associated person or salesman, and an authorized clerk of the broker or dealer;
- Is not retained, either in his personal capacity or through a firm, as a professional adviser, auditor, consultant, agent or counsel of the covered company, any of its related companies or substantial shareholder, or is otherwise independent of Management and free from any business or other relationship within the three years immediately preceding the date of his election;
- Does not engage or has not engaged, whether by himself or with other persons or through a firm of which he is a partner, director or substantial shareholder, in any transaction with the covered company or any of its related companies or substantial shareholders, other than such transactions that are conducted at arm's length and could not materially interfere with or influence the exercise of his independent judgment;
- Is not affiliated with any non-profit organization that receives significant funding from the covered company or any of its related companies or substantial shareholders; and
- Is not employed as an executive officer of another company where any of the covered company's executives serve as directors.

Supplement to Recommendation 5.2

1. Company has no shareholder agreements, by-laws provisions, or other arrangements	COMPLIANT	Provide link/reference to a document containing information
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that constrain the directors' ability to vote independently.		that directors are not constrained to vote independently. REPLY: It is the policy of the Company that that directors are not constrained to vote independently. However, the Company does not have available document to support such policy.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	REPLY: Please refer to section 2.3.4.9 of the Corporate Governance Manual of the Company showing its policy regarding Independent Director tenure and term limits. Link: http://philirealty.com.ph/corporate-governance/	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting. REPLY: Please refer to section 2.3.4.9 of the Corporate Governance Manual of the Company showing its policy	

		regarding an instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting. Link: http://philirealty.com.ph/corporate-governance/ The Company does not have case about meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer REPLY: Chairman of Board: Gerardo Lanuza Jr. Chief Executive Officer: Alfredo S. Del Rosario Jr. 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.	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT		

		Identify the relationship of Chairman and CEO. REPLY: Please refer to section 2.4.2 and 2.5 of Annual Corporate Governance regarding information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. REPLY: Please refer to section 2.3.2 of Corporate Governance manual regarding policy that if the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors. Link: http://philirealty.com.ph/corporate-governance/	

		The current Chairman of the Board is not an independent director.	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<i>Provide proof of abstention, if this was the case</i> REPLY: During 2018, there are no instances wherein Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	REPLY: Although there are no separate meetings between the NEDs, External Auditor, and heads of the internal audit without any executive present during year 2018, the Company is still maintains a policy in the Corporate Governance Manual sec. 2.3.4.6 which states "The non-executive directors (NEDs) shall have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive directors present to ensure that proper checks and balances are in place within the corporation. The meetings shall be chaired by the lead independent director."
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		

				In addition, the Audit Committee, last April 2019, have separate meeting with the Internal Audit, and some members of the Management Team, to discuss the results of the 2018 Audited FS of the Company.
Optional Principle 5				
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
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.				
Recommendation 6.1				
1. Board conducts an annual self-assessment of its performance as a whole.	NON-COMPLIANT		Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	REPLY: The Company did not conduct, for year 2018, formal self-assessment for the whole board, individual members, the Chairman and the Committees. However, the Company still maintains its positioned to provide self-assessment for the whole board, individual members, the Chairman and the Committees. As a matter of fact, it was mentioned in Sec 6.6 of the Company's Corporate Governance Manual that "The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the assessment shall be supported by an external facilitator. The
2. The Chairman conducts a self-assessment of his performance.	NON-COMPLIANT			
3. The individual members conduct a self-assessment of their performance.	NON-COMPLIANT			
4. Each committee conducts a self-assessment of its performance.	NON-COMPLIANT			
5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT		Identify the external facilitator and provide proof of use of an external facilitator.	

			external facilitator can be any independent third party such as, but not limited to, a consulting firm, academic institution or professional organization "
			With this, the Company undertakes to develop a formal self-assessment that can be used in the years to come.
Recommendation 6.2			
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.	COMPLIANT	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	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	REPLY: Please refer to section 6.7 of Corporate Governance manual regarding policy 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 Link: http://philirealty.com.ph/corporate-governance/	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. REPLY:	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Please refer to section 6.8 of Corporate Governance manual regarding information to the company's Code of Business Conduct and Ethics and information how the company disseminated the Code to its Board, senior management and employees. Link: http://philirealty.com.ph/corporate-governance/ The Good Governance and Audit Committee, Internal Audit Department and HR Department put in place monitoring systems and conduct periodic assessment to ensure that the company's Code of Conduct is diligently observed corporate-wide. Sanctions are meted out depending on the gravity of offense.	

Business Conduct & Ethics	Directors	Senior Management	Employees
Conflict of Interest	The Company prohibits conflict of interest, whether such interest is personal, social or financial, as long as it interferes with the interest of the Company as a whole. Directors, officers and employees should avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf. They are expected to avoid activities that might interfere with the proper and efficient discharge	The same policy is observed.	The same policy is observed.

	Conduct of Business and Fair Dealings	of their duties or which might be inconsistent with their obligations of loyalty to the Company. Directors, officers and employees should endeavor to deal fairly with the Company's customers, suppliers and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. They should never pay or receive kickbacks for obtaining business for or from the Company.	The same policy is observed.	The same policy is observed.	
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	Compliance with Laws & Regulations	Compliance with laws, rules and regulations both in letter and in spirit is the foundation upon which the Company's ethical standards are built. While directors, officers and employees of the Company are not expected to know every law that is applicable to the Company, it is important that they ask questions and seek advice from supervisors, managers, lawyers or other appropriate personnel if they have any doubt regarding the legality of an action taken, or not taken, on behalf of the Company.	The same policy is observed.	The same policy is observed.

	Respect for Trade Secrets/Use of Non-public Information	Directors, officers and employees of the Company are required to maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated.	The same policy is observed.	The same policy is observed.
	Use of Company Funds, Assets and Information	Directors, officers and employees should protect the Company's assets (which include Company funds, property and time) and ensure their efficient use. All Company assets should be used for legitimate business purposes. Company assets and equipment should only be used for Company business, although	The same policy is observed.	The same policy is observed.

		Incidental personal use of assets may be permitted in some circumstances and with prior approval from the management.			
	Employment & Labor Laws & Policies	Compliance with labor laws and policies is the Company's paramount goal to preserve good working relationship with its directors, officers and employees. The Company undertakes to observe and enforce within its organization labor standard, welfare and labor relations laws.	The same policy is observed.	The same policy is observed.	
	Disciplinary action	The Company will not condone any type of harassment, abuse or punishment, whether corporal, mental or physical,	The same policy is observed.	The same policy is observed.	

		voluntary compromise. Towards this end, the Company shall see to it that all conflicts or disputes with shareholders, customers, suppliers and other third parties are submitted at the first instance to all available methods of conflict or dispute resolution before resorting to court litigation.			
3. The Code is disclosed and made available to the public through the company website.	NON-COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.	REPLY: Although the Company has an existing Code of Conduct and Ethics, the clearance for its disclosure through the company website was still subject to review and approval. Once the management approves its disclosure, it will be made available in the Company's website immediately.		
Supplement to Recommendation 7.1					
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Provide information on or link/reference to a document containing information on the			

		company's policy and procedure on curbing and penalizing bribery		REPLY: Please refer to section 9.3.3 of Corporate Governance manual regarding information on the company's policy and procedure on curbing and penalizing bribery. The policy on curbing and penalizing company involvement in offering, paying and receiving bribes is within the Conflict of Interest policy of the Company. Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 7.2					
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT			Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT			Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance. REPLY: Please see below process followed and criteria used in assessing the	

		of a director, or officer employee by another director, or officer employee or any partner, customer, business associate or supplier of the Company.			
Whistle Blower	The Company promotes ethical behaviour. Directors, officers and employees are encouraged and obligated to report violations of laws, rules, regulations, or the Company's Manual on Corporate Governance.	The same policy is observed.	The same policy is observed.	The same policy is observed.	
Conflict Resolution	The Company believes that conflicts and disputes can be resolved not only by court litigation but also through mediation and	The same policy is observed.	The same policy is observed.	The same policy is observed.	

			on external issues facing the organization.	
	Board Committees	Evaluation by Chairman of the Board	The same as the Board of Directors	
	Individual Directors	Annual self-evaluation	1. Attendance in the Board Meetings; 2. Participation in the discussion of the resolution of the matters that require Board action; 3. Contribution to the Company business; 4. Commitment to the affairs of the organization; 5. Participation in the organization's strategy and policy discussions; 6. Participation in the review and approval of plans submitted by the management.	
	CEO/President	Annual evaluation by the BOD	1. Attendance and performance in the Board Meetings; 2. Implementation of the Company's mission and vision; 3. Participation in the formation of vision	

				and strategic plan to guide the organization.	
Disclosure and Transparency					
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.					
Recommendation 8.1					
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders REPLY: Please refer to section 8 of Corporate Governance manual regarding information to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders Link: http://philirealty.com.ph/corporate-governance/			
Supplement to Recommendations 8.1					
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while	NON - COMPLIANT AS TO THE CONSOLIDATED		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.	REPLY: The Company is COMPLIANT with regards to the distribution of quarterly consolidated reports, cash flow statements, and special audit revisions. Quarterly Consolidated	

interim reports are published within forty-five (45) days from the end of the reporting period.	FINANCIAL STATEMENTS	2018 Quarter Reports: <table><tr><th>Quarter</th><th>Date published</th><th>Number of days</th></tr><tr><td>1st</td><td>May 15, 2018</td><td>45 days</td></tr><tr><td>2nd</td><td>Aug. 14, 2018</td><td>44 days</td></tr><tr><td>3rd</td><td>Oct. 29, 2018</td><td>29 days</td></tr></table> 2018 Annual Report <table><tr><th>Year</th><th>Date published</th><th>Number of days</th></tr><tr><td>2018</td><td>April 30, 2019</td><td>120 days</td></tr></table>	Quarter	Date published	Number of days	1 st	May 15, 2018	45 days	2 nd	Aug. 14, 2018	44 days	3 rd	Oct. 29, 2018	29 days	Year	Date published	Number of days	2018	April 30, 2019	120 days	Financial statements are published within forty-five (45) days from the end of the reporting period. Meanwhile, the Company's 2018 Annual Consolidated Financial statements were published last April 30, 2019, exactly 120 days from the end of the reporting period. Although, it is a clear non-compliance with the recommended 90 days submission from the end of the reporting period, the Company was still in Compliance with required submissions by the government regulatory agencies such as BIR, SEC, and PSE. The Company undertakes to improve its submission of their annual report through proper planning and execution.
Quarter	Date published	Number of days																			
1 st	May 15, 2018	45 days																			
2 nd	Aug. 14, 2018	44 days																			
3 rd	Oct. 29, 2018	29 days																			
Year	Date published	Number of days																			
2018	April 30, 2019	120 days																			
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	Provide link or reference to the company's annual report where the following are disclosed: 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall																			

		equity position in the company. REPLY: The Security Ownership of controlling beneficial owners and management are reported annually in the Company's Annual Report SEC Form 17A. Since there are no principal risk associated with the identity of the Company's controlling shareholders nor are their imbalance between the controlling shareholders' voting power and overall equity position in the Company, no such risk have been reported. Please refer to item part II item 5 and 11 of the Company's Annual report SEC form 17A Link: http://edge.pse.com.ph/openDiscV1ewer.do?edge_no=9065e6195015c65a43ca035510b6ec2b#sthash.i7NYkgxk.dpbs	
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.	COMPLIANT	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	
2. Company has a policy requiring all officers to disclose/report to the company any	COMPLIANT		

deedings in the company's shares within three business days.		Indicate actual deedings of directors involving the corporation's shares including their nature, number/percentage and date of transaction. REPLY: Please refer to section 9.4 of Corporate Governance manual regarding information to the company's policy requiring directors and officers to disclose their deedings in the company's share. Please see below actual deedings of directors involving the corporation's shares including their nature, number/percentage	
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Shares held by Directors as of December 31, 2018

Name	A. Directors			% to Total Outstanding Shares
	Direct	Indirect	Total direct & indirect shares	
GERARDO LANUZA JR	2,174,024	204,911,203	207,085,277	4.20
ANTONIO O. OLBES	6,388	500,000	506,388	0.01

GERARDO DOMENICO ANTONIO V. LANUZA	150,522,366	65,083,203	205,801,569	4.38
GREGORY G. YANG	1,831,000	-	1,831,000	0.03
ANDREW C. NG	74,000	10,000	84,000	0.00
ALFREDO S. DEL ROSARIO, JR.	20,261,000	-	20,261,000	0.41
AMADOR C. BACANI	229,980		229,980	0.00
RENTAO G. NUÑEZ - INDEPENDENT DIRECTOR	10,000	-	10,000	0.00
LORENZO V. TAN - INDEPENDENT DIRECTOR	10,000	-	10,000	0.00
ALFONSO MARTIN E. EIZMENDI - INDEPENDENT DIRECTOR	10,000	-	10,000	0.00
JOMARK O. AROLLADO - INDEPENDENT DIRECTOR	10,000	-	10,000	0.00
	175,138,758	205,486,286	380,625,044	

Supplement to Recommendation 8.2

1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).

