

# COVER SHEET

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S.E.C Registration Number

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I	N	C	O	R	P	O	R	A	T	E	D					

(Company's Full Name)

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P	U	L	I	L	A	N		B	U	L	A	C	A	N													

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

<b>KENNETH TAN</b>
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Contact Person

<b>(02) 997 - 5184</b>
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Company's Telephone Number

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Month

Day

Fiscal Year

I	A	C	G	R
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FORM TYPE

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Month

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Day

Annual Meeting

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Secondary Type, If applicable

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Dept. Requiring this Doc.

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Ammended Articles Number/Section

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Total No. of Stockholders

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Domestic

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Foreign

Total Ammount of Borrowings

To be accomplished by SEC Personnel Concerned

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File Number

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Document I.D

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Cashier

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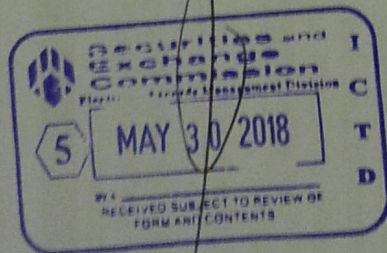


Securities and  
Exchange  
Commission  
PHILIPPINES

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2017
2. SEC Identification Number AS092-00589
3. BIR Tax Identification No. 001-817-292
4. Exact name of issuer as specified in its charter Greenergy Holdings Incorporated
5. Philippines  
Province, country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code
7. 54 National Road, Dampol II-A, Pulilan, Bulacan  
Address of principal office
8. 3005  
Postal Code
8. (02) 997-5184  
Issuer's telephone number, including area code
9. Not applicable  
Former name, former address and former fiscal year, if changed since last report.



INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	<b>Compliant</b>	Information on the academic qualifications, industry knowledge, professional experience, expertise, and relevant trainings of directors are found in the Company's SEC Form 17-A or Annual Report for the year ended 31 December 2017 and SEC Form 20-IS or Definitive Information Statement dated 24 November 2017.  The qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of the Board of Directors' performance are reflected in the Company's Revised Manual on Corporate Governance dated 31 May 2017.	
2. Board has an appropriate mix of competence and expertise.	<b>Compliant</b>		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	<b>Compliant</b>		
<b>Recommendation 1.2</b>			

1. Board is composed of a majority of non-executive directors.	<b>Compliant</b>	Of the eleven (11) incumbent directors of the Company, seven (7) are non-executive directors, namely: (i) Ma. Pamela Grace C. Muhi, (ii) Antonio Peter R. Galvez, (iii) Lisette M. Arboleda, (iv) Yang Chung Ming, (v) James L. Tiu, (vi) Honorio T. Tan, and (vii) Maylyn Z. Dy.  Please also see the Company's General Information Sheet for 2017.	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
2. Company has an orientation program for first time directors.	<b>Compliant</b>	While there is no formal orientation program for first time directors, all directors are made aware of their obligations, duties, and responsibilities under the Corporation Code of the Philippines, Securities Regulation Code, relevant Implementing Rules and Regulations, and rules of the Securities and Exchange Commission ("SEC") and Philippine Stock Exchange ("PSE"), the Company's Articles of Incorporation, By-Laws, and Revised Manual on Corporate Governance.	

3. Company has relevant annual continuing training for all directors.	<b>Non-Compliant</b>		<p>The Corporate Secretary and Assistant Corporate Secretary, who are also directors of the Company, and another director participated in Mandatory Continuing Legal Education.</p> <p>The Company is currently organizing a corporate governance training seminar for its directors this year.</p>
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	<b>Compliant</b>	<p>Under the Company's Revised Manual on Corporate Governance, the Board of Directors shall adopt a policy on board diversity which shall take into consideration not only gender, but also age, ethnicity, culture, skills, competence, and knowledge.</p> <p>Currently, the Board of Directors is composed of seven (7) male and four (4) female directors. One (1) of the two (2) independent directors is female.</p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	<b>Compliant</b>	Please see the Company's General Information Sheet for 2017 and Annual Report for the year ended 31 December 2017.	

<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	<p><b>Non-Compliant</b></p>		<p>The incumbent Corporate Secretary of the Company is currently its Corporate Information and Compliance Officer. Notwithstanding that the Corporate Secretary and Compliance Officer are the same individual, the Company clearly defined the duties and responsibilities attached to each position in its Amended By-Laws and Revised Manual on Corporate Governance to ensure that the goals of good corporate governance are observed.</p> <p>Further, the Company has an Assistant Corporate Secretary/Assistant Corporate Information and Compliance Officer who assists the Corporate Secretary/Corporate Information and Compliance Officer in the performance of his functions.</p>
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	<p><b>Non-Compliant</b></p>		<p>Although the incumbent Corporate Secretary is a member of the Board of Directors, he is primarily responsible to the Company and its shareholders, not to its Chairman or President/Chief Executive Officer ("CEO"), as reflected in the duties and responsibilities ascribed to the Corporate Secretary in the Company's Amended By-Laws and Revised Manual on Corporate Governance.</p> <p>Faithful compliance of his duties and responsibilities is required by the Revised Manual on Corporate Governance; otherwise, the Corporate Secretary will be penalized in accordance with its provisions.</p>

4. Corporate Secretary attends training/s on corporate governance.	<b>Compliant</b>	The Corporate Secretary and Assistant Corporate Secretary of the Company participated in Mandatory Continuing Legal Education.	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	<b>Compliant</b>	<p>For information on the incumbent Corporate Information and Compliance Officer, please see the Company's Annual Report for the year ended 31 December 2018.</p> <p>For information on the duties and responsibilities of the Corporate Information and Compliance Officer, please see the Company's Revised Manual on Corporate Governance.</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	<b>Compliant</b>	Under the Revised Manual on Corporate Governance, the Compliance Officer holds a position of equivalent stature and authority in the Company as he is a member of the Company's Board of Directors and Management Team.	

3. Compliance Officer is not a member of the board.	<b>Non-Compliant</b>		<p>Although the incumbent Corporate Information and Compliance Officer is a member of the Board of Directors, he is primarily responsible to the Company and its shareholders, not to its Chairman or President/CEO, as reflected in the duties and responsibilities ascribed to the Compliance Officer in the Company's Revised Manual on Corporate Governance.</p> <p>Faithful compliance of his duties and responsibilities is required by the Revised Manual on Corporate Governance; otherwise, the Corporate Information and Compliance Officer will be penalized in accordance with its provisions.</p>
4. Compliance Officer attends training/s on corporate governance.	<b>Compliant</b>	The Corporate Information and Compliance Officer and Assistant Corporate Information and Compliance Officer participated in Mandatory Continuing Legal Education.	

