



SECURITIES AND EXCHANGE COMMISSION

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification Number **19073** 3. BIR Tax Identification No. **000-288-698-000**
4. Exact name of issuer as specified in its charter **FIRST PHILIPPINE HOLDINGS CORPORATION**
5. **Metro Manila, Philippines** (SEC Use Only)
Province, Country or other jurisdiction of Industry Classification Code:
incorporation or organization
7. **6th Flr., Rockwell Business Center Tower 3**
Ortigas Avenue, Pasig City **1604**
Address of principal office Postal Code
8. **2-6318024 or 2-555-8000**
Issuer's telephone number, including area code
9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT ¹			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: <ol style="list-style-type: none"> 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance 	The background, experience or expertise of each board member is stated in pages 7 to 13 of the Definitive Information Statement. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf The Integrated Report (page 107) also has a chart of the Board's collective working knowledge, experience or expertise. https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf
2. Board has an appropriate mix of	Compliant		The competence and expertise of each

¹ The report has been prepared to the best of the undersigned signatories' knowledge, information and belief. Where applicable, it makes reference to the updated policies, issuances and information which were already in place as of the covered reporting date. Any changes from the previous submissions are due to updates or are a result of a re-examination of the previous responses.

competence and expertise.			board member is stated in pages 7 to 13 of the Definitive Information Statement. Their breadth of experience encompasses management, operations, law, government service and insurance, among others. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
3. Directors remain qualified for their positions individually and collectively to enable them to fulfil their roles and responsibilities and respond to the needs of the organization.	Compliant		The qualifications for a director are listed in the Manual for Corporate Governance. https://fphc.com/corporategovernance/amended-manual-of-corporate-governance The background of each board director is provided in the Definitive Information Statement. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	The Corporation currently has eleven (11) non-executive directors out of fifteen (15) directors, comprising a majority. http://www.fphc.com/gettoknow/board-of-directors/ https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf

Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.	<p>Previously, FPH's Manual for Corporate Governance served as its Board Charter. In 2019, FPH separately issued a Board Charter. Specifically in Section 2(j) it provides the policy for the trainings of the directors. This is also mirrored in FPH's Manual for Corporate Governance. Training opportunities for existing and potential directors should be identified by the Corporation and appropriate development or action undertaken on at least an annual basis. The annual trainings shall serve to ensure that the directors are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Corporation.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. Company has an orientation program for first time directors.	Compliant		<p>Under Section 2(j) of the Board Charter and Section 19 of the Manual, new directors should be familiarized with the Corporation's operations, Senior Management and its business environment and be inducted in terms of their fiduciary duties and responsibilities as well as in respect of the Board's</p>

			<p>expectations, and the Corporate Code of Conduct and Ethics. New directors shall likewise be given an orientation on matters and topics mandated by the SEC on corporate governance. If new directors have no board experience, they should receive an orientation in their unaccustomed responsibility.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
3. Company has relevant annual continuing training for all directors.	Compliant		<p>The Corporation regularly submits to the SEC photocopies of the certificates of attendance of directors who attended annual continuing training for all directors. In 2019, majority of the directors attended the Annual Corporate Governance Training Program conducted by the Institute of Corporate Directors on September 6, 2019. For some directors, they underwent training under other accredited providers.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/LT-SECAAttendance-in-CG-Training-2-6-2.pdf</p>
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document	In 2019, FPH issued a Board Diversity Policy, which endeavours to create a

		<p>containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p>	<p>Board that is diverse in terms of gender, age, ethnicity, culture, skills, competence and knowledge. The Corporation recognizes human capital as its most valuable asset, and is committed to fostering, cultivating, and preserving a culture of diversity and inclusivity on all levels.</p> <p>The selection and retention of the appropriate director shall consider the following criteria, but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, and length of service. In addition, the Corporation endeavours to have at least one female (1) director, as well as a mix of professionals, executives and managers with the experience in commercial transactions, governance, risk, audit, finance and the law.</p> <p>Ultimately, all appointments will be based on merit, ensuring diversity and equality and the possible contributions that the selected candidates will bring to the Board in respect of the Corporation's objectives and the long-term best interest of its stakeholