

COVER SHEET

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S.E.C. Registration Number

L B C E X P R E S S H O L D I N G S ,
I N C , (f o r m e r l y F E D E R A L
R E S O U R C E S I N V E S T M E N T
G R O U P I N C .)

(Company's Full Name)

L B C H A N G A R , G E N E R A L
A V I A T I O N C E N T R E , D O M E S T I C
A I R P O R T R O A D , P A S A Y C I T Y
M E T R O M A N I L A

(Business Address : No. Street/City/Province)

Mahleene G. Go
Contact Person

8880999
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM -I-ACGR
Integrated Annual
Corporate Governance
Report
FORM TYPE

**2nd Monday of June of
each year**
Month
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings
Domestic

To be accomplished by SEC Personnel concerned
File Number
Document I.D.

LCU

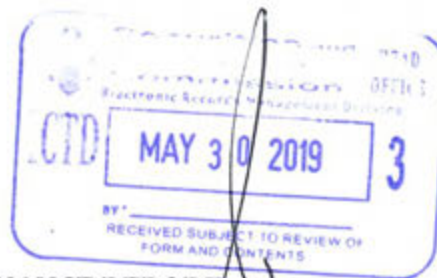
Cashier

STAMPS

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SEC FORM – I-ACGR



INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: December 31, 2018
2. SEC Identification Number: ASO93-005277
3. BIR Tax ID No.: 002-648-099-000
4. Exact Name of issuer as specified in its charter: LBC EXPRESS HOLDINGS, INC. (formerly Federal Resources Investment Group Inc.)
5. Province, country or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office and postal code: LBC Hangar, General Aviation Centre, Domestic Airport Road, Pasay City, Metro Manila 1300
8. Issuer's telephone number, including area code: (632) 856-8510
9. Former name, former address, former fiscal year (if changed since last report):
Federal Resources Investment Group Inc.
No. 35 San Antonio Street, San Francisco Del Monte, Quezon City

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION		EXPLANATION
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	See Item 9 of the Company 2018 Annual Report (the "Annual Report") for the academic qualifications, industry knowledge, professional experience, expertise, and relevant training of directors.	
2. Board has an appropriate mix of competence and expertise.	Compliant	Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
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	See also Article 4 Part H of the Company's Revised Manual on Corporate Governance (the "Manual on CG") for the qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
Recommendation 1.2			

1. Board is composed of a majority of non-executive directors.	Compliant	Below are the directors of the Company and the type of their directorship: 1. Miguel Angel A. Camahort - Executive Director 2. Rene E. Fuentes - Non-Executive Director 3. Enrique V. Rey, Jr. - Executive Director 4. Augusto G. Gan - Non-Executive Director 5. Mark Werner J. Rosal - Non-Executive Director 6. Jason Michael Rosenblatt - Non-Executive Director 7. Anthony A. Abad - Independent Director 8. Solita V. Delantar - Independent Director 9. Luis N. Yu, Jr. - Independent Director	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	See Article 4 Part C of the Manual on CG for the Company's policy on training of directors. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
2. Company has an orientation program for first time directors.	Compliant	See Annex A for the compiled certifications on training of the Directors.	
3. Company has relevant annual continuing training for all directors.	Compliant		
Recommendation 1.4			

1. Board has a policy on board diversity.	Compliant	See Article 4 Part D of the Manual on CG for the Company's board diversity policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf The Board is composed of one (1) female director and eight (8) male directors.	
<u>Optional: Recommendation 1.4</u>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	-	-	-
<u>Recommendation 1.5</u>			
1. Board is assisted by a Corporate Secretary.	Compliant	See Item 9 of the Annual Report for information on the Corporate Secretary, including her name and qualifications.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant	<u>Annual Report</u>	

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	http://www.lbcexpressholdings.com/files/2019/04/16/904/04152019LBCEH2018SECFORM17-AAnnualReport.pdf See also Article 4 Part Q of the Manual on CG for the duties and functions of the Company's Corporate Secretary. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSEdisclosureonRevisedMCGR.pdf Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSEdisclosureonRevisedMCGR.pdf	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	See Annex A for the Certificate of Attendance issued to Atty. Cristina Palma Gil-Fernandez for having attended the Annual Corporate Governance Seminar held on November 20, 2018.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	-	-	-
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	See Item 9 of the Annual Report for information on the Compliance Officer, including her name and	

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	qualifications. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415 2019 LBCEH 2018 SEC FORM 17-A Annual Report.pdf See also Article 4 Part R of the Manual on CG for the duties and functions of the Company's Compliance Officer.	
3. Compliance Officer is not a member of the board.	Compliant	Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE disclosure on Revised MCGR.pdf	
4. Compliance Officer attends training/s on corporate governance.	Compliant	See Annex A for the Certificate of Completion issued to Atty. Mahleene G. Go for having completed the seminar on Corporate Governance held on October 25, 2018 which lasted for four (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	The board is composed of individuals coming from diverse backgrounds and training which help contribute to the growth of the Company. The members of the board are advised of the details of the matters which are for approval of the board.	
Recommendation 2.2			

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Business acquisitions and investments of the Company are approved by the board of directors.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	See Annual Report for the vision, mission and core values. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	See Annual Report for the strategy execution process. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	See Item 9 of the Annual Report for information on the Chairperson including his name and qualifications. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
Recommendation 2.4			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Selection and planning for the succession of the CEO/President and the top key management positions are among the most important responsibilities of the Company's Board of Directors. The Company's succession process will be managed by the incumbent CEO, with the Nomination Committee overseeing the process, reviewing the candidates, and providing advice throughout. The Board shall review succession planning with the incumbent CEO on a regular basis.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Currently, the Company as a holding company has minimal operations and thus the directors and officers of the Company do not receive remuneration for such positions. However, directors receive per diems set in accordance with the Company's By-Laws.	
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		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	-	-	-

2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	-	-	-
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	See Article 4 Part G of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		

5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
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.	-	-	-
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	See Article 4 Part P of the Manual on CG for the Company's policy on related party transaction, including policy on review and approval of significant RPTs. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	See also the Company's Related Party Transactions Policy. <u>Related Party Transactions Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/849/Related_Party_Transactions_Policy.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		
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	The Company follows industry standards in RPT reporting and disclosures. See the Company's Related Party Transactions Policy. <u>Related Party Transactions Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/849/Related_Party_Transactions_Policy.pdf	

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	Minutes of meetings (including those involving RPTs) are made available to the shareholders of the Company during the annual stockholders' meetings. Such matters taken up by the board are ratified by the shareholders in such annual stockholders' meetings.	
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	See Article 4 Part K of the Manual on CG for the Board's policy and responsibility for approving the selection of management. The assessment is made yearly. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
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	See Article 4 Part K of the Manual on CG for the Board's policy and responsibility for assessing the performance of management. The assessment is made yearly. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
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	The Company adopts a performance management system on a yearly basis.	
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		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	See Article 4 Part K of the Manual on CG for reference 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. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	

2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	See Article 4 Part K of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Conflict of Interest Policy. Conflict of Interest Policy http://www.lbcexpressholdings.com/files/2018/08/22/843/Conflict_of_Interest_Policy.pdf	
3. Board approves the Internal Audit Charter.	Compliant	See Article 4 Part P and Article 11 of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
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	See Article 11 of the Manual on CG. The Company continues to enhance its ERM. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See all Company's Enterprise Risk Management	

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	Framework <u>Enterprise Risk Management Framework</u> http://www.lbcexpressholdings.com/files/2018/08/22/845/Enterprise_Risk_Management.pdf	
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Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	See Article 4 Part K of the Manual on CG. The Company continues to enhance its Board Charter. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	http://www.lbcexpressholdings.com/files/2018/08/22/838/Board_Charter.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	See also Company's Board Charter <u>Board Charter</u> http://www.lbcexpressholdings.com/files/2018/08/22/838/Board_Charter.pdf	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

Additional Recommendation to Principle 2		
1. Board has a clear insider trading policy.	Compliant	See the Manual on CG. The Company continues to enhance its Insider Trading Policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Insider Trading Policy <u>Insider Trading Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/846/Insider_Trading_Policy.pdf
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.	-	-
2. Company discloses the types of decision requiring board of directors' approval.	-	-
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	See Article 4 Part P of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
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	See Article 4 Part P of the Manual on CG for the Audit Committee, including its functions and the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article III Part 8 of the Company's amended By-Laws Amended By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The members of the Audit Committee, with their corresponding positions, are as follows: 1. Solita V. Delantar, Chairman 2. Luis N. Yu, Jr., Member 3. Anthony A. Abad, Member See Item 9 of the Annual Report for information on the members of the Audit Committee, including their qualifications and type of directorship. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	See Item 9 of the Annual Report for information on the background, knowledge, skills, and/or experience of the members of the Audit Committee. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	See Item 9 of the Annual Report for information on the Chairman of the Audit Committee. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
Supplement to Recommendation 3.2			

1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	See Article 8 of the Manual on CG for proof that the Audit Committee approved all non-audit services conducted by the external auditor. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE disclosure on Revised MCGR.pdf	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Company conducts yearly audit plan without presence of management.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	-	-	-
2. Audit Committee approves 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	See Article 4 Article P of the Manual on CG for information on the Corporate Governance Committee, including its functions and the process the Committee undertook to identify the quality of directors aligned with the company's strategic direction, if applicable. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article III Part 8 of the Company's amended By-Laws <u>Amended By-Laws</u> http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf
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2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	The members of the Corporate Governance Committee, with their corresponding positions, are as follows: 1. Anthony A. Abad, Chairman 2. Solita V. Delantar, Member 3. Luis N. Yu, Jr., Member See Item 9 of the Annual Report for information on the members of the Corporate Governance Committee, including their qualifications and type of directorship. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf See also Item Article Three 2.2(a) of the By-Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.
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3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	See Item 9 of the Annual Report for information on the Chairman of the Corporate Governance Committee. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf See also Item Article Three 2.2(a) of the By-Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	-	-	-

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	See Article 4 Article P of the Manual on CG for information on the BROC. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article III Part 8 of the Company's amended By-Laws <u>Amended By-Laws</u> http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.
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2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	The members of the Board Risk Oversight Committee, with their respective positions, are provided below: 1. Luis N. Yu, Jr., Chairman 2. Solita V. Delantar, Member 3. Enrique V. Rey, Jr., Member See Item 9 of the Annual Report for information on the members of the BROC, including their qualifications and type of directorship. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415 2019 LBCEH 2018 SEC FORM 17-A Annual Report.pdf See also Item Article Three 2.2(a) of the By-Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09 07 2018 Amended By Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.
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3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	See Item 9 of the Annual Report for information on the Chairman of the BROCC. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf See also Item Article Three 2.2(a) of the By-Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	See Item 9 of the Annual Report for information on the members of the BROCC.	-
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	See Article 4 Part P of the Manual on CG for information on the Related Party Transactions (RPT) Committee, including its functions. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article III Item 8 of the Company's amended By-Laws. Amended By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	The Company's amended By-Laws was approved by the Securities and Exchange Commission (SEC) last 7 September 2018.

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	The members of the RPT Committee, with their respective positions, follow: 1. Anthony A. Abad, Chairman 2. Luis N. Yu, Jr., Member 3. Augusto G. Gan, Member See Item 9 of the Annual Report for information on the Chairman of the RPT Committee. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415 2019 LBCEH 2018 SEC FORM 17-A Annual Report.pdf	-
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	See the Manual on CG. The Company continues to refine and improve on its committee charters. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE-disclosure-on-Revised-MCGR.pdf See also the following: http://www.lbcexpressholdings.com/files/2018/08/22/844/Corp Gov Committee Policy on Nominations.pdf and http://www.lbcexpressholdings.com/board-committee-charters	
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	http://www.lbcexpressholdings.com/board-committee-charters	

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	See Annex B.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Directors are advised of the details of the matters subject for their approval.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Directors and committee members are free to ask during their relevant meetings.	

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	See Item 9 of the Annual Report for information on the directorships of the company's directors in both listed and non-listed companies. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Non-Compliant		There is currently no set policy requiring the directors to notify the Company's board before accepting directorship in another company. However, the Company's By-Laws contain qualifications which disqualify those which would have conflict of interest with that of the Company's.
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. Board of directors meet at least six times during the year.	-	-	-
4. Company requires as minimum quorum of at least 2/3 for board decisions.	-	-	-
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	See Article III Item 1 of the By Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
Recommendation 5.2			

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	See Article 4 Part J of the Manual on CG for information on the qualifications and disqualifications of independent directors to hold positions. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article III Item 1 of the By Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	None.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	See Article 4 Part J of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	

2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	See Article 4 Part J(iii) of the Manual on CG for information on the Company's prohibition against an independent director from serving in such capacity after the term limit of nine years. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
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.	N/A	See Article 4 Part J(iii) of the Manual on CG for information on the Company's policy when it retains an independent director in the same capacity after nine years . Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	The Company is not retaining an independent director in the same capacity after nine years.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant	The company's Chairman of the Board and Chief Executive Officer is Miguel A. Camahort.	While the Company recognizes the importance of having separate individuals holding the position of Chairman and CEO of the Company, the Company believes that it is not necessary to do so at this time. Nevertheless, the Company continues to build its executive team in view of expansion activities the Company expects to undertake after the completion of the follow-on offering.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	See Article 4 Part F of the Manual on CG for information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer and the relationship between the two and the relationship of Chairman and CEO. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also Article IV Items 2 and 3 of the Company's By Laws. <u>By-Laws</u> http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
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	See Article 4 Part J of the Manual on CG for information on a lead independent director and his roles and responsibilities. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf The Chairman is not an independent director. See Item 9 of the Annual Report for information on the individual appointed as the lead 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	No case arose of such nature.	
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.	Compliant	The Company's Lead independent director, Atty. Anthony A. Abad, was only recently appointed as the lead independent director in March 12, 2019.	
2. The meetings are chaired by the lead independent director.	Non-Compliant		
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant		
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.	Compliant.	The Audit Committee performs an annual self-assessment of performance as provided for in SEC Memorandum Circular No. 4 Series of 2012.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant		The assessments are currently being done internally.
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	See Article 6 of the Manual on CG for information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	

2. The system allows for a feedback mechanism from the shareholders.	Compliant		
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	See the Company's Code of Business Conduct and Ethics. <u>Code of Business Conduct and Ethics</u> http://www.lbcexpressholdings.com/files/2018/08/22/842/Code_of_Business_Conduct_and_Ethics.pdf	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Copies of the same were provided to the Board, senior management and its employees.	
3. The Code is disclosed and made available to the public through the company website.		See the Company's Code of Business Conduct and Ethics. <u>Code of Business Conduct and Ethics</u> http://www.lbcexpressholdings.com/files/2018/08/22/842/Code_of_Business_Conduct_and_Ethics.pdf	

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	Zero tolerance. The Group is committed to the highest level of ethical behavior and compliance with laws and regulations. The Group expects that all employees and business partners will conduct themselves in accordance with the Group's values, policies, and procedures and the laws relating to bribery and corruption. No director, officer, or employee shall solicit or accept gifts, payments, loans, services, or any form of compensation from suppliers, customers, competitors, or others seeking to do business with the Group.
Recommendation 7.2		
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	The Group employees, management and board are required to comply with its Code of Business Conduct and Ethics. Code of Business Conduct and Ethics http://www.lbcexpressholdings.com/files/2018/08/22/842/Code_of_Business_Conduct_and_Ethics.pdf
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	
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	See Article 15 of the Manual on CG for the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Annual Report - 105 days from the end of the fiscal year Quarter 1 Report - 45 days from the end of the first quarter Quarter 2 Report - 46 days from the end of the second quarter Quarter 3 Report - 46 days from the end of the third quarter	

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	Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04152019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
Recommendation 8.2			
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	See Article 15 of the Manual on CG for the company's policy requiring directors and officers to disclose their dealings in the company's share. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		

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	http://www.lbcexpressholdings.com/statement-of-beneficial-ownership
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	See Annual Report for the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	See Annual Report for the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/0415 2019 LBCEH 2018 SEC FORM 17-A Annual Report.pdf	
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	See Article 4 Part O of the Manual on CG for the company policy and practice for setting board remuneration Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE disclosure on Revised MCGR.pdf	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	See Article 4 Part O of the Manual on CG for the company policy and practice for determining executive remuneration Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE disclosure on Revised MCGR.pdf	

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Currently, the Company as a holding company has minimal operations and thus the directors and officers of the Company do not receive remuneration for such positions. However, directors receive per diems set in accordance with the Company's By-Laws.	
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	See the Company's Related Party Transactions Policy. Related Party Transactions Policy http://www.lbcexpressholdings.com/files/2018/08/22/849/Related_Party_Transactions_Policy.pdf See also Article 4 Part P of the Manual on CG for the company's RPT policies. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf There was no director who had conflict of interest in 2018.	