COMPLIANT

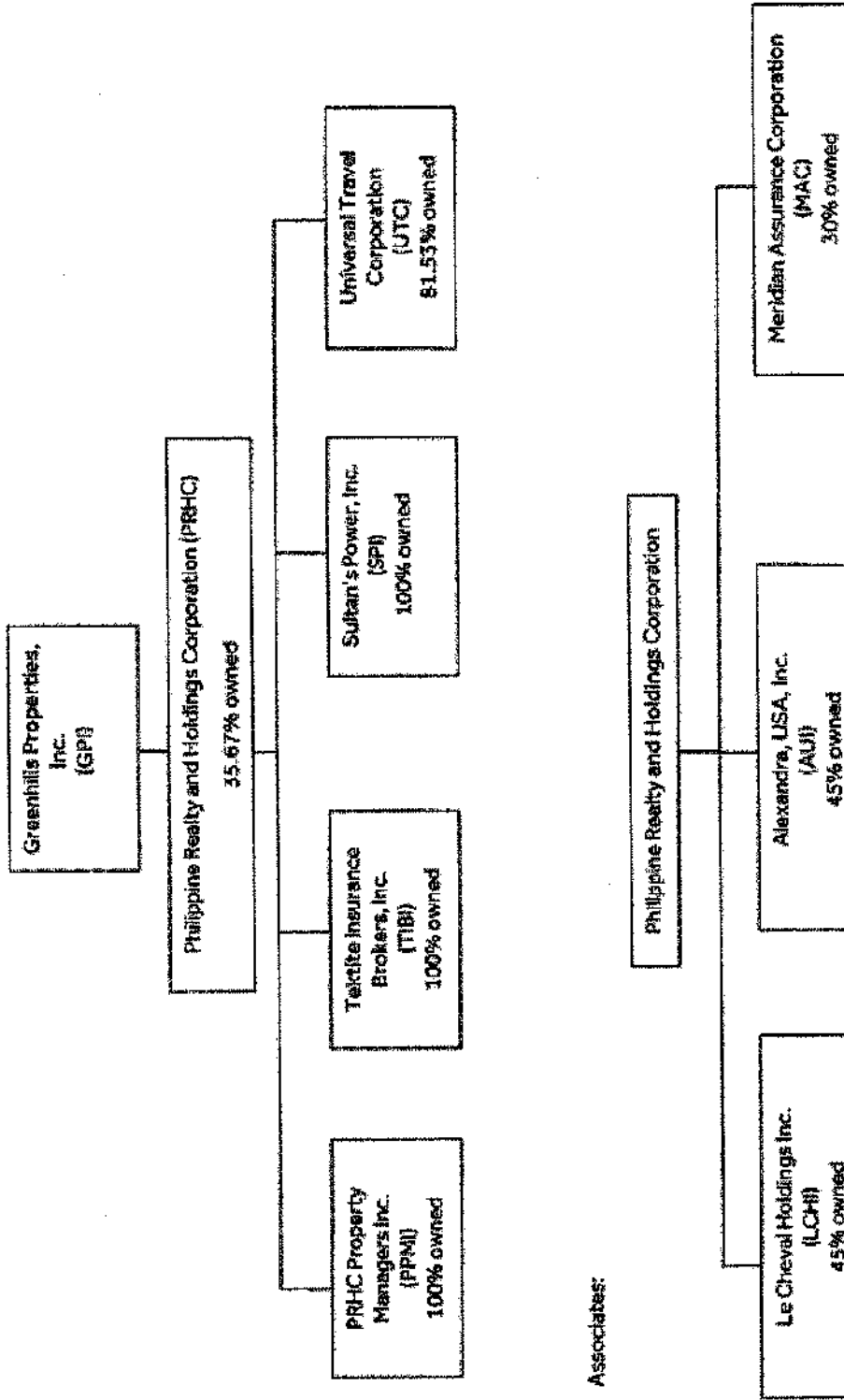
Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.

Provide link or reference to the company's Conglomerate Map.

REPLY:

Please refer to disclosures made to PSE regarding shareholdings of directors, management and top 100 shareholders.

Please see below Conglomerate map



Associates:

Recommendation 8.3

1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.

COMPLIANT

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.

REPLY:

Please refer to Part IV of the Company's Annual Report (17A)

COMPLIANT

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.

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.

REPLY:

Please refer to Part IV of the Company's Annual Report (17A)

Recommendation 8.4

1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.

COMPLIANT

Disclose or provide link/reference to the company policy and practice for setting board remuneration

REPLY:

Please see below reference to the company policy and practice for setting board remuneration

Remuneration Policy	Structure of Compensation Packages	How Compensation is Calculated
Executive Directors	Per diem and salary	Based on company's financial performance and industry standard
Non-Executive Directors	Per diem only as director	None

Moreover please also refer to Item 6 of the 2019 Definitive Information Statement for the company policy and practice for setting board remuneration.

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.

Please see below reference to the company policy and practice for determining executive remuneration

REPLY:

Process	CEO	Top 4 Highest Paid Management Officers
(1) Fixed remuneration	Performance evaluation for the past year and industry salary survey are conducted	Performance evaluation for the past year and industry salary survey are conducted

	(2) Variable remuneration	None	none	
	(3) Per diem allowance	Based on level of company's operating activity and financial capacity	none	
	(4) Bonus	Based on approved profit-sharing policy	Based on approved profit-sharing policy	
	(5) Stock Options and other financial instruments	NA	NA	
	(6) Others (specify)	NA	NA	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.		COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO. REPLY: Please refer to Item 6 of the 2019 Definitive Information Statement for breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	

Recommendation 8.5

1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.

COMPLIANT

Disclose or provide reference/link to company's RPT policies

Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.

REPLY:

Please refer to section 9.4 of Corporate Governance manual regarding information on Related Party Transaction policy

Link:

<http://philirealty.com.ph/corporate-governance/>

During year 2018, no incident that a director with conflict of interest abstained from the board discussion on a particular transaction.

2. Company discloses material or significant RPTs reviewed and approved during the year.

COMPLIANT

Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:

1. name of the related counterparty;
2. relationship with the party;
3. transaction date;
4. type/nature of transaction;
5. amount or contract price;
6. terms of the transaction;

		7. rationale for entering into the transaction; 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 9. other terms and conditions REPLY: Please refer to Note 17 of the 2018 Consolidated FS of the Company regarding information on material or significant RPTs reviewed and approved during the year. Link: http://edge.pse.com.ph/openDiscView.er.do?edge_no=515cc3f7b32c0b1fefdfc15ec263a54d#sthash.1yUuktoF.dpbs	
Supplement to Recommendation 8.5 1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Indicate where and when directors disclose their interests in transactions or any other conflict of interests. REPLY: Please refer to section 9.3 of Corporate Governance manual regarding information on complete details of conflict of interest's policy.	

		Link: http://philirealty.com.ph/corporate-governance/	
Optional: Recommendation 8.5 1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
Recommendation 8.6 1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.			
	COMPLIANT	Provide link or reference where this is disclosed REPLY: Please see below the link where it was disclosed. Link: http://edge.pse.com.ph/openDiscViwer.do?edge_no=8ddd96e8f7d1ff123318251c9257320d#sthash.BcZqJyUl.dpbs	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	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.	

		REPLY: The Board of Directors of RLJ approved on 18 April 2018 the engagement of R. G. Manabat & Co. ("RGM&Co."), the Philippine member firm of KPMG International and a PSE-accredited firm, to conduct valuation and to issue fairness opinion on the exchange ratio used in the exchange of properties for shares, or on the fair valuation of the properties and on the valuation of the RLJ shares.	
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Provide link or reference where these are disclosed. REPLY: Please refer to item 11 of the Company's Annual report (SEC FORM 17A) which 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 Link: http://edge.pse.com.ph/openDiscV1ewer.do?edge_no=9065e6195015c65a43ca035510b6ec2b#sthash.PbDNQZqv.dpbs	

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted. REPLY: Link: http://philirealty.com.ph/corporate-governance/	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission. REPLY: During year 2018, the Company has no update on its MCG.	
Optional: Principle 8			
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.	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			

f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.		Provide link or reference to where this is contained in the Annual Report	
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		Provide link or reference to where this is contained in the 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, economic)		Provide link or reference to where these are contained in the Annual Report	

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	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 company's external auditor. REPLY: Please refer to section 2.6.1 of Corporate Governance manual regarding information containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor. REPLY: Please refer to section 2.6.1 of Corporate Governance manual regarding information containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	

			The percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor during the 2018 Annual Stockholders meeting was 73.30%	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT		Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor. REPLY: The Company has not changed its external auditor for a long time now. If ever the Company decides to change, we will provide necessary disclosures such as reasons for removal or change to the regulators and the public through the company website.	
Supplement to Recommendation 9.1				
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT		Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. REPLY: The Company has a policy of rotating the lead audit partner every five years through the Revised Corporate	

		Governance Manual which is found in Section 2.7.3.4	
Recommendation 9.2 1. Audit Committee Charter includes the Audit Committee's responsibility on: - assessing the integrity and independence of external auditors; - exercising effective oversight to review and monitor the external auditor's independence and objectivity; and - exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter REPLY: Please refer to sec. 2 of the Company's Audit Committee Charter. Link: http://philirealty.com.ph/corporate-governance/	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter REPLY: Please refer to sec. 2 of the Company's Audit Committee Charter. Link: http://philirealty.com.ph/corporate-governance/	
Supplement to Recommendations 9.2 1. Audit Committee ensures that the external auditor is credible, competent and has the	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	

ability to understand complex related party transactions, its counterparties, and valuations of such transactions.		REPLY: Please refer to sec. 2 of the Company's Audit Committee Charter. Link: http://philrealty.com.ph/corporate-governance/	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter REPLY: Please refer to sec. 2 of the Company's Audit Committee Charter. Link: http://philrealty.com.ph/corporate-governance/	
Recommendation 9.3			
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.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any. REPLY: Please refer to Item 8 of the Company's 2018 Annual Report	

		regarding non-audit services performed by the external auditor.	
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.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services. REPLY: Please refer to section 2.6.1.5 of Corporate Governance manual regarding policies on non-audit services.	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid. REPLY: The professional fees of independent auditors Maceda Valencia & Co., for year 2018 amounts to P 980,000, exclusive of VAT, respectively. Out of pocket expense is pegged at 15%. The Company did not engage the services of Maceda Valencia & Co. with regard to non-audit services.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number;	

		3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. REPLY: Company's External Auditor's information: 1. Jose T. Valencia 2. SEC Accreditation no. 1535-A 3. Effective until February 11, 2019 4. Maceda Valencia & Co. 5. 5th floor Don Jacinto Building Salcedo Corner Dela Rosa St. Legaspi Village, Makati City Philippines	
6. 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).	COMPLIANT	Provide information on the following: 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. REPLY: As per our External auditor, they have not received any letter from SEC regarding (SOAR) Inspection Program.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

SEC Form - I-ACGR * Updated 21Dec2017

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. REPLY: Please refer to sec 8.7 of the Corporate Governance Manual regarding company's policies and practices on the disclosure of non-financial information, including EESG issues. Link: http://philirealty.com.ph/corporate-governance	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used. REPLY: Please refer to sec 8.7 of the Corporate Governance Manual regarding company's policy on adopting a globally recognized standard/framework in reporting sustainability and non-financial issues The Company has not drafted any Sustainability report as of year 2018.	

Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	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. REPLY: The Company uses websites as communication channels Link: http://philirealty.com.ph	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	COMPLIANT	Provide link to company website REPLY: Please see below link to company website: Link: http://philirealty.com	
a. Financial statements/reports (latest quarterly)	COMPLIANT		
b. Materials provided in briefings to analysts and media	NON-COMPLIANT		No analysts and media briefing conducted in 2018. Materials, available financial data and current disclosures were already available in the PSE Edge website and in the office of the Corporate Secretary upon submission of official request. The Company is still in the process of upgrading and improving the Company's website. It includes adding important disclosures for the information of the public.

c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	NON-COMPLIANT		Notice and Minutes of ASM and/or SSM already available in the PSE Edge website. Each stockholder will also receive in their respective residential address a copy of Notice of ASM and/or SSM. Any stockholder can also request from the office of the Corporate Secretary upon submission of formal request letter, Minutes of ASM and/or SSM.
e. Minutes of ASM and/or SSM	NON-COMPLIANT		The Company is still in the process of upgrading and improving the Company's website. It includes adding important disclosures for the information of the public.
f. Company's Articles of Incorporation and By-Laws	NON-COMPLIANT		The Company is still in the process of upgrading and improving the Company's website. It includes adding important disclosures for the information of the public.
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT		
Internal Control System and Risk Management Framework			
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.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	List quality service programs for the internal audit functions.	

		Indicate frequency of review of the internal control system REPLY: 2018 PRHC Audit Plans ➤ Review of effectiveness on set of controls and processes on treasury management, collections, disbursements and other activities. ➤ Review/Evaluate Business Continuity Plan Management and Documentation ➤ Review controls, processes and set authorization on SAP system The Company undertakes, through the Audit Committee, annual review of the internal control system. List quality service programs for the internal audit functions.		
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	Identify international framework used for Enterprise Risk Management Provide information or reference to a document containing information on:		

		1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks Indicate frequency of review of the enterprise risk management framework.	
REPLY: Risk management is an essential component of effective corporate governance and an integral part of a sound management practice. The Company's overall risk management program seeks to minimize potential adverse effects on the financial performance of the Company. The Audit Committee's roles and responsibilities are defined in the Audit Committee Charter approved by the Board of Directors. The Committee assists the BOD in fulfilling its oversight responsibility to the shareholders particularly on the quality and integrity of the risk management process. The Committee has reviewed the effectiveness and adequacy of the Company's risk management system, including any updates on its procedures and processes. The Committee reports to the BOD during its meetings. At least annually, risk management system is reviewed The BOD monitors the effectiveness of risk management and receives regular updates on any potential risks (operational, financial and etc.) facing the Company. The Company's assessment on the effectiveness of its risk management system is based on the results, where there is an appropriate risk culture and capability, decisions (at all levels) are based on an understanding and consideration of risks, complete information on a timely basis on organization's residual risk status and reporting and communication. The Company's risk management processes should: 1. Provide reasonable level of assurance that risks are identified (timely basis); 2. Fairly assessed; and 3. Appropriate actions are taken.			