**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.	<b>Compliant</b>	The directors attended, participated in, deliberated, and acted as a body in the meetings called for the year. They acted on matters that required their attention in accordance with the Company's best interest.	
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**Recommendation 2.2**



1. Board oversees the development, review and approval of the company's business objectives and strategy.	<b>Compliant</b>	Please see the Company's Annual Report for the year ended 31 December 2017 and Definitive Information Statement dated 24 November 2017.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	<b>Compliant</b>	The Board of Directors reviews the Company's business objectives and strategy as often as necessary and when business contingencies require it.	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	<b>Compliant</b>	The Company's Vision, Mission, and Core Values are published on its website: <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .  The Board of Directors reviews the Company's Vision, Mission, and Core Values as often as necessary.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	<b>Compliant</b>	Please see the Company's Annual Report for the year ended 31 December 2017 and Definitive Information Statement dated 24 November 2017.	
<b>Recommendation 2.4</b>			

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, the Board of Directors is tasked to adopt an effective succession planning program for Management as part of management succession and to promote dynamism in the Company. Moreover, the Board of Directors, through the Nomination Committee, reviews and evaluates the qualifications of all persons nominated to the Board of Directors as well as those nominated to other positions, which includes the President/CEO and the top key management positions, to ensure that only qualified, competent, honest, and highly motivated officials are appointed.</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p><b>Non-Compliant</b></p>		<p>Although the Company has yet to adopt a formal policy on the retirement of directors and key officers, the Board of Directors is mandated under the Company's Revised Manual on Corporate Governance to include a retirement policy for directors and key management in its succession management program.</p> <p>At present, the Company has no retirement policy for directors and key officers as they are not working on full-time capacity. The Company will adopt a retirement policy when the need arises.</p>

**Recommendation 2.5**

1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	<b>Compliant</b>		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	<b>Compliant</b>	At present, directors of the Company do not receive any remuneration except for reimbursement of actual transportation expenses for attendance to any regular or special meeting.	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	<b>Compliant</b>	Please see the Company's Amended By-Laws and Revised Manual on Corporate Governance.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	<b>Compliant</b>		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	<b>Compliant</b>		
4. Board nomination and election policy includes how the board shortlists candidates.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	

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.	<b>Compliant</b>	Under the Revised Manual on Corporate Governance, the Company is mandated to perform an assessment of the effectiveness of the Board of Directors' processes in the nomination, election, or replacement of a director.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance. Further, the Board of Directors, through the Nomination Committee, reviews and evaluates the qualifications of all persons nominated to the Board of Directors to ensure that the composition of the same is aligned with the strategic direction of the company.	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the Board of Directors shall evaluate (through the Audit Committee) and approve related party transactions ("RPTs") during the year.	

3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <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.	<b>Compliant</b>	The Board of Directors clearly defines the thresholds for disclosure and approval of RPTs and categorize 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 Board of Directors considers the aggregate amount of RPT within any twelve (12) month period for purposes of applying the thresholds for disclosure and approval.	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	<b>Non-Compliant</b>		There is no voting system established to specifically deal with the approval of specific types of RPTs. However, the Company applies the pertinent provisions of the Corporation Code regarding RPT, specifically Sections 31 to 34 which prohibit self-dealing and conflicts of interest of directors and officers, to ensure that the Company does not engage in abusive RPTs and insider trading, and that all its transactions are conducted on an arm's length basis.
<b>Recommendation 2.8</b>			

<p>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).</p>	<p><b>Compliant</b></p>	<p>Please see the Company's Amended By-Laws and Revised Manual on Corporate Governance.</p> <p>The incumbent officers of the Company are as follows: (i) Antonio L. Tiu, Chairman and President/CEO; (ii) Kenneth S. Tan, Treasurer; (iii) Martin C. Subido, Corporate Secretary and Corporate Information and Compliance Officer; and (iv) Paula Katrina L. Nora, Assistant Corporate Secretary and Assistant Corporate Information and Compliance Officer.</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p><b>Compliant</b></p>	<p>The Board of Directors may create an internal self-rating system that can measure the performance of the Management Team led by the Chairman and President/CEO and the heads of the other control functions in accordance with the criteria provided in the Code of Corporate Governance for Publicly Listed Companies. Every three (3) years, the assessment should be supported by an external facilitator.</p> <p>For more information, please see the Company's Revised Manual on Corporate Governance.</p>	

**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.	<b>Compliant</b>	The Company adopts a Performance Management System ("PMS") that allows for the objective assessment of an individual's performance and development needs. The PMS shall be conducted regularly and the results of which shall be the basis for the Company's compensation and rewards system, promotions policy, training and development, and succession planning programs.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	<b>Compliant</b>		
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	<b>Compliant</b>		
3. Board approves the Internal Audit Charter.	<b>Compliant</b>	Under the Revised Manual on Corporate Governance, all board committees, including the Audit Committee, are required to have a committee charter.  The Company is in the process of formulating an Audit Committee Charter that is consistent with the Code of Corporate Governance for Publicly Listed Companies.	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the Audit Committee was given board risk oversight functions by the Board of Directors. Part and parcel of	

<p>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.</p>	<p><b>Compliant</b></p>	<p>the Audit Committee's board risk oversight function is to oversee the implementation of the Enterprise Risk Management Plan through the Company's strategy function.</p> <p>The Enterprise Risk Management Plan shall have the following elements: (i) common language or register of risks; (ii) well-defined risk management goals, objectives, and oversight; (iii) uniform processes of assessing risks and developing strategies to manage prioritized risks; (iv) designing and implementing risk management strategies; and (v) continuing assessments to improve risk strategies, processes, and measures.</p>	
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**Recommendation 2.12**

<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p><b>Compliant</b></p>	<p>The Company's Revised Manual on Corporate Governance can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a>.</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	<p><b>Compliant</b></p>		
<p>3. Board Charter is publicly available and posted on the company's website.</p>	<p><b>Compliant</b></p>		

**Additional Recommendation to Principle 2**



1. Board has a clear insider trading policy.	<b>Non-Compliant</b>		The Company applies the pertinent provisions of the Corporation Code regarding RPT, specifically Sections 31 to 34 which prohibit self-dealing and conflicts of interest of directors and officers, and those of the Securities Regulation Code, specifically Sections 27 and 61 which prohibit insider trading, to ensure that the Company does not engage in abusive RPTs and insider trading, and that all its transactions are conducted on an arm's length basis.
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
<b>Principle 3:</b> Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
<b>Recommendation 3.1</b>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance.	

2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	<b>Non-Compliant</b>		<p>The Audit Committee is currently composed of one (1) non-executive director (Maylyn Z. Dy) and two (2) executive directors (Antonio L. Tiu and Martin C. Subido). Of the three (3), only the chairman (Maylyn Z. Dy) is an independent director.</p> <p>All the members of the Company's Audit Committee have accounting and finance backgrounds.</p>
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	<b>Compliant</b>	Please see the Company's Annual Report for the year ended 31 December 2017.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	<b>Compliant</b>		
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	<b>Compliant</b>	<p>The Company's Audit Committee approves all non-audit services conducted by the external auditor before recommendations are sent to the Board of Directors for consideration.</p> <p>The external auditor, Constantino Guadalquiver &amp; Co., did not perform non-audit work for the Company in 2017, as disclosed in the Company's Annual Report for the year ended 31 December 2017.</p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	<b>Non-Compliant</b>		<p>There are no regular meetings. However, the Audit Committee is free to inquire from or discuss with the external audit team whenever there is a need to clarify issues arising from the audit.</p> <p>Further, under the Company's Revised Manual on Corporate Governance, it is the function of the Audit Committee to ensure (i) the independence of the external auditor and (ii) that the external auditor is given unrestricted access to all records, properties, and personnel to enable it to perform its audit functions.</p>
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	<b>Compliant</b>	<p>Please see the Company's Revised Manual on Corporate Governance.</p> <p>Pursuant to the Revised Manual on Corporate Governance, the Corporate Governance Committee oversees the periodic performance evaluation of the Board of Directors and its committees as well as the Management Team.</p>	

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	<b>Non-Compliant</b>		The Corporate Governance Committee is currently composed of the following members: (i) Honorio T. Tan (independent director), (ii) Maylyn Z. Dy (independent director), and (iii) Lisette M. Arboleda (director). Hence, of the three (3) members, only two (2) are independent directors. Information on the members of the Corporate Governance Committee are found in the Company's Annual Report for the year ended 31 December 2017.
3. Chairman of the Corporate Governance Committee is an independent director.	<b>Compliant</b>	Please see the Company's Annual Report for the year ended 31 December 2017.	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.			
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	<b>Non-Compliant</b>		Under the Company's Revised Manual on Corporate Governance, board risk oversight functions are carried out by the Audit Committee.  Information on the members of the Audit Committee are found in the Company's Annual Report for the year ended 31 December 2017.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	<b>Non-Compliant</b>		The Audit Committee, which performs board risk oversight functions, is currently composed of one (1) non-executive director and two (2) executive directors. Of the three (3), only the chairman is an independent director.

3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	<b>Compliant</b>	Please see the Company's Annual Report for the year ended 31 December 2017.	
4. At least one member of the BROOC has relevant thorough knowledge and experience on risk and risk management.	<b>Compliant</b>		
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, RPT oversight functions are carried out by the Audit Committee.  Information on the members of the Audit Committee are found in the Company's Annual Report for the year ended 31 December 2017.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	<b>Non-Compliant</b>		The Audit Committee, which performs RPT oversight functions, is currently composed of one (1) non-executive director and two (2) executive directors. Of the three (3), only the chairman is an independent director.
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	<b>Non-Compliant</b>		Under the Company's Revised Manual on Corporate Governance, all established board committees are required to have their respective committee charters stating in plain terms their respective purposes, memberships, structures, operations, reporting processes, resources, and other relevant information. Further, it
2. Committee Charters provide standards for evaluating the performance of the Committees.	<b>Non-Compliant</b>		

3. Committee Charters were fully disclosed on the company's website.	<b>Non-Compliant</b>		<p>is required that the committee charters should provide the standards for evaluating the performance of the board committees and that they be published on the Company's website.</p> <p>The Company is in the process of formulating the committee charters in accordance with the Code of Corporate Governance for Publicly Listed Companies.</p>
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**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.	<b>Compliant</b>	<p>Under the Company's Revised Manual on Corporate Governance, the directors may attend all meetings of the Board of Directors, board committees, and stockholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the SEC.</p> <p>The Board of Directors adopts SEC Memorandum Circular No. 15, series of 2001, in the conduct of meetings through teleconferencing or video conferencing.</p> <p>A document containing information on the attendance and participation of directors to shareholders' or board meetings is attached hereto as <b>Annex "A."</b></p>	
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2. The directors review meeting materials for all Board and Committee meetings.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance,	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	<b>Compliant</b>	a director is expected to attend and actively participate in board and committee meetings, review meeting materials, and, if called for, ask questions or seek explanation.	

**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.	<b>Compliant</b>	<p>Under the Company's Revised Manual on Corporate Governance, the Board of Directors may consider the adoption of guidelines on the number of directorships that its members can hold in stock and non-stock corporations. Non-executive directors who, at the same time, serve as full-time executives in other corporations may be covered by a lower indicative limit for membership in other boards, provided that their ability to diligently and efficiently perform their duties and responsibilities to the Company is not compromised.</p> <p>A document containing information on the directorships of the Company's directors in both listed and non-listed companies is attached hereto as <b>Annex "B."</b></p>	
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**Recommendation 4.3**

1. The directors notify the company's board before accepting a directorship in another company.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, a director should notify the Board of Directors before accepting a directorship in another corporation.	
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<b>Optional: Principle 4</b>			
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.			
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	<b>Non-Compliant</b>		The Company has two (2) independent directors out of eleven (11) directors in compliance with SEC Memorandum Circular No. 6, series of 2009, and the Securities Regulation Code and its Revised Implementing Rules and Regulations which require only two (2) independent directors or twenty percent (20%) of the total number of directors, whichever is lesser.
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	<b>Compliant</b>	Please see the Annual Report for the year ended 31 December 2017 and the Definitive Information Statement dated 24 November 2017.	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	<b>Compliant</b>	Please see the Company's Amended By-Laws.	
<b>Recommendation 5.3</b>			



1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, independent directors should serve for a maximum cumulative term of nine (9) years, after which the independent director should be perpetually barred from re-election as such in the Company but may continue to qualify for nomination and election as a non-independent director. In the event that the Company wants to retain an independent director who has served for nine years in such capacity, there must be meritorious grounds and stockholders' approval should be obtained.  For information on the number of years that the Company's independent directors have served in such capacity in the Company, please see the Company's Annual Report for the year ended 31 December 2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	<b>Compliant</b>		
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	<b>Compliant</b>		
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	<b>Non-Compliant</b>		The incumbent Chairman and President/CEO of the Company is Mr. Antonio L. Tiu.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	<b>Compliant</b>	Please see the Company's Amended By-Laws and Revised Manual on Corporate Governance.	
<b>Recommendation 5.5</b>			

<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, if the positions of Chairman and CEO are unified, the Board of Directors should designate a lead director among the independent directors with sufficient authority to lead the Board of Directors in cases where there are conflicts of interest.</p>	
<p><b>Recommendation 5.6</b></p>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p><b>Compliant</b></p>	<p>Aside from applying pertinent provisions of the Corporation Code regarding RPT, specifically Sections 31 to 34 which prohibit self-dealing and conflicts of interest of directors and officers, to ensure that the Company does not engage in abusive RPTs, the Company's Revised Manual on Corporate Governance is replete with provisions on conflict of interest such as RPTs, good board governance, and norms of conduct of fair business transactions with other corporations.</p>	
<p><b>Recommendation 5.7</b></p>			
<p>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.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, the non-executive directors should have separate periodic meetings with the external auditor and heads</p>	

2. The meetings are chaired by the lead independent director.	<b>Compliant</b>	of the internal audit, compliance, and risk functions without any executive directors present to ensure that proper checks and balances are in place within the Company. The meetings should be chaired by the lead independent director.	
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**Optional: Principle 5**

1. None of the directors is a former CEO of the company in the past 2 years.			
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**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.	<b>Non-Compliant</b>		Under the Company's Revised Manual on Corporate Governance, the Board of Directors may create an internal self-rating system that can measure the performance of the Board of Directors, board committees, and the Management Team led by the Chairman and President/CEO in accordance with the criteria provided in the Code of Corporate Governance for Publicly Listed Companies. Every three (3) years, the assessment should be supported by an external facilitator.  There was no written/formal assessment due to minimal operations of the Company in the last three (3) years.
2. The Chairman conducts a self-assessment of his performance.	<b>Non-Compliant</b>		
3. The individual members conduct a self-assessment of their performance.	<b>Non-Compliant</b>		
4. Each committee conducts a self-assessment of its performance.	<b>Non-Compliant</b>		
5. Every three years, the assessments are supported by an external facilitator.	<b>Non-Compliant</b>		