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	See 2018 AFS of the Company. 2018 AFS http://www.lbcexpressholdings.com/files/2019/04/16/903/04_15_2019_LBCEH_2018_AFS_of_LBC_Express_Holdings_Inc.pdf	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	See Article 15 of the Manual on CG for information on where and when directors disclose their interests in transactions or any other conflict of interests. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Conflict of Interest Policy Conflict of Interest Policy http://www.lbcexpressholdings.com/files/2018/08/22/843/Conflict_of_Interest_Policy.pdf	
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.	Compliant	See Article 4 Part P of the Manual on CG. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Related Party Transactions Policy. <u>Related Party Transactions Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/849/Related_Party_Transactions_Policy.pdf	
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	http://www.lbcexpressholdings.com/company-disclosures	

2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	The Group engages auditors to value the transaction price.	
Supplement to Recommendation 8.6			
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	http://www.lbcexpressholdings.com/company-disclosures	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	See the Company's Manual on CG. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/manual-on-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		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	See the Company's Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance See also: http://www.lbcexpressholdings.com/manual-on-corporate-governance	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		See Annual Report. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		

e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		
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.	Compliant	See Annual Report. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
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.	Compliant	See Annual Report. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	

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.	Compliant	See Annual Report. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
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).	Compliant	See Annual Report. Annual Report http://www.lbcexpressholdings.com/files/2019/04/16/904/04_15_2019_LBCEH_2018_SEC_FORM_17-A_Annual_Report.pdf	
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	See Article 8 of the Manual on CG for information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance	

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	The Audit Committee and the Board approved the appointment of SGV. 92.95% of shareholders ratified the appointment, reappointment, removal and fees of the external auditor.	
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	In 2018, the Company did not remove or change its external auditor.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	See the Manual on CG. PFRS requires rotation of lead partner which is observed by SGV. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance	
Recommendation 9.2			

1. Audit Committee Charter includes the Audit Committee's responsibility on:	Compliant	See the Company's Audit Committee Charter. The Company continuous to enhance its Audit Committee Charter. <u>Audit Committee Charter</u> http://www.lbcexpressholdings.com/files/2018/08/22/837/Audit_Committee_Charter.pdf	
i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	Compliant	See the Company's Audit Committee Charter. The Group and its external auditors review and sign off on a yearly basis as well as attest on the capabilities and results of the Audit work. <u>Audit Committee Charter</u> http://www.lbcexpressholdings.com/files/2018/08/22/837/Audit_Committee_Charter.pdf	
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		

Supplement to Recommendations 9.2

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1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	See the Company's Audit Committee Charter. <u>Audit Committee Charter</u> http://www.lbcexpressholdings.com/files/2018/08/22/837/Audit_Committee_Charter.pdf	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	See the Company's Audit Committee Charter. <u>Audit Committee Charter</u> http://www.lbcexpressholdings.com/files/2018/08/22/837/Audit_Committee_Charter.pdf	

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	According to Article 2 of the Manual on CG, non-audit work refers to the other services offered by an external auditor to a corporation that are not directly related and relevant to its statutory audit functions, such as, accounting, payroll, bookkeeping, reconciliation, computer project management, data processing, or information technology outsourcing services, internal audit, and other services that may compromise the independence and objectivity of an external auditor. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance
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	See Article 4 Part P and Article 8 of the Manual on CG for the guidelines or policies on non-audit services. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance
Supplement to Recommendation 9.3		
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	See Annex C for information on audit and non-audit fees paid.
Additional Recommendation to Principle 9		

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	1. Name of the audit engagement partner- Cyril Jasmin B. Valencia 2. Accreditation number- 1737-A (Group A) 3. Date Accredited- January 24, 2019 4. Expiry date of accreditation- January 23, 2022 5. Address- Sycip, Gorres, Velayo & Co. 6760 Ayala Avenue, Makati City 1226, Philippines	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	SGV may or will be subjected to the SOAR inspection program. SEC has not started (or conducted) the SOAR inspection program.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (ESG) issues of its business, which underpin sustainability.	Compliant	The Group has regularly disclosed all material information on its financial performance.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	The Group has worked with its external auditors in the reporting of sustainability and non-financial issues.	
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	Company website and PSE Edge disclosures. See - http://www.lbcexpressholdings.com/in-the-press-2018 ; and http://www.lbcexpressholdings.com/company-disclosures	
Supplemental to Principle 11			

1. Company has a website disclosing up-to-date information on the following:		http://www.lbcexpressholdings.com/	
a. Financial statements/reports (latest quarterly)	Compliant	a. http://www.lbcexpressholdings.com/annual-reports and http://www.lbcexpressholdings.com/quarterly-reports	http://www.lbcexpressholdings.com/
b. Materials provided in briefings to analysts and media	Compliant	b. http://www.lbcexpressholdings.com/	Please see Company Announcements in PSE edge with respect to the Company.
c. Downloadable annual report	Compliant	c. http://www.lbcexpressholdings.com/annual-reports	http://www.lbcexpressholdings.com/annual-reports
d. Notice of ASM and/or SSM	Compliant	d. http://www.lbcexpressholdings.com/notice-of-annual-or-special-stockholders-meetings for the notice of ASM and/or SSM disclosed in its website.	http://www.lbcexpressholdings.com/notice-of-annual-or-special-stockholders-meetings
e. Minutes of ASM and/or SSM	Compliant	e. http://www.lbcexpressholdings.com/minutes-of-all-general-or-special-stockholders-meetings	http://www.lbcexpressholdings.com/minutes-of-all-general-or-special-stockholders-meetings
f. Company's Articles of Incorporation and By-Laws	Compliant	f. http://www.lbcexpressholdings.com/	http://www.lbcexpressholdings.com/articles-of-incorporation-by-laws
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	http://www.lbcexpressholdings.com	
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	The Group conducts audit reviews bi-annually.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	See the Manual on CG. The Company continues to enhance its enterprise risk management framework. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance	
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	See Annex D for information on the company's compliance program covering compliance with laws and relevant regulations. The review is done annually.	
Optional: Recommendation 12.1			