RISK POLICY

Risk Exposure	Risk Management Policy	Objective
Operational Risk	> Construction Safety policy > Three supplier/contractor quotation policy	> The objective of Health, Safety and Environmental policy is for oversight and implementations of all aspects of the company's health and safety programs and policies of the company to ensure zero casualties during construction. > Three supplier/ contractor quotation policy will help the company's achieve transparency and will avoid fraudulent activities regarding awarding of contracts to each supplier and contractor.
Financial Risk	The Company has a policy not to incur liabilities in foreign currency. Construction and supply	To avoid significant effect in the Company's financial position brought about by

a. Foreign Exchange Rate Risk	contracts, which have import components, are normally denominated in Philippine peso.	fluctuation in the exchange rates.
b. Interest Rate Risk	Cash and cash equivalents are short-term in nature and at the current interest rate level.	To avoid material impact on the profit or loss of the Company due to variation in interest rate.
c. Credit Risk	The Company ensures that sales are made to customers with appropriate credit history.	To avoid long outstanding receivable.

Supplement to Recommendations 12.1

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.

COMPLIANT

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.

REPLY:

Please see below information on containing the company's compliance program covering compliance with laws and relevant regulations.

Business Conduct & Ethics	Directors	Senior Management	Employees
Conflict of Interest	The Company prohibits conflict of interest, whether such interest is personal, social or financial or political, as long as it interferes with the interest of the Company as a whole.	The same policy is observed.	The same policy is observed.
	Directors, officers and employees should avoid any direct or indirect business connection with the Company's customers, suppliers or competitors, except on the Company's behalf. They are expected to avoid activities that might interfere		

			with the proper and efficient discharge of their duties or which might be inconsistent with their obligations of loyalty to the Company.			
	Conduct of Business and Fair Dealings	Directors, officers and employees should endeavor to deal fairly with the Company's customers, suppliers and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. They should never pay or receive kickbacks for obtaining business			The same policy is observed.	

	for or from the Company.			
Receipt of gifts from third parties	The Company prohibits paying or receiving money, gifts, services, loans or other favors that may influence business decisions or compromise independent judgment. No gift or entertainment should ever be offered, given, or provided or accepted by any director, officer or employee unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations.	The same policy is observed.	The same policy is observed.	

	Compliance with Laws & Regulations	Compliance with laws, rules and regulations both in letter and in spirit is the foundation upon which the Company's ethical standards are built. While directors, officers and employees of the Company are not expected to know every law that is applicable to the Company, it is important that they ask questions and seek advice from supervisors, managers, lawyers or other appropriate personnel if they have any doubt regarding the legality of an action taken, or not taken, on behalf of the Company.	The same policy is observed.	The same policy is observed.	
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	Respect for Trade Secrets/Use of Non-public Information	Directors, officers and employees of the Company are required to maintain the confidentiality of information entrusted to them by the Company or its customers, except when disclosure is authorized or legally mandated.	The same policy is observed.	The same policy is observed.
	Use of Company Funds, Assets and Information	Directors, officers and employees should protect the Company's assets (which include Company funds, property and time) and ensure their efficient use. All Company assets should be used for legitimate business purposes. Company assets and equipment should only be used for Company business, although	The same policy is observed.	The same policy is observed.

		incidental use of assets may be permitted in some circumstances and with prior approval from the management.			
	Employment & Labor Laws & Policies	Compliance with labor laws and policies is the Company's paramount goal to preserve good working relationship with its directors, officers and employees. The Company undertakes to observe and enforce within its organization labor standard, welfare and labor relations laws.	The same policy is observed.	The same policy is observed.	
	Disciplinary action	The Company will not condone any type of harassment, abuse or punishment, whether corporal,	The same policy is observed.	The same policy is observed.	

		mental or physical, of a director, officer or employee by another director, officer or employee or any partner, customer, business associate or supplier of the Company.			
Whistle Blower		The Company promotes ethical behaviour. Directors, officers and employees are encouraged and obligated to report violations of laws, rules, regulations, or the Company's Manual on Corporate Governance.	The same policy is observed.	The same policy is observed.	
Conflict Resolution		The Company believes that conflicts and disputes can be resolved not only by court litigation but also through mediation and	The same policy is observed.	The same policy is observed.	

			voluntary compromise. Towards this end, the Company shall see to it that all conflicts or disputes with shareholders, customers, suppliers and other third parties are submitted at the first instance to all available methods of conflict or dispute resolution before resorting to court litigation.			
1. Company has a governance process on IT issues including disruption, cyber security and disaster recovery. To ensure that all key risks are identified, managed and reported to the board.				Provide information on IT governance process		
Recommendation 12.2						
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.	COMPLIANT			Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.		

		REPLY: The Company uses in-house internal audit.		
Recommendation 12.3				
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	NON-COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	REPLY: Considering the Company's current size, risk profile and complexity of operations. It is not necessary for the Board to appoint a Chief Audit Executive to establish internal audit function. However, such officer may be appointed of such function maybe established in the future should the need arise. Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee.	
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.	NON-COMPLIANT			
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.	NON-COMPLIANT	Identify qualified independent executive or senior management personnel, if applicable.	REPLY: Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee.	
Recommendation 12.4				
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	NON-COMPLIANT	Provide information on company's risk management function.	REPLY: Considering the Company's current size, risk profile and complexity of operations. It is not necessary for the Board to have a separate risk management function to	

			identify, assess and monitor key risk exposures However, such officer may be appointed of such function maybe established in the future should the need arise.
			Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee which is currently in charge of the Company's risk management function.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	NON-COMPLIANT	Identify source of external technical support, if any.	REPLY: Considering the Company's current size, risk profile and complexity of operations. It is not necessary for the Board to have a separate risk management function to identify, assess and monitor key risk exposures However, such officer may be appointed of such function maybe established in the future should the need arise. Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee which is currently in charge of the Company's risk management function
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the	NON-COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her	REPLY: Considering the Company's current size, risk profile and complexity of operations. It

ultimate champion of Enterprise Risk Management (ERM).		responsibilities and qualifications/background.	is not necessary for the Board to have a separate risk management function to identify, assess and monitor key risk exposures. However, such officer may be appointed of such function may be established in the future should the need arise. Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee which is currently in charge of the Company's risk management function
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	NON-COMPLIANT		REPLY: Considering the Company's current size, risk profile and complexity of operations. It is not necessary for the Board to have a separate risk management function to identify, assess and monitor key risk exposures. However, such officer may be appointed of such function may be established in the future should the need arise. Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee which is currently in charge of the Company's risk management function
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit,	NON-COMPLIANT	Provide link to CEO and CAE's attestation	

control and compliance system is in place and working effectively.		REPLY: Considering the Company's current size, risk profile and complexity of operations. It is not necessary for the Board to have a separate risk management function to identify, assess and monitor key risk exposures. However, such officer may be appointed of such function maybe established in the future should the need arise. Currently, the Company has an active internal audit function managed by an inhouse internal auditor through the guidance of a competent Audit Committee which is currently in charge of the Company's risk management function
Cultivating a Synergic Relationship with Shareholders Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights. Recommendation 13.1		
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. REPLY: Please refer to section 5.5.7 of Corporate Governance manual regarding information shareholders' rights.	Provide link to company's website
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	