**Recommendation 6.2**

<p>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.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised manual on Corporate Governance, the Board of Directors may create an internal self-rating system that can measure the performance of the Board of Directors, board committees, and the Management Team led by the Chairman and President/CEO in accordance with the criteria provided in the Code of Corporate Governance for Publicly Listed Companies. Every three (3) years, the assessment should be supported by an external facilitator.</p> <p>It is the Corporate Governance Committee that oversees the periodic evaluation of the Board of Directors and its committees as well as the Management Team and conducts an annual self-evaluation of its performance.</p>	
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<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p><b>Compliant</b></p>	<p>The Company has set-up communication channels that promote effective communication with its shareholders and the investing community. Aside from the regular reporting and disclosures to the various regulating agencies such as the SEC and PSE, the Company actively maintains its website that provides timely information updates on its governance, operational, and financial performance. The Company has also designated relations officers to handle investor and shareholder queries and requests, and their contact information can easily be accessed through the Company's website.</p> <p>Mr. Kenneth S. Tan is in-charge of the investor relations program of the Company. He can be contacted through the Company's telephone number: (02) 997-5184.</p>	
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**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**

<p>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.</p>	<p><b>Non-Compliant</b></p>		<p>Under the Company's Revised Manual on Corporate Governance, it is the duty of the Board of Directors to adopt a Code of Business Conduct and Ethics that would provide standards for professional and ethical behavior as well as articulate</p>
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2. The Code is properly disseminated to the Board, senior management and employees.	<b>Non-Compliant</b>		acceptable and unacceptable conduct and practices in internal and external dealings. It shall be the responsibility of the Board of Directors to ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.
3. The Code is disclosed and made available to the public through the company website.	<b>Non-Compliant</b>		<p>The Company is in the process of formulating a Code of Business Conduct and Ethics that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p>
<b>Supplement to Recommendation 7.1</b>			

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p><b>Non-Compliant</b></p>		<p>Under the Company's Revised Manual on Corporate Governance, it is the duty of the Board of Directors to adopt a Code of Conduct that includes an anti-corruption policy and program. The Company is in the process of formulating a Code of Conduct with an anti-corruption policy and program that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p> <p>In any case, the Company does not condone any dishonest, unethical, or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p>
<p><b>Recommendation 7.2</b></p>			

<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p><b>Non-Compliant</b></p>		<p>Under the Company's Revised Manual on Corporate Governance, it shall be the responsibility of the Board of Directors to ensure the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>The Company is in the process of formulating a Code of Business Conduct and Ethics that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p> <p>The following are required to comply with the Code of Business Conduct and Ethics: (i) the Board of Directors, (ii) the Management Team, and (iii) the employees.</p>
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, it shall be the responsibility of the Board of Directors to ensure the proper and efficient implementation and monitoring of compliance with internal policies.</p>	

**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.	<b>Compliant</b>	Please see the Company's Revised Manual on Corporate Governance, Annual Report for the year ended 31 December 2017, and Definitive Information Statement dated 24 November 2017.	
<b>Supplement to Recommendations 8.1</b>			
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.	<b>Non-Compliant</b>		The Company submits its Annual and Quarterly Audited Financial Statements in accordance with the relevant SEC Memorandum Circulars.
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.	<b>Compliant</b>	Please see Part III – Control and Compensation Information on pages 18-26 of the Annual Report for the year ended 31 December 2017.	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	<b>Non-Compliant</b>		The Company adopts a policy of full disclosure of material information dealings in its Revised Manual on Corporate Governance. It shall cause the filing of all

<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p><b>Non-Compliant</b></p>		<p>required information through the appropriate Exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Such information should include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, RPTs, and direct and indirect remuneration of members of the Board of Directors and the Management Team. The Board of Directors shall fully disclose all relevant and material information in individual members of the Board of Directors and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p> <p>Further, the Company fully complies with Section 23 of the Securities Regulation Code and the relevant provisions of its Implementing Rules and Regulations which require a director or an officer to file within ten (10) days after he becomes a beneficial owner, director, or officer, a statement with the SEC stating the amount of all the equity security of the Company of which he is the beneficial owner, and within ten (10) days after the close of each calendar month thereafter, if there has been a change in such ownership at the close of the calendar month. The Company also complies with the PSE Revised Disclosure Rules regarding the submission of the same reports with the PSE within five (5) trading days.</p>
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Supplement to Recommendation 8.2			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<b>Compliant</b>	<p>Information on the shareholdings of the Company's directors and officers as of 31 December 2017 can be accessed at <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=d49626a87de3e01c43ca035510b6ec2b">http://edge.pse.com.ph/openDiscViewer.do?edge_no=d49626a87de3e01c43ca035510b6ec2b</a>.</p> <p>Information on the shareholdings of the Company's top one hundred (100) stockholders as of 31 December 2017 can be accessed at <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=70ad5100a01e2fdf43ca035510b6ec2b">http://edge.pse.com.ph/openDiscViewer.do?edge_no=70ad5100a01e2fdf43ca035510b6ec2b</a>.</p> <p>A copy of the Company's conglomerate map is attached hereto as <b>Annex "F."</b></p>	
Recommendation 8.3			
<p>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.</p>	<b>Compliant</b>	<p>Please see the Company's Annual Report for the year ended 31 December 2017.</p>	
<p>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.</p>	<b>Compliant</b>		
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.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the levels of remuneration of the Company should be sufficient to be able to attract and retain the services of qualified and competent directors and officers. A portion of the remuneration of executive directors may be structured or be based on corporate and individual performance.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	<b>Compliant</b>	<p>The Company may establish formal and transparent procedures for the development of a policy on executive remuneration or determination of remuneration levels for individual directors and officers depending on the particular needs of the Company.</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	<b>Compliant</b>	The Board of Directors, committee chairmen, and members do not receive compensation or director's fees. However, effective January 2012, the members of the Board of Directors are entitled to reimbursement of actual transportation expenses for attendance to any regular or special meeting. Please see the Company's Annual Report for the year ended 31 December 2017.	

**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.	<b>Compliant</b>	The Company's RPT policies are disclosed in its Revised Manual on Corporate Governance. Further, the Company applies the pertinent provisions of the Corporation Code regarding RPT, specifically Sections 31 to 34 which prohibit self-dealing and conflicts of interest of directors and officers, to ensure that the Company does not engage in abusive RPTs and insider trading, and that all its transactions are conducted on an arm's length basis.  There were no RPTs in 2017.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	<b>Compliant</b>		
<b>Supplement to Recommendation 8.5</b>			

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p><b>Compliant</b></p>	<p>The Company adopts a policy of full disclosure of material information dealings in its Revised Manual on Corporate Governance. It shall cause the filing of all required information through the appropriate exchange mechanisms for listed companies and submissions to the SEC for the interest of its stockholders and other stakeholders. Such information should include, among others, earnings results, acquisition or disposition of assets, off-balance sheet transactions, RPTs, and direct and indirect remuneration of members of the Board of Directors and the Management Team. The Board of Directors shall fully disclose all relevant and material information in individual members of the Board of Directors and key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>	
<p><b>Optional: Recommendation 8.5</b></p>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>			
<p><b>Recommendation 8.6</b></p>			

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.	<b>Compliant</b>	The Company submits timely reports on material facts or transactions in the forms prescribed by the SEC and PSE.  Please see also the Company's Annual Report for the year ended 31 December 2017 and Audited Financial Statements for the fiscal year ended 31 December 2017.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	<b>Compliant</b>	The Company has not approved any acquisition or disposal of assets in 2017.	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	<b>Compliant</b>	Please see the Company's Annual report for the year ended 31 December 2017.  The Company did not take part in any such agreements in 2017.	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	<b>Compliant</b>	Please refer to the Company's Revised Manual on Corporate Governance dated 31 May 2017, which can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .	
2. Company's MCG is submitted to the SEC and PSE.	<b>Compliant</b>		
3. Company's MCG is posted on its company website.	<b>Compliant</b>		
<b>Supplement to Recommendation 8.7</b>			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	<b>Compliant</b>	Please refer to the Company's Revised Manual on Corporate Governance dated 31 May 2017 attached to the submission, which can be accessed through the following links: (i) <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> , and (ii) <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=265866e12528f9f63318251c9257320d">http://edge.pse.com.ph/openDiscViewer.do?edge_no=265866e12528f9f63318251c9257320d</a> .	
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**Optional: Principle 8**

1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			



2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			

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

**Recommendation 9.1**

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the Audit Committee performs the following functions in relation to the	
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<p>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.</p>	<p><b>Compliant</b></p>	<p>Company's external auditor: (i) perform oversight functions over the Company's internal and external auditors and ensure that the internal and external auditors act independently from each other to enable them to perform their respective audit functions; (ii) prior to the commencement of the audit, discuss with the external auditor the nature, scope, and expenses of the audit; and (iii) evaluate and determine the non-audit work, if any, of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Company's overall consultancy expenses.</p> <p>During the Annual Stockholders' Meeting held on 20 December 2017, at least two-thirds (2/3) of the stockholders present thereat, either in person or proxy, approved the delegation of the appointment of the Company's external auditor for the fiscal year ended 31 December 2017 to the Board of Directors. Upon recommendation of the Audit Committee, the Board of Directors unanimously appointed Constantino Guadalquiver &amp; Co. as the Company's external auditor for the fiscal year ended 31 December 2017.</p>	
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<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p><b>Compliant</b></p>	<p>Please see PSE Form 4-9 uploaded by the Company on 22 March 2018, which can be accessed at <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=92d716c2bb61c62a43ca035510b6ec2b">http://edge.pse.com.ph/openDiscViewer.do?edge_no=92d716c2bb61c62a43ca035510b6ec2b</a>.</p>	
<p><b>Supplement to Recommendation 9.1</b></p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p><b>Compliant</b></p>	<p>According to Article 6(A)(v) of the Company's Revised Manual on Corporate Governance, the external auditor should be rotated or changed every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Company should be changed with the same frequency.</p>	
<p><b>Recommendation 9.2</b></p>			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<p><b>Non-Compliant</b></p>		<p>The Company is in the process of formulating an Audit Committee Charter that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p> <p>Under the Company's Revised Manual on Corporate Governance, the Audit Committee performs oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all</p>

<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p><b>Non-Compliant</b></p>		<p>records, properties, and personnel to enable them to perform their respective functions. Further, prior to the commencement of any audit, it is the Audit Committee's duty to discuss with the external auditor the nature, scope, and expenses of the audit, and to ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The Audit Committee shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.</p>
<p><b>Supplement to Recommendations 9.2</b></p>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, the Audit Committee performs oversight functions over the Company's internal and external auditors. It should ensure that the internal and external auditors act</p>	

<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p><b>Compliant</b></p>	<p>independently from each other and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their respective functions. Further, prior to the commencement of any audit, it is the Audit Committee's duty to discuss with the external auditor the nature, scope, and expenses of the audit, and to ensure proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts. The Audit Committee shall provide an objective assurance on the manner by which the financial statements shall be prepared and presented to the stockholders.</p> <p>The Company is in the process of formulating an Audit Committee Charter that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p>	
<p><b>Recommendation 9.3</b></p>			
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p><b>Compliant</b></p>	<p>Please see the Company's Annual Report for the year ended 31 December 2017.</p>	

<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Revised Manual on Corporate Governance, the external auditor shall not, at the same time, provide internal audit services to the Company. Non-audit work may be given to the external auditor provided it does not conflict with his duties as an independent auditor or does not pose a threat to independence.</p>	
<p><b>Supplement to Recommendation 9.3</b></p>			
<p>Fees paid for non-audit services do not outweigh the fees paid for audit services.</p>	<p><b>Compliant</b></p>	<p>The external auditor did not perform non-audit services for the Company in 2017.</p>	
<p><b>Additional Recommendation to Principle 9</b></p>			

<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p><b>Compliant</b></p>	<p>Pertinent information on the Company's external auditor are as follows:</p> <ol style="list-style-type: none"> <li>1. Name of the Audit Engagement Partner:  <b>Mr. Rogelio M. Guadalquiver</b></li> <li>2. Accreditation Number:  <b>Group: SEC Accreditation No. 004-FR-4 (Group A)</b>  <b>Individual: SEC Accreditation No. 0017-AR-3 (Group A)</b></li> <li>3. Date Accredited:  <b>Group: 8 December 2017</b>  <b>Individual: 30 April 2015</b></li> <li>4. Expiry Date of Accreditation:  <b>Group: 7 December 2020</b>  <b>Individual: 30 May 2018</b></li> <li>5. Name, Address, and Contact Number of the Audit Firm:  <b>Constantino Guadalquiver &amp; Co., 22<sup>nd</sup> Floor, Citibank Tower, 8741 Paseo de Roxas, Salcedo Village, Makati City, Philippines 1226</b> <b>Phone No.: +63 (2) 848-1051</b> <b>Fax No.: +63 (2) 728-1014</b></li> </ol>	
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2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	<b>Compliant</b>	The Company was advised by its external auditor, Constantino Guadalquiver & Co., that it has yet to be subjected by the SEC to the SEC Oversight Assurance Review Inspection Program conducted by the SEC's Office of the General Accountant.	
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**Principle 10:** The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

**Recommendation 10.1**

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	<b>Non-Compliant</b>		Due to minimal operations and requirements of the Company, there is no clear and focused policy on the disclosure of non-financial information. The same will be implemented when the needs of the Company require so.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	<b>Non-Compliant</b>		

**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.	<b>Compliant</b>	Please refer to the Company's website which can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .  The Company also regularly submits both structured and unstructured reports with the SEC and PSE ( <a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=132#viewer">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=132#viewer</a> ).	
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	<b>Compliant</b>	Please refer to the Company's website which can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .	
a. Financial statements/reports (latest quarterly)	<b>Compliant</b>		
b. Materials provided in briefings to analysts and media	<b>Compliant</b>		
c. Downloadable annual report	<b>Compliant</b>		
d. Notice of ASM and/or SSM	<b>Compliant</b>		
e. Minutes of ASM and/or SSM	<b>Non-Compliant</b>		The minutes of stockholders' meetings are not available from the Company's website. However, they are made available upon request. Also, the results of stockholders' meetings are immediately disclosed to the SEC and PSE.
f. Company's Articles of Incorporation and By-Laws	<b>Compliant</b>	Please refer to the Company's website which can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .	