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.	-	-	-
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	Internal audit is in-house.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The Group has an Internal Audit Head.	
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.	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.	N/A		N/A
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	See Part 11 of the Manual on CG for information on company's risk management function. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company engaged SGV for review on developmental activities of the Company such as due diligence and data privacy checks.	
Recommendation 12.5			

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	The Group has a Chief Risk Officer.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		
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, control and compliance system is in place and working effectively.	Compliant	See the Statement of Management Responsibility for the 2018 Audited Financial Statements of the Company.	
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	See Article 12 of the Manual on CG for the shareholders' rights. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	http://www.lbcexpressholdings.com/	
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	See Articles of Incorporation and By-Laws, for the information on all classes of shares, including their voting rights if any. Articles of Incorporation http://www.lbcexpressholdings.com/files/2018/08/17/813/Amended_Articles_Of_Incorporation_(12_October_2015).pdf By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
3. Board has an effective, secure, and efficient voting system.	Compliant	See By-Laws for information on an effective, secure, and efficient voting system. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	

4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	See Article 12 of the Manual on CG and the By-Laws, for information on shareholder voting mechanisms such as supermajority or "majority of minority", if any. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance See the Company's By-Laws. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
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	See the By-Laws, for information on how this was allowed by board. By-Laws http://www.lbcexpressholdings.com/files/2018/09/12/864/09_07_2018_Amended_By_Laws.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	See Article 12 of the Manual on CG for information on the policies on treatment of minority shareholders Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/manual-on-corporate-governance	

7. Company has a transparent and specific dividend policy.	Compliant	See Article 12 of the Manual on CG for information on the company's dividend Policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/manual-on-corporate-governance At the meeting of the Board of Directors of the Corporation held on 20 December 2018, the Board of Directors approved the Corporation's authority to declare cash dividends of Twenty Centavos (Php0.20) per one (1) outstanding common share held by the stockholders. The record date of the entitlement to said cash dividends shall be the end of business day on 21 January 2019 and payment date shall be on 8 February 2019.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	-	-	
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.	Compliant	<u>2018 Notice of AGM</u> http://www.lbcexpressholdings.com/files/2019/02/27/88/02_26_2019_Note_of_2018_AGM_Amendment.pdf	

Supplemental to Recommendation 13.2		
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	2018 Notice of AGM http://www.lbcexpressholdings.com/files/2019/02/27/88/02_26_2019_Notice_of_2018_AGM_Amendment.pdf
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	See Company's 2018 Definitive Information Statement for the profiles of directors. Definitive Information Statement http://www.lbcexpressholdings.com/files/2018/06/14/742/06_14_2018_SEC_20-IS_LBCEH_2018_DIS.pdf
b. Auditors seeking appointment/re-appointment	Compliant	
c. Proxy documents	Compliant	
Optional: Recommendation 13.2		
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	See Company's 2018 Definitive Information Statement for the rationale for the agenda items. Definitive Information Statement http://www.lbcexpressholdings.com/files/2018/06/14/742/06_14_2018_SEC_20-IS_LBCEH_2018_DIS.pdf

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.	Compliant	Results of 2018 ASM http://www.lbcexpressholdings.com/files/2018/07/11/757/07_10_2018_Form_4-24_-_Results_of_Annual_or_Special_Stockholders_Meeting.pdf http://www.lbcexpressholdings.com/minutes-of-all-general-or-special-stockholders-meetings The Company is required to disclose with the PSE voting results of the AGM.
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.	Compliant	http://www.lbcexpressholdings.com/files/2018/07/11/757/07_10_2018_Form_4-24_-_Results_of_Annual_or_Special_Stockholders_Meeting.pdf
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	SGV was present during the 2018 ASM.

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.	Compliant	See Article 12 of the Manual on CG for details of the alternative dispute resolution made available to resolve intra-corporate disputes Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	See Article 12 of the Manual on CG. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf
Recommendation 13.5		
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 – Enrique V. Rey, Jr. 2. Telephone number - (+632) 856-8510 3. Fax number - (+632) 851-9759 4. E-mail address info@lbcexpressholdings.com
2. IRO is present at every shareholder's meeting.	Compliant	The IRO was present during the ASM.

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	In 2018, there were no anti-takeover measures or similar devices which occurred.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant	As of 31 March 2019, the company's public float was 15.41%.	The Company is in the process of increasing its public float through its planned Follow-On Offering, the application of which is pending with the SEC and PSE.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	-	-	-
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	-	-	-
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			

Recommendation 14.1		
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	See Articles 12 and 13 of the Manual on CG for information on the company's policies and programs for its stakeholders. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf
Recommendation 14.2		
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	See Articles 12 and 13 of the Manual on CG for information on the company's policies and programs for its stakeholders. Revised Manual on Corporate Governance http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf
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	Please see the Manual on CG. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf The whistleblowing policy of the Company is as follows - Directors and senior executives are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if any director or senior executive believes that he/she has observed illegal or unethical behavior by any employee, officer, or director, or by anyone purporting to be acting on the Company's behalf. Any such reports may be made anonymously. Confidentiality will be maintained to the extent permitted by law. See also the Company's Whistleblowing Policy. <u>Whistleblowing Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/850/Whistle_Blowing_Policy.pdf	
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	The alternative dispute resolution system established by the Company is as follows - Disputes between the Company and the stockholders, stakeholders, and regulators, if any, are resolved by negotiation and mediation. Through negotiation and mediation, the Company can strive for conflict prevention rather than conflict resolution.	

Additional Recommendations to Principle 14		
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	In 2018, the Company did not request for exemption.
2. Company respects intellectual property rights.	Compliant	The Group is affiliated with a professional organization that actively reviews the Madrid and non-Madrid protocol rights on its marks. The Group uses a robust system of accreditation that can easily identify any IP infringements.
Optional: Principle 14		
1. Company discloses its policies and practices that address customers' welfare	-	-
2. Company discloses its policies and practices that address supplier/contractor selection procedures	-	-

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 actively participate in the realization of the company's goals and in its governance.	Compliant	See the Company's Employees' Code of Conduct which have to be observed by employees. Currently, the Group is focusing on enhancing its data privacy policy. Said Employees' Code of Conduct was adopted from that of LBC Express, Inc. Employees' Code of Conduct http://www.lbcexpressholdings.com/files/2018/08/17/818/COMPANY_CODE_OF_CONDUCT.pdf
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	The Group has in place a performance management system for to measure performance of employees.
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	See the Company's policy on health and safety standards for its employees. Policy on Health, Safety and Welfare of Employees http://www.lbcexpressholdings.com/files/2018/08/22/848/Policy_On_Health_Safety_And_Welfare_Of_Employees.pdf

3. Company has policies and practices on training and development of its employees.	Compliant	The Group conducts trainings for its employees.	
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	Zero tolerance. The Company is committed to the highest level of ethical behavior and compliance with laws and regulations. The Company expects that all employees and business partners will conduct themselves in accordance with the Company's values, policies, and procedures and the laws relating to bribery and corruption. No director, officer, or employee shall solicit or accept gifts, payments, loans, services, or any form of compensation from suppliers, customers, competitors, or others seeking to do business with the Company. See the Company's Code of Business Conduct and Ethics. Code of Business Conduct and Ethics http://www.lbcexpressholdings.com/files/2018/08/22/842/Code_of_Business_Conduct_and_Ethics.pdf	

2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Group Company employees are provided upon employment with Code of Conduct which they have to comply with. Said Employees' Code of Conduct was adopted from that of LBC Express, Inc. See Employees' Code of Conduct. <u>Employees' Code of Conduct</u> http://www.lbcexpressholdings.com/files/2018/08/17/818/COMPANY_CODE_OF_CONDUCT.pdf	
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	Zero tolerance. The Company is committed to the highest level of ethical behavior and compliance with laws and regulations. The Company expects that all employees and business partners will conduct themselves in accordance with the Company's values, policies, and procedures and the laws relating to bribery and corruption. No director, officer, or employee shall solicit or accept gifts, payments, loans, services, or any form of compensation from suppliers, customers, competitors, or others seeking to do business with the Company.	
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	See the Manual on CG. The Board continues to enhance its whistleblowing policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Whistleblowing Policy. <u>Whistleblowing Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/850/Whistle_Blowing_Policy.pdf	
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	See the Manual on CG. The Board continues to enhance its whistleblowing policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Whistleblowing Policy. <u>Whistleblowing Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/850/Whistle_Blowing_Policy.pdf	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant.	See the Manual on CG. The Board continues to enhance its whistleblowing policy. <u>Revised Manual on Corporate Governance</u> http://www.lbcexpressholdings.com/files/2017/06/01/602/05262017-PSE_disclosure_on_Revised_MCGR.pdf See also the Company's Whistleblowing Policy. <u>Whistleblowing Policy</u> http://www.lbcexpressholdings.com/files/2018/08/22/850/Whistle_Blowing_Policy.pdf	
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IN WITNESS WHEREOF, I have hereunto set my hand on 28 MAY 2019 in Makati City.

MIGUEL ANGEL A. CAMAHORT
President/Chief Executive Officer

SUBSCRIBED AND SWORN to before me this 28 MAY 2019 at CITY OF MANILA City, affiant exhibiting to me his Passport No. 3510481A issued on June 28, 2017 by DFA Manila 2

Doc. No. 138;
Page No. 28;
Book No. III;
Series of 2019.

ATTY. MICHAEL J. MARASIGAN
NOTARY PUBLIC FOR THE CITY OF MANILA
COMMISSION NO. 107-107 UNTIL DECEMBER 2019
ROLL OF ATTORNEYS NO. 30127
PTE NO. 80333 / MANILA, NO. 10-19
EB NO. 06130 / Manila, NO. 10-19
MC NO. 100107 / Manila, NO. 10-19
711, JUAN GALLARDO, 2ND FLOOR, MANILA

28 MAY 2019

publinter

28 MAY 2019

Doc. No. 139.

Page No. 28;

Book No. III;

Series of 2019.

NOTARY PUBLIC
ATTY. MICHAEL J. MARRASIGAN

COMMISSIONER OF REVENUE

ROLL OF AFFIDAVITS MC 58-19
PTR NO. 801-19 / 10-16-19 3-10-19

EXP NO. 05-10-19
ANGLE NO.

THE MAGNITUDE OF THE EFFECTS OF THE 1997-1998 EL NIÑO IN THE TROPICAL AMERICAS

28 MAY 2019

IN WITNESS WHEREOF, I have hereunto set my hand on _____ in Makati City.