		REPLY: Please refer to section 5.5.7 of Corporate Governance manual regarding information shareholders' rights. Link: http://philirealty.com.ph/corporate-governance/	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT		
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any.	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	REPLY: At every stockholders' meeting, every stockholder entitled to vote shall be entitled to one vote for each share of stock registered in his/her name in the books of the Company; provided, however, that in the case of the election of Directors, every stockholder entitled to vote shall be entitled to cast his vote, at his option, in accordance with the provisions of the Corporation Code.	
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	

protect minority shareholders against actions of controlling shareholders.		REPLY: Please see below information on shareholder voting mechanisms such as supermajority or "majority of minority".											
<table border="1"> <thead> <tr> <th data-bbox="432 1104 539 1682">Policies</th> <th data-bbox="432 539 539 1104">Implementation</th> </tr> </thead> <tbody> <tr> <td data-bbox="539 1104 746 1682"> It is the policy of the Company to protect the rights of investors/minority interests. </td> <td data-bbox="539 539 746 1104"> Each minority stockholder has the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code. </td> </tr> <tr> <td data-bbox="746 1104 879 1682"></td> <td data-bbox="746 539 879 1104"> No director shall be removed without cause if it will deny minority shareholders representation in the Board. </td> </tr> <tr> <td data-bbox="879 1104 1126 1682"></td> <td data-bbox="879 539 1126 1104"> Independent Directors are nominated by minority shareholders in accordance with Guidelines for Nomination and Election of Independent Directors approved by the Securities and Exchange Commission. </td> </tr> <tr> <td data-bbox="1126 1104 1355 1682"></td> <td data-bbox="1126 539 1355 1104"> The Company grants each shareholder, minority included, the right to: a) inspect corporate books, b) information, c) dividends, and c) the right to dissent and demand payment of the fair value of his shares in the </td> </tr> </tbody> </table>				Policies	Implementation	It is the policy of the Company to protect the rights of investors/minority interests.	Each minority stockholder has the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.		No director shall be removed without cause if it will deny minority shareholders representation in the Board.		Independent Directors are nominated by minority shareholders in accordance with Guidelines for Nomination and Election of Independent Directors approved by the Securities and Exchange Commission.		The Company grants each shareholder, minority included, the right to: a) inspect corporate books, b) information, c) dividends, and c) the right to dissent and demand payment of the fair value of his shares in the
Policies	Implementation												
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	Independent Directors are nominated by minority shareholders in accordance with Guidelines for Nomination and Election of Independent Directors approved by the Securities and Exchange Commission.												
	The Company grants each shareholder, minority included, the right to: a) inspect corporate books, b) information, c) dividends, and c) the right to dissent and demand payment of the fair value of his shares in the												

		manner provided by the Corporation Code.	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) REPLY: For year 2018, there is no instances that a shareholder call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders REPLY: Please see below reference to the policies on treatment of minority shareholders	
		Policies	Implementation
It is the policy of the Company to protect the rights of investors/minority interests.		Each minority stockholder has the right to elect, remove and replace directors and vote on certain corporate acts in accordance with the Corporation Code.	

	No director shall be removed without cause if it will deny minority shareholders representation in the Board.		
	Independent Directors are nominated by minority shareholders in accordance with Guidelines for Nomination and Election of Independent Directors approved by the Securities and Exchange Commission.		
	The Company grants each shareholder, minority included, the right to: a) inspect corporate books, b) information, c) dividends, and c) the right to dissent and demand payment of the fair value of his shares in the manner provided by the Corporation Code.		
7. Company has a transparent and specific dividend policy.	COMPLIANT Provide information on or link/reference to the company's dividend Policy. 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		

		REPLY: DIVIDEND POLICY Dividends may be declared out of a corporation's unrestricted retained earnings which shall be payable in cash, in property, or in stockholders on the basis of outstanding stock held by them. The amount of retained earnings available for declaration as dividends may be determined pursuant to regulations issued by the SEC. The approval of the Board of Directors is generally sufficient to approve the distribution of dividends, except in the case of stock dividends which requires the approval of stockholders representing not less than 2/3 of the outstanding capital stock at a regular or special meeting duly called for the purpose. Subject to the preferential dividend right of the Preferred Shares, each holder of a Common Share is entitled to such dividends. Aside from what is stated in the Company's amended by-laws and as provided in existing laws, the Company does not have a specific dividend policy. The Company's amended by-laws provide that the Board of Directors shall have the power and authority to fix and determine and from time to time vary, the amount to be reserved as working capital, to meet contingencies, to provide for the	
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		utilization of dividends and/or for other purposes, to such extent, in such manner and upon such terms as the Board of Directors shall deem expedient in order to determine the part of net profits or surplus which shall be declared and paid as dividends; and generally to fix and determine the use and disposition of any net profits or surplus. The Company has not yet declared any dividend since its commencement date.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
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.	NON-COMPLIANT	Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting. Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)	During the 2018 Annual Stockholders meeting, the notice of annual stockholders' meeting were sent out 15 days prior to the meeting. The Company undertakes, that in the coming years, it will submit the notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting. There were no shareholders' approval of remuneration or any changes therein that were included in the agenda of the meeting.

			Link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=0a80668ec385d5c143ca035510b6ec2b#sthash.C4cYmv/h.dpbs
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			Provide link or reference to the company's notice of Annual Shareholders' Meeting
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		REPLY: Please refer to Annex "A" of 2019 Definitive Information Statement Link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=25ebd6c0d8e40ea1efdfc15ec263a54d#sthash.unm1CNmk.dpbs
b. Auditors seeking appointment/re-appointment	COMPLIANT		REPLY: Please refer to Annex "A" of 2019 Definitive Information Statement Link: http://edge.pse.com.ph/openDiscViewer.do?edge_no=25ebd6c0d8e40ea1efdfc15ec263a54d#sthash.unm1CNmk.dpbs
c. Proxy documents	NON-COMPLIANT		REPLY: The Company is encouraging the stockholders to personally attend the

			stockholders meeting; hence, the Company are not attaching proxy documents in its Information Statements.
Optional Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting		Provide link or reference to the rationale for the agenda items	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	NON-COMPLIANT	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.	REPLY: The result of the votes taken during the most recent Annual or Special Shareholders' Meeting were not publicly available the next working day. Questions raised, and answers accorded by our Chairman and CEO were duly recorded in the Minutes of the 2018 ASM. Voting results were presented for each agenda item during the meeting to inform the participants of such outcome
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	NON-COMPLIANT	Provide link to minutes of meeting in the company website. Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll.	REPLY: The 2018 Minutes of the Annual and Special Shareholders' Meetings was not posted on the company website. The Company is still in the process of upgrading and improving the Company's website. It includes adding important disclosures for the information of the public.