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.	<b>Compliant</b>	Please refer to the Company's website which can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .	
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**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.	<b>Compliant</b>	The control environment of the Company consists of (i) the Board of Directors which ensures that the Company is properly and effectively managed and supervised; (ii) a Management that actively manages and operates the Company in a sound and prudent manner; (iii) the organizational and procedural controls supported by effective management information and risk management reporting systems; and (iv) an independent audit mechanism to monitor the adequacy and effectiveness of the Company's governance, operations, and information systems, including the reliability and integrity of financial and operational information, the effectiveness and efficiency of operations, the safeguarding of assets, and compliance with laws, rules, regulations, and contracts.	
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	<b>Non-Compliant</b>		Due to minimal operations and requirements of the Company, a framework for enterprise risk management is provided in the Company's Revised Manual on Corporate Governance, but the same is not yet implemented. The same will be implemented when the needs of the Company require so.
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	<b>Non-Compliant</b>		Due to minimal operations and requirements of the Company, a program covering compliance with laws and relevant regulations is provided in the Company's Revised Manual on Corporate Governance, but the same is not yet implemented. The same will be implemented when the needs of the Company require so.
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	<b>Compliant</b>	The internal audit is conducted in-house.	

**Recommendation 12.3**

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p><b>Non-Compliant</b></p>		<p>Due to minimal operations and requirements, the Board of Directors has not appointed a Chief Audit Executive for the Company.</p>
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p><b>Non-Compliant</b></p>		<p>Due to minimal operations and requirements, the Board of Directors has not appointed a Chief Audit Executive for the Company.</p> <p>Under the Company's Revised Manual on Corporate Governance, it is the Audit Committee that performs oversight functions over the Company's internal and external auditors and reviews reports submitted by them. Further, it is responsible for reviewing the Company's annual internal audit plan to ensure its conformity with the Company's objectives and for monitoring and evaluating the adequacy and effectiveness of the Company's internal control systems, including financial reporting control and information technology security. Finally, it is the Audit Committee that establishes and identifies the reporting line of the internal auditor to enable the latter to properly fulfill his duties and responsibilities.</p>

3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	<b>Non-Compliant</b>		The Company has not outsourced its internal audit activities.
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the Audit Committee performs risk oversight functions. In the performance of its risk oversight functions, the Audit Committee must, among others, (i) oversee the implementation of the Company's enterprise risk management plan; (ii) evaluate the relevance, comprehensiveness, and effectiveness of the same; (iii) advise the Board of Directors on the Company's risk appetite levels and risk tolerance limits; and (iv) assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence.	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	<b>Non-Compliant</b>		The Company has not sought any external technical support as such need has not arisen.
<b>Recommendation 12.5</b>			

1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	<b>Non-Compliant</b>		Due to minimal operations and requirements, the Board of Directors has not appointed a Chief Risk Officer for the Company.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	<b>Non-Compliant</b>		Under the Company's Revised Manual on Corporate Governance, the Audit Committee performs risk oversight functions. In the performance of its risk oversight functions, the Audit Committee must, among others, (i) oversee the implementation of the Company's enterprise risk management plan; (ii) evaluate the relevance, comprehensiveness, and effectiveness of the same; (iii) advise the Board of Directors on the Company's risk appetite levels and risk tolerance limits; and (iv) assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence.

**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.	<b>Compliant</b>	Please see the Company's Annual Corporate Governance Report dated 29 May 2017.	
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**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.	<b>Compliant</b>	Please see Article 7 on pages 25 and 26 of the Company's Revised Manual on Corporate Governance dated 31 May 2017.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	<b>Compliant</b>	The Company's website can be accessed at <a href="http://www.ghi.com.ph">www.ghi.com.ph</a> .	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	<b>Compliant</b>	Please see Item 4 on "Voting Securities and Principal Holders Thereof" on pages 3 and 4 of the Company's Information Statement dated 24 November 2017.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	<b>Compliant</b>	The Company has (i) common and (ii) preferred shares. Holders of both common and preferred shares have the right to vote and be voted for in the Company.  For more information on the rights and privileges attached to the Company's common and preferred shares, please see its Amended Articles of Incorporation.	

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p><b>Compliant</b></p>	<p>Please see Item 4 on “Voting Securities and Principal Holders Thereof” on pages 3 and 4 of the Company’s Information Statement dated 24 November 2017 for the voting procedure during stockholders’ meetings. The Information Statement can be accessed at <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=b8c6ef7a1b59056e3318251c9257320d">http://edge.pse.com.ph/openDiscViewer.do?edge_no=b8c6ef7a1b59056e3318251c9257320d</a>.</p> <p>Each outstanding common stock shall be entitled to one (1) vote. The votes shall be counted by a show of hands or, upon motion duly made and seconded, by secret ballot.</p>	
<p>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.</p>	<p><b>Compliant</b></p>	<p>The Company complies with voting requirements under its Amended Articles of Incorporation, Amended By-Laws, the Corporation Code, and other applicable laws, rules, and regulations.</p>	



<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p><b>Compliant</b></p>	<p>Under the Company's Amended By-Laws, special meetings of stockholders, for any purpose or purposes, may at any time be called by any of the following: (i) the Board of Directors, at its own instance or at the written request of stockholders representing a majority of the outstanding capital stock, and (ii) the President.</p> <p>There was no instance in 2017 where a stockholder called a special stockholders' meeting and submitted a proposal for consideration or agenda item at a regular or special stockholders' meeting.</p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p><b>Compliant</b></p>	<p>Please see the Company's Revised Manual on Corporate Governance dated 31 May 2017.</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p><b>Compliant</b></p>	<p>The Company's dividend policy is stated in its Annual Report for the year ended 31 December 2017. Further, the Company complies with the relevant provisions of the Corporation Code and pertinent rules and regulations on the declaration of dividends.</p> <p>The Company did not declare dividends in 2017.</p>	

**Optional: Recommendation 13.1**

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
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**Recommendation 13.2**

<p>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.</p>	<p><b>Compliant</b></p>	<p>The Notice of Annual Meeting of Stockholders for 2017 was disclosed to stockholders via the PSE Edge website on 10 November 2017 or forty (40) days prior to the Annual Meeting of the Stockholders on 20 December 2017.</p> <p>In accordance with the Implementing Rules and Regulations of the Securities Regulation Code, the Information Statement was distributed to stockholders on 24 November 2017 or twenty-six (26) days before the Annual Meeting of the Stockholders on 20 December 2017. A copy of the Information Statement can be accessed at <a href="http://edge.pse.com.ph/openDisclosure.do?edge_no=b8c6ef7a1b59056e3318251c9257320d">http://edge.pse.com.ph/openDisclosure.do?edge_no=b8c6ef7a1b59056e3318251c9257320d</a>. The Notice of Annual Meeting of Stockholders for 2017 is attached to the Information Statement dated 24 November 2017.</p> <p>Shareholders' approval of remuneration or any changes therein were not included in the agenda of the Annual Meeting of Stockholders for 2017.</p>	
<p><b>Supplemental to Recommendation 13.2</b></p>			

1. Company's Notice of Annual Stockholders' Meeting contains the following information:		The Notice of Annual Meeting of Stockholders for 2017 is attached to the Information Statement dated 24 November 2017.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	<b>Compliant</b>		
b. Auditors seeking appointment/re-appointment	<b>Compliant</b>		
c. Proxy documents	<b>Compliant</b>		
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	<b>Compliant</b>	The results of the Annual Stockholders' Meeting for 2017 are immediately disclosed to the public through the filing of PSE Form 4-24 and SEC Form 17-C dated 20 December 2017.	