ANTHONY A. ABAD
Independent Director

28 MAY 2019

SUBSCRIBED AND SWORN to before me this _____ issued on _____

P4211928A

in ~~the~~ City of Makati, affiant exhibiting to me his _____ by DFA Manila.

Passport No. _____

Doc. No. 141;
Page No. 29;
Book No. III;
Series of 2019.

ATTY. MICHAEL ROBERT M. MARASIGAN
NOTARY PUBLIC FOR CITY OF MAKATI
COMMISSION NO. 2011-096 UNTIL DECEMBER 2019
ROLL OF ATTORNEYS NO. 68317
PTR NO. 803333 (MANILA / 07-10-19)
IBP NO. 061391 (MANILA / 01-08-19)
MCLE NO. V-0018335 / 04-08-16
718 MAGALLANES ST., INTRAMUROS, MANILA

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 28 2019 in Makati City.


LUIS N. YU
Independent Director

MAY 28 2019

SUBSCRIBED AND SWORN to before me this _____ in Makati City, affiant exhibiting to me his Unified Multi-Purpose ID No. CRN-01111-5007871-6

Doc. No. 12;
Page No. 12;
Book No. 12;
Series of 2019.


ERNESTO C. NAVAL III
Appointment No. M-520
Notary Public for Makati City
Until December 31, 2019
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll No. 72134
PTR No. 7339301/Makati City/01-06-2019
IBP No. 060471/Makati City/01-03-2019
MCLE Compliance No. VI-0019659/3-26-2019

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

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 29 2019 in Makati City.


CRISTINA S. PALMA GIL-FERNANDEZ
Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 29 2019 in Makati City, affiant exhibiting to me her Passport No. P5655630A issued on January 18, 2019 at DFA NCR South.

Doc. No. 70;
Page No. 6;
Book No. 1;
Series of 2019.


ERNESTO C. NAVAL III
Appointment No. M-520
Notary Public for Makati City
Until December 31, 2019
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll No. 72134
PTR No. 7339301/Makati City/01-06-2019
IBP No. 060471/Makati City/01-03-2019
MCLE Compliance No. VI-U019659/3-26-2019

IN WITNESS WHEREOF, I have hereunto set my hand on MAY 28 2019 in Makati City.


MAHLEENE G. GO
Compliance Officer/
Assistant Corporate Secretary

SUBSCRIBED AND SWORN to before me this MAY 28 2019 in Makati City, affiant exhibiting to me her Passport No. P8881940A issued on September 25, 2018 at DFA NCR East.

Doc. No. 55;
Page No. 2;
Book No. V;
Series of 2019.


ERNESTO C. NAVAL III
Appointment No. M-520
Notary Public for Makati City
Until December 31, 2019
Liberty Center-Picazo Law
104 H.V. Dela Costa Street, Makati City
Roll No. 72134
PTR No. 7339301/Makati City/01-06-2019
IBP No. 060471/Makati City/01-03-2019
MCLE Compliance No. VI-0019659/3-26-2019

Annex A – Certificates of Attendance (Attached)



Institute of Corporate Directors

presents this

Certificate of Participation

to

Cristina Palma Gil-Fernandez

8990 Holdings, Inc.

for having participated in

Advanced Corporate Governance Training

held on

Tuesday, 20 November 2018

at 2nd Floor, PGMC Bldg.,

Mandaluyong City, Metro Manila, Philippines.

Alfredo E. Pascual
Chief Executive Officer





Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Miguel Angel A. Camahort

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Enrique V. Rey, Jr.

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Rene E. Fuentes

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Jason Rosenblatt

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Rosalie H. Infantado

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Ma. Anna Victoria L. Gomez

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Mahleene G. Go

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President



Risks, Opportunities, Assessment and
Management (ROAM), Inc.

awards this

CERTIFICATE OF COMPLETION

to

Ernest C. Naval III

for having completed the seminar on

CORPORATE GOVERNANCE

held on October 25, 2018 at
LBC Hangar Office, Domestic Road, Pasay City

Benjamin I. Espiritu, Ph.D.
President

Annex B

Information on the attendance and participation of directors to the Board meetings.

2018 Board Meetings									
Date of Meeting	Miguel A. Camahort	Enrique V. Rey	Rene E. Fuentes	Mark Werner J. Rosal	Solita V. Delantar	Luis N. Yu	Augusto G. Gan	Jason Michael Rosenblatt	Anthony A. Abad
28 February 2018	P	P	P	P	P	P	P	P	P
2 March 2018	P	P	P	P	NP	P	P	P	NP
7 March 2018	P	P	P	P	NP	P	P	P	NP
15 March 2018	P	P	P	P	NP	P	P	P	NP
19 March 2018	P	P	P	P	NP	P	P	P	NP
4 April 2018	P	P	P	P	P	P	P	P	P
5 April 2018	P	P	P	P	P	P	P	P	P
12 April 2018	P	P	P	P	P	P	P	P	P
23 April 2018	P	P	P	P	P	P	P	P	P
8 May 2018	P	P	P	P	P	P	P	P	P
19 June 2018	P	P	P	P	P	P	P	P	P
27 June 2018	P	P	P	P	P	P	P	P	P
29 June 2018	P	P	P	P	P	P	P	P	P
9 July 2018	P	P	P	P	P	P	P	P	P
13 August 2018	P	P	P	P	P	P	P	P	P
15 August 2018	P	P	P	P	P	P	P	P	P
15 October 2018	P	P	P	P	P	P	P	P	P
20 December 2018	P	P	P	P	P	P	P	P	P

Note:

P – Present

NP – Not Present

ANNEX C

INFORMATION ON AUDIT AND NON-AUDIT FEES PAID

The following table sets forth the aggregate fees billed for each of the last two years for professional services rendered by SGV & Co.