			Include whether there was opportunity to ask question and the answers given, if any	
Supplement to Recommendation 13.3				
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT		Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting REPLY: The Company's External Auditors was present during the 2018 Annual Stockholders meeting.	
Recommendation 13.4				
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	NON-COMPLIANT		Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes Provide link/reference to where it is found in the Manual on Corporate Governance	REPLY: While the Company has no specific alternative dispute resolution mechanism for shareholders, it has a strong Investor Relations Program implemented by a dedicated Investor Relations Officer to ensure a transparent and open line of communication with its shareholders. Moving forward, the Company will study including alternative dispute resolution mechanisms to resolve intercorporate disputes amicably and effectively.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	NON-COMPLIANT			Moreover, in sec. 5.5.7 of the Company's Corporate Governance Manual it states

			that it shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. The shareholder may, at his option, resolve any issue through alternative dispute resolution. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints.
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address REPLY: 1. Name: CARLOS MIGUEL T. PACA 2. Telephone number: 6313179 3. Fax number: NONE	

			4. E-mail address: carlos.paca@philirealty.com.ph	
2. IRO is present at every shareholder's meeting.	COMPLIANT		Indicate if the IRO was present during the ASM. REPLY: The Investor Relations Officer was present during the 2018 Annual Stockholders meeting.	
Supplemental Recommendations to Principle 13				
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT		Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. REPLY: For 2018 there is no instances that an anti-takeover measures or similar devices were avoided by the board.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT		Indicate the company's public float. REPLY: The company's public float is 54.42%	
Optional: Principle 13				
1. Company has policies and practices to encourage shareholders to engage with			Disclose or provide link/reference to policies and practices to encourage	

the company beyond the Annual Stockholders' Meeting		shareholders' participation beyond ASM	
2. Company practices secure electronic voting in absence of the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absence, if any.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	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.	
REPLY:			
		Policy	Activities
Customers' welfare	The Company is committed to dealing with its customers fairly and justly.	Customers are given a fair price for their investment. The Company coordinates with government agencies in the protection of customer's rights through compliance with regulatory laws and customer rights awareness.	

		social life of a nation, and therefore must be stopped. Towards this end, the Company is committed in setting up corruption prevention programs within its organization, such as conducting a competitive bidding before a project or portion thereof is awarded to a contractor or supplier. Early detection and preventive mechanisms are also functioning to help the Company detect any unusual disbursements or highly suspicious transactions.	contractors and suppliers to find out whether they are compliant with laws and good business practices. The Company also conducts site inspection to measure its level of compliance with existing laws on health and safety.	
	Safeguarding creditors' rights	The Company considers its creditors as partners for growth and success. Towards this end, the Company is committed in protecting its creditors' rights and interests in all its business dealings and transactions.	The Company has engaged the services of an Internal Auditor to see if that there is check and balance in the management of the Company funds.	
Recommendation 14.2				
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Identify policies and programs for the protection and fair treatment of company's stakeholders		

	Supplier/contractor selection practice	The Company is committed to conducting its business with its supplier/contractor in accordance with the standards of fairness and equal opportunity for all.	The Company selects a contractor or supplier of materials through competitive bidding wherein at least three (3) bids/quotes are considered before a project or portion thereof is awarded.
	Environmentally friendly value-chain	The Company is committed to conducting its business in compliance with all applicable environmental laws and regulations in a manner that has the highest regard for the environment and safety and well-being of its customers, employees and the general public.	The Company selects a contractor or supplier who uses or adopts environment friendly designs and materials.
	Community interaction	The Company is committed in helping less fortunate but deserving youth leaders to fulfill their dreams to become useful to the society.	The Company has implemented a scholarship program and is currently subsidizing the education of two (2) deserving college students enrolled in University of the Philippines and College of Saint Benilde.
	Anti-corruption programs and procedures?	Corruption is, in any form, an evil which seriously affects the political, economic, and	The Company conducts periodic meetings with its

REPLY:

	Policy	Activities
Customers' welfare	The Company is committed to dealing with its customers fairly and justly.	Customers are given a fair price for their investment. The Company coordinates with government agencies in the protection of customer's rights through compliance with regulatory laws and customer rights awareness.
Supplier/contractor selection practice	The Company is committed to conducting its business with its supplier/contractor in accordance with the standards of fairness and equal opportunity for all.	The Company selects a contractor or supplier of materials through competitive bidding wherein at least three (3) bids/quotes are considered before a project or portion thereof is awarded.
Environmentally friendly value-chain	The Company is committed to conducting its business in compliance with all applicable environmental laws and regulations in a manner that has the highest regard for the environment and safety and well-being of its customers, employees and the general public.	The Company selects a contractor or supplier who uses or adopts environment friendly designs and materials.

Community interaction	The Company is committed in helping less fortunate but deserving youth leaders to fulfill their dreams to become useful to the society.	The Company has implemented a scholarship program and is currently subsidizing the education of two (2) deserving college students enrolled in University of the Philippines and College of Saint Benilde.	
	Corruption is, in any form, an evil which seriously affects the political, economic, and social life of a nation, and therefore must be stopped. Towards this end, the Company is committed in setting up corruption prevention programs within its organization, such as conducting a competitive bidding before a project or portion thereof is awarded to a contractor or supplier. Early detection and preventive mechanisms are also functioning to help the Company detect any unusual disbursements or highly suspicious transactions.	The Company conducts periodic meetings with its contractors and suppliers to find out whether they are compliant with laws and good business practices. The Company also conducts site inspection to measure its contractors and supplier's level of compliance with existing laws on health and safety.	
	Anti-corruption programs and procedures?	The Company has engaged the services of an Internal Auditor to see it	
	Safeguarding creditors' rights		

	this end, the Company is committed in protecting its creditors' rights and interests in all its business dealings and transactions.	that there is check and balance in the management of the Company funds.
Recommendation 14.3		
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.	COMPLIANT	Provide the contact details (i.e., name of 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. REPLY: 1. Name: CARLOS MIGUEL T. PACA 2. Telephone number: 6313179 3. Fax number: NONE 4. E-mail address: carlos.paca@philrealty.com.ph Please refer to section 9.1 of Corporate Governance manual regarding information on whistleblowing policy, practices and procedures for stakeholders.

Supplement to Recommendation 14.3

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.

COMPLIANT

Provide information on the alternative dispute resolution system established by the company.

REPLY:

In sec. 5.5.7 of the Company's Corporate Governance Manual it states that:

"It shall be the duty of the directors to promote shareholder rights, remove impediments to the exercise of shareholders' rights and allow possibilities to seek redress for violation of their rights. The shareholder may, at his option, resolve any issue through alternative dispute resolution. They shall encourage the exercise of shareholders' voting rights and the solution of collective action problems through appropriate mechanisms. They shall be instrumental in removing excessive costs and other administrative or practical impediments to shareholders participating in meetings and/or voting in person. The directors shall pave the way for the electronic filing and distribution of shareholder information necessary to make informed decisions subject to legal constraints."