<p>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.</p>	<p><b>Non-Compliant</b></p>		<p>The minutes of stockholders' meetings are not available from the Company's website. However, they are available upon request. Also, the results of stockholders' meetings are immediately disclosed to the SEC and PSE.</p> <p>Stockholders were given the opportunity to ask questions during the Annual Stockholders' Meeting. However, no questions were asked.</p> <p>Votes cast during the Annual Stockholders' Meeting were duly taken and counted by the Assistant Corporate Secretary viva voce.</p>
<p><b>Supplement to Recommendation 13.3</b></p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p><b>Compliant</b></p>	<p>The Company's external auditor at the time, Uy Singson Abella &amp; Co., was present during the Annual Stockholders' Meeting held last 20 December 2017.</p>	
<p><b>Recommendation 13.4</b></p>			

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.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, the Board of Directors shall establish and maintain, as far as practicable, an alternative dispute resolution system in the Company that can amicably settle conflicts or differences between the Company and its stockholders, and the Company and third parties, including the regulatory authorities.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	<b>Compliant</b>	Please see page 11 of the Company's Revised Manual on Corporate Governance.	

#### Recommendation 13.5

1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	<b>Compliant</b>	Mr. Kenneth S. Tan is in-charge of the investor relations program of the Company. He can be contacted through the Company's telephone number: (02) 997-5184 or his work e-mail: <a href="mailto:kenneth.tan@ani.com.ph">kenneth.tan@ani.com.ph</a> .	
2. IRO is present at every shareholder's meeting.	<b>Compliant</b>	Mr. Kenneth S. Tan was present during the Annual Stockholders' Meeting of the Company held last 20 December 2017.	

#### 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	<b>Compliant</b>	The Company adopts a "one share, one vote" policy. Thus, minority stockholders are adequately represented in stockholder actions.  Please see the Company's Amended By-Laws and Revised Manual on Corporate Governance dated 31 May 2017.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	<b>Compliant</b>	The Company's public float currently stands at sixty-nine and 26/100 percent (69.26%).	

**Optional: Principle 13**

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			

**Duties to Stakeholders**

**Principle 14:** The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.

**Recommendation 14.1**

<p>1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p><b>Compliant</b></p>	<p>Due to minimal operations and requirements of the Company, the Company's stakeholders are limited to its stockholders.</p> <p>The Company has set-up communication channels that promote effective communication with its shareholders and the investing community.</p> <p>Mr. Kenneth S. Tan is in-charge of the investor relations program of the Company. He can be contacted through the Company's telephone number: (02) 997-5184 or his work e-mail: <a href="mailto:kenneth.tan@ani.com.ph">kenneth.tan@ani.com.ph</a>.</p>	
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**Recommendation 14.2**

<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p><b>Non-Compliant</b></p>		<p>Due to minimal operations and requirements of the Company, there is no formal policy that provides a mechanism for the fair treatment and protection of stakeholders. However, under the Company's Revised Manual on Corporate Governance, the Board of Directors should take appropriate steps to promote the rights of stockholders, remove impediments to the exercise of those rights, and provide an adequate avenue for them to seek timely redress for breach of their rights.</p>
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**Recommendation 14.3**

<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p><b>Compliant</b></p>	<p>Stakeholders can voice their concerns and/or complaints for possible violations of their rights to Mr. Kenneth S. Tan who is in-charge of the investor relations program of the Company. He can be contacted through the Company's telephone number: (02) 997-5184 or his work e-mail: <a href="mailto:kenneth.tan@ani.com.ph">kenneth.tan@ani.com.ph</a>.</p> <p>Please see the Company's Revised Manual on Corporate Governance dated 31 May 2017.</p>	
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**Supplement to Recommendation 14.3**

<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	<p><b>Non-Compliant</b></p>		<p>Due to minimal operations and requirements of the Company, an alternative dispute resolution system is provided in the Company's Revised Manual on Corporate Governance, but the same is not yet implemented. The same will be implemented when the needs of the Company require so.</p>
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**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.	<b>Compliant</b>	No such requests for exemption were made in 2017.	
2. Company respects intellectual property rights.	<b>Compliant</b>	Under the Company's Revised Manual on Corporate Governance, directors, officers, and employees shall use company property and resources, including company time, supplies, and software, efficiently, responsibly and only for legitimate business purposes. They shall safeguard company assets from loss, damage, misuse, or theft, and shall respect intellectual property rights.	

**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**

<p>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.</p>	<p><b>Non-Compliant</b></p>		<p>The Company only has one (1) employee. Such policies, programs, and procedures will be implemented when the needs of the Company require so.</p> <p>Nonetheless, the Company has been providing and maintaining a work environment that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>
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**Supplement to Recommendation 15.1**

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p><b>Compliant</b></p>	<p>The Company adopts a performance management system that allows for the objective assessment of an individual's performance and development needs. The evaluation shall be conducted regularly, and the results of which shall be the basis for the Company's compensation and rewards system, promotions policy, training and development, and succession planning programs.</p>	
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<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p><b>Compliant</b></p>	<p>The Company is committed in providing and maintaining a safe, secure, and healthy work environment.</p> <p>Employees are urged to report to their immediate superior accidents or any condition or practice which is unsafe, whether or not these result in personal injury or no matter how minor they might seem to be.</p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p><b>Compliant</b></p>	<p>The Company only has one (1) employee. Nonetheless, new employees are given orientation on the Company's policies and procedures and made to undergo basic training.</p>	
<p><b>Recommendation 15.2</b></p>			

<p>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.</p>	<p><b>Non-Compliant</b></p>		<p>Under the Company's Revised Manual on Corporate Governance, it is the duty of the Board of Directors to adopt a Code of Conduct that includes an anti-corruption policy and program. The Company is in the process of formulating a Code of Conduct with an anti-corruption policy and program that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p> <p>In any case, the Company does not condone any dishonest, unethical, or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p>
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.</p>	<p><b>Compliant</b></p>	<p>Considering that the Company only has one (1) employee, the employee is embedded in the company culture through on-the-job training.</p>	
<p><b>Supplement to Recommendation 15.2</b></p>			

<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p><b>Non-Compliant</b></p>		<p>Under the Company's Revised Manual on Corporate Governance, it is the duty of the Board of Directors to adopt a Code of Conduct that includes an anti-corruption policy and program. The Company is in the process of formulating a Code of Conduct with an anti-corruption policy and program that is consistent with the Code of Corporate Governance for Publicly Listed Companies.</p> <p>In any case, the Company does not condone any dishonest, unethical, or unprofessional behavior and actions displayed by an employee, regardless of his/her level of authority.</p> <p>It is the responsibility of each employee to report legitimate concerns so that issues can be properly investigated or resolved and corrective measures can be instituted.</p>
<p><b>Recommendation 15.3</b></p>			
<p>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</p>	<p><b>Non-Compliant</b></p>		<p>Due to minimal operations and requirements of the Company, a whistleblowing policy is provided in the Company's Revised Manual on Corporate Governance, but the same is not yet implemented. The same will be implemented when the needs of the Company require so.</p>
<p>2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.</p>	<p><b>Non-Compliant</b></p>		

3. Board supervises and ensures the enforcement of the whistleblowing framework.	<b>Non-Compliant</b>		There have been no whistleblowing incidents in 2017.
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	<b>Non-Compliant</b>		The Company did not participate in any community involvement and environment-related programs in 2017. However, in the future, the Company intends to engage in activities that recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business while contributing to the advancement of the society where it operates.
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates			

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the Company by the undersigned, thereunto duly authorized, in the City of Makati on 18 May 2018.

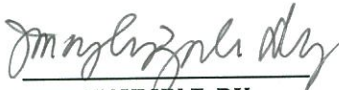
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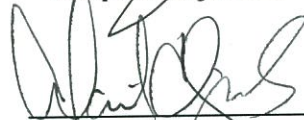
**ANTONIO L. TIU**  
President and Chief Executive Officer



**HONORIO T. TAN**  
Independent Director



**MAYLYN Z. DY**  
Independent Director



**MARTIN C. SUBIDO**  
Corporate Secretary and Corporate Information  
and Compliance Officer

**18 MAY 2018**

**SUBSCRIBED AND SWORN** to before me this \_\_\_ day of May 2018, affiants appeared and exhibited to me their competent evidence of identity, bearing their respective photographs and signatures, to wit:

<b>Names</b>	<b>Competent Evidence of Identity</b>	<b>Expiration Date &amp; Place of Issue</b>
Antonio L. Tiu	Passport No. EC0183286	Valid until 30 January 2019; issued at the DFA-Manila
Honorio T. Tan	Passport No. EB9100896	Valid until 8 September 2018; issued at the DFA-Manila
Maylyn Z. Dy	Passport No. EC1463816	Valid until 22 June 2019; issued by the DFA
Martin C. Subido	Passport No. EC1674951	Valid until 20 July 2019; issued at the DFA-Manila

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Series of 2018: X



**ATTY. LUIS M. DE VERA**  
Notary Public, Until Dec. 31, 2019  
PTR No. 5520351 / 1 / 03/2018  
IBP No. 019124 / 12 / 20 / 2017  
Roll No. 20761  
SanMCLE No. 0009542 / 04/14/2016  
TIN No. 218-145-247



**ANNEX “A”****Attendance of Directors in Stockholders’ and Board of Directors Meetings**

<b>Board</b>	<b>Name</b>	<b>Date of Election<sup>1</sup></b>	<b>No. of Meetings Held During the Year</b>	<b>No. of Meetings Attended</b>
Chairman	Antonio L. Tiu	15 December 2016	9	9
Member	Kenneth S. Tan	15 December 2016	9	9
Member	Martin C. Subido	15 December 2016	9	9
Member	Paula Katrina L. Nora	15 December 2016	9	9
Member	Lisette M. Arboleda	15 December 2016	9	9
Member	Antonio Peter R. Galvez	15 December 2016	9	7
Member	Ma. Pamela Grace C. Muhi	15 December 2016	9	9
Member	James L. Tiu	15 December 2016	9	4
Member	Yang Chung Ming	15 December 2016	9	5
Independent	Honorio T. Tan	15 December 2016	9	2
Independent	Maylyn Z. Dy	15 December 2016	9	7

<sup>1</sup> All of the directors enumerated herein were re-elected as directors during the Company's Annual Stockholders' Meeting held on 20 December 2017.  
SEC Form – I-ACGR \* Updated 21Dec2017

**ANNEX “B”**  
**Directorships of Company’s Directors in Other Corporations**

Director	Corporation	Type of Directorship
Antonio L. Tiu	<ol style="list-style-type: none"> <li>1. Total Waste Management Recovery System, Inc.</li> <li>2. Winsun Green Ventures, Inc.</li> <li>3. Isabela AlcoGas Corporation</li> <li>4. Sunchamp Real Estate Development Corp.</li> <li>5. Agrinurture Development Holdings Inc.</li> <li>6. Lite Speed technologies, Inc.</li> <li>7. AgriNurture, Inc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Non-Executive, Chairman</li> <li>2. Executive, Chairman</li> <li>3. Executive, Chairman</li> <li>4. Executive, Chairman</li> <li>5. Executive, Chairman</li> <li>6. Non-Executive, Chairman</li> <li>7. Executive, Chairman</li> </ol>
Martin C. Subido	<ol style="list-style-type: none"> <li>1. Total Waste Management Recovery System, Inc.</li> <li>2. Winsun Green Ventures, Inc.</li> <li>3. Isabela AlcoGas Corporation</li> <li>4. Sunchamp Real Estate Development Corp.</li> <li>5. Agrinurture Development Holdings Inc.</li> <li>6. Lite Speed Technologies, Inc.</li> <li>7. AgriNurture, Inc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Executive, Member</li> <li>2. Executive, Member</li> <li>3. Executive, Member</li> <li>4. Executive, Member</li> <li>5. Executive, Member</li> <li>6. Executive, Member</li> <li>7. Non-Executive, Member</li> </ol>
Kenneth S. Tan	<ol style="list-style-type: none"> <li>1. Total Waste Management Recovery System, Inc.</li> <li>2. Winsun Green Ventures, Inc.</li> <li>3. Sunchamp Real Estate Development Corp.</li> <li>4. Agrinurture Development Holdings Inc.</li> <li>5. Lite Speed Technologies, Inc.</li> </ol>	<ol style="list-style-type: none"> <li>1. Non-Executive, Member</li> <li>2. Non-Executive, Member</li> <li>3. Executive, Member</li> <li>4. Executive, Member</li> <li>5. Executive, Member</li> </ol>

	6. AgriNurture, Inc.	6. Executive, Member
Paula Katrina L. Nora	1. Winsun Green Ventures, Inc. 2. Sunchamp Real Estate Development Corp. 3. Agrinurture Development Holdings Inc.	1. Executive, Member 2. Executive, Member 3. Executive, Member
Lisette M. Arboleda	1. Agrinurture Development Holdings Inc. 2. AgriNurture, Inc.	1. Non-Executive, Member 2. Executive, Member
Ma. Pamela Grace C. Muhi	Isabela Alcogas Corporation	Executive, Member
Antonio R. Galvez	AgriNurture, Inc.	Non-Executive, Member
Yang Chung Ming	AgriNurture, Inc.	Non-Executive, Member
James L. Tiu	AgriNurture, Inc.	Non-Executive, Member
Honorio T. Tan	1. BEAM Marketing Enterprises, Inc. 2. YMCA of the Philippines 3. Manila Downtown YMCA 4. Moringaling Philippine Foundation Inc. 5. Agricultural Bank of the Philippines	1. Non-Executive, Chairman 2. Executive, Member 3. Executive, Member 4. Non-Executive, Chairman 5. Non-Executive, Independent
Maylyn Z. Dy	1. Woodside Properties & Land Corp. 2. VitaMaxx Realty 3. Vita Homes 4. North East Dialysis Center	1. Executive, Member 2. Non-Executive, Member 3. Executive, Member 4. Executive, Member

**ANNEX "C"**  
**Company's Conglomerate Map**