	<u>2018</u>	<u>2017</u>
In millions (€)		
Audit and Audit-Related Fees ⁽¹⁾	8.00	3.45
Transaction Support Services- Related Fees ⁽²⁾	0.80	1.45
		<u>4.90</u>
Total	<u>8.80</u>	

- (1) *Audit and Audit-Related Fees. This category includes the audit of annual financial statements, review of interim financial statements and services that are normally provided by the independent auditor in connection with statutory and regulatory filings or engagements for those calendar years.*
- (2) *Transaction Support Services-Related Fees. This category includes the due diligence performed in relation to the acquisition of ownership interest in another entity.*

Annex D

Code of Business Conduct and Ethics

Business Conduct & Ethics	Directors	Senior Management	Employees
(a) Conflict of Interest	The basic principle to be observed is that a director should not use his/her position to profit or gain some benefit or advantage for himself/herself and/or his/her related interests. He/she should avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he/she should fully and immediately disclose and should not participate in the decision-making process. A director who has a continuing material conflict of interest should seriously consider resigning from his position. A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the Company, or stands to acquire or gain financial advantage at the expense of the Company.	Similar to the Company's policies for directors.	No employees may engage in any business or undertaking that is directly or indirectly in competition with that of the Company, or engage directly or indirectly in any undertaking or activity prejudicial to the interest of the Company, its customers, and to the performance of his/her job or work assignment.
(b) Conduct of Business and Fair Dealings	A director shall not compete with the Company by providing service to a competitor as employee, officer, or director or in a similar capacity, profit, or assist others to profit, from confidential	Similar to the Company's policies for directors.	Similar to the Company's policies for directors.

	information or business opportunities that are available because of service to the Company; improperly influence or attempt to influence any business transaction between the Company and another entity in which a director has a direct or indirect financial interest or acts an employee, officer, or director in a similar capacity; or take unfair advantage of any customer, supplier, competitor, or other person through manipulation, concealment, misrepresentation of material acts or other unfair-dealing practice.		
(c) Receipt of Gifts from Third Parties	A director shall not solicit nor accept gifts, payments, loans, services, or any form of compensation from suppliers, customers, competitors, or others seeking to do business with the Company.	Similar to the Company's policies for directors.	Similar to the Company's policies for directors
(d) Compliance with Laws and Regulations	It is the Company's policy to comply fully with all laws governing its operations, and to conduct its affairs keeping with moral, legal, and ethical standards. Each director shall comply with all applicable laws, rules and regulations, and the provisions of the Company's RMCG. Under the Company's Audit Committee Charter, the Audit Committee shall ascertain whether the Company has an effective process for determining risks and exposure to litigation and	All members of senior management shall comply with all applicable laws, rules and regulations, and the provisions of the Company's RMCG.	All employees shall comply with all applicable laws, rules and regulations, and the provisions of the Company's RMCG.

	claims from non-compliance with laws and regulations. The Board shall appoint a Compliance Officer who shall monitor compliance by the Company with the RMCg and all relevant laws, rules, and regulations, as well as regulatory requirements.		
(e) Respect for Trade Secrets / Use of Non-Public Information	A director should keep secure and confidential all non-public information he/she may acquire or learn by reason of his/her position as director. He/she should not reveal confidential information to unauthorized persons without the authority of the Board.	A senior executive should keep secure and confidential all non-public information he/she may acquire or learn by reason of his/her position as such. He/she should not reveal confidential information to unauthorized persons without the authority of the Board.	All employees are expected to keep in strict confidence all information and data, records and documents pertaining to the Company's business and/or affairs and no unauthorized disclosure or reproduction of the same shall be made by the employee during or after employment with the Company.
(f) Use of Company Funds, Assets, and Information	A director shall protect the Company's funds, assets, and information, and shall not use the Company's funds, assets, and information to pursue personal opportunities or gain. A director shall ensure the efficient use of the Company's assets and that no Company funds, assets, or information shall be used for any unlawful purpose.	Similar to the Company's policies for directors.	Similar to the Company's policies for directors.
(g) Employment and Labor Laws and	The Compensation and Remuneration Committee shall ensure the	Senior management shall support the	It is the policy of the Company to select and

Policies	implementation of applicable employment and labor laws and policies. The Company shall recognize the unique position of employees as individuals with a vital stake in their work and at the same time with inherent obligations to themselves and their own families.	implementation and enforcement of Applicable employment and labor laws and policies.	hire only individuals who possess the best qualifications for the job and have potential to grow and move up in the Company. Management believes that the continued progress and success of the Company depends, to a great extent, on its human resources.
(h) Disciplinary Action	Directors and senior executives are subject to disciplinary action for violations of business ethics. Subject to and in accordance with the Company's RMCG, the Board of Directors shall determine the appropriate disciplinary action.		Every employee is expected to observe and comply with Company rules and regulations. When rules and regulations are violated or when an employee disregards or fails to comply with rules and regulations, the Company will have no alternative but to take corrective and disciplinary measures.
(i) Whistle Blower	Directors and senior executives are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if any director or senior executive believes that he/she has observed illegal or unethical behavior by any employee, officer, or director, or by anyone purporting to be acting on the Company's behalf. Any such reports may be made anonymously. Confidentiality will be maintained to the extent permitted by law.		
(j) Conflict Resolution	The Board of Directors shall establish an alternative dispute resolution system	Senior management must have the	All employee complaints and grievances

	so that conflicts and differences with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner.	appropriate people management skills and competency in managing conflict such as in dealing with issues, use of official processes, participative approach, monitoring team relationships, and acting as a role model.	should be discussed with the Company's Human Resources department.
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