Additional Recommendations to Principle 14

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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.	COMPLIANT	Disclose any requests for exemption by the company and the reason for the request. REPLY: There are no instances wherein there is any requests for exemption by the company.	
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any. REPLY: The Company respects the law and rights of all stockholders	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
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.	
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.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to	COMPLIANT	Provide information on or link/reference to company policies,	

actively participate in the realization of the company's goals and in its governance.		programs and procedures that encourage employee participation. REPLY: Link: http://philirealty.com.ph/corporate-governance/ • Conflict of Interest Policy • Whistle blowing policy • Disclosure policy • Insider trading	
Supplement to Recommendation 15.1 1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	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. REPLY: The Company adopts policies relating to payment of bonuses to its employees the amount of which depends on the performance of the company as well as the individual employee as measured against the goals agreed upon. It is a performance-based profit-sharing mechanisms that directly align rewards and incentives to employees	

		with the financial results of the Company.	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any. REPLY: Please refer to section 9.3 of Corporate Governance manual regarding information on policies and practices on health, safety and welfare of employees. Link: http://philirealty.com.ph/corporate-governance/	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended. REPLY: Please refer to section 9.5.2.2 of Corporate Governance manual regarding information on policies and practices on training	

		Link: http://philirealty.com.ph/corporate-governance/	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption REPLY: Please see below reference to the company's policies, programs and practices on anti-corruption	
a. Employees who become aware of any wrongdoing or suspected wrongdoing, either financial or non-financial, are encouraged to report such matters as described below. An act of wrongdoing or suspected wrongdoing may relate to (i) financial matters such as auditing, accounting, or internal control issues, or (ii) non-financial matters such as a violation of Employees Code of Ethics or violation of law. b. Any act of wrongdoing or suspected wrongdoing should be reported in the following manner: i. Employees are encouraged to discuss any concerns first with their immediate superiors. ii. Alternatively, employees may contact the Company's Compliance Officer or the Chairman of the Audit Committee or the President or the Chairman of the Company's Board of Directors. c. For each reported instance of financial or non-financial wrongdoing, an inquiry or investigation will be undertaken. The officer in charge of the investigation will determine the appropriate scope, procedures, and resources for any inquiry or investigation based on the facts and circumstances of a reported matter. A confidential file for each report or complaint will be maintained in accordance with the Company's records retention policy. Results of all investigations will be reviewed on a quarterly basis. d. The Company shall not take adverse employment action against an employee in retaliation for: i. Any reports of actual or suspected financial or non-financial wrongdoing made in good faith; ii. Providing information or causing information to be provided, directly or indirectly, in an investigation conducted by the Company or any local regulatory agency or authority; iii. Reports concerning the violation of any applicable law, rules or regulations, including those governing safety, health, discrimination, and harassment.			

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization REPLY: The board disseminated the policy and program to employees across the organization through business memorandum.	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	REPLY: A. Employees who become aware of any wrongdoing or suspected wrongdoing, either financial or non-financial, are encouraged to report such matters as described below. An act of wrongdoing or suspected wrongdoing may relate to (i) financial matters such as auditing, accounting, or internal control issues, or (ii) non-financial matters such as a violation of Employees Code of Ethics or violation of law. B. Any act of wrongdoing or suspected wrongdoing should be reported in the following manner: i. Employees are encouraged to discuss any concerns first with their immediate superiors. ii. Alternatively, employees may contact the Company's Compliance Officer or the Chairman of the Audit Committee or the President or the Chairman of the Company's Board of Directors.	

- C. For each reported instance of financial or non-financial wrongdoing, an inquiry or investigation will be undertaken. The officer in charge of the investigation will determine the appropriate scope, procedures, and resources for any inquiry or investigation based on the facts and circumstances of a reported matter. A confidential file for each report or complaint will be maintained in accordance with the Company's records retention policy. Results of all investigations will be reviewed on a quarterly basis.
- D. The Company shall not take adverse employment action against an employee in retaliation for:
- i. Any reports of actual or suspected financial or non-financial wrongdoing made in good faith;
 - ii. Providing information or causing information to be provided, directly or indirectly, in an investigation conducted by the Company or any local regulatory agency or authority;
 - iii. Reports concerning the violation of any applicable law, rules or regulations, including those governing safety, health, discrimination, and harassment.

Recommendation 15.3

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

COMPLIANT

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.

Provide contact details to report any illegal or unethical behavior.

REPLY:

Please refer to section 9.1 of Corporate Governance manual regarding the company whistle-blowing policy and procedure for employees.

EDMUNDO C. MEDRANO - Compliance Officer

Contact Number - 6313179

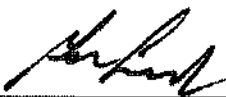
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT			
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing. REPLY: Please refer to section 9.1 of Corporate Governance manual regarding the company whistleblowing policy and how the board will supervise and ensure enforcement of the whistleblowing framework.		
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. Recommendation 16.1				
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.	COMPLIANT	Provide information or reference to a document containing information on the company's community involvement and environment-related programs. REPLY:		

		The Company continuously participates in many charity events in many different Organizations.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development		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	
2. Company exerts effort to interact positively with the communities in which it operates		Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of _____ on _____, 20____.

MAY 29 2018

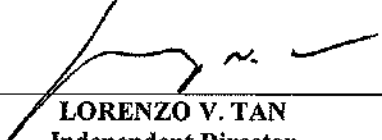
SIGNATURES



GERARDO O. LANUZA, JR.
Chairman of the Board



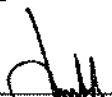
ALFREDO S. DEL ROSARIO JR.
Chief Executive Officer



LORENZO V. TAN
Independent Director



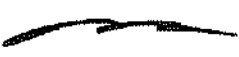
RENATO G. NUÑEZ
Independent Director



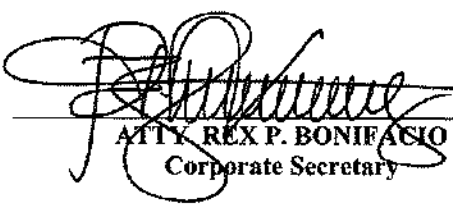
JOMARK O. AROLLADO
Independent Director



ALFONSO MARTIN E. EIZMENDI
Independent Director



EDMUNDO C. MEDRANO
Senior Vice President and Chief Financial
Officer, Treasurer, Compliance Officer and
Chief Subsidiary Management Officer



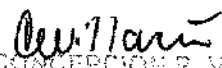
ATTY. REX P. BONIFACIO
Corporate Secretary

MAY 29 2018

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, affiant(s) exhibiting to me their _____ **QUEZON** as follows:

NAME/NO.	CTC No./ID No.	DATE OF ISSUE	PLACE OF ISSUE
Gerardo O. Lanuza, Jr.			
Alfredo S. Del Rosario Jr.			
Lorenzo V. Tan			
Renato G. Nuñez			
Jomark O. Arollado			
Alfonso Martin Eizmendi			
Edmundo C. Medrano			
Atty. Rex P. Bonifacio			

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Book No. 95
Series of 10107


ATTY. CONCEPCION P. VILLAREÑA
Notary Public for Quezon City
NOTARY PUBLIC
Exp. December 31, 2018
PTR No. 7323642 - 1-03-2018/ QC
IBP No. AR14460591 - 12-17-2018/ QC
Roll No. 30457 - 05-09-80
MCLE 5-0012536 - 12-21-2015
Adm. Matter No. NP 270 (2013-2019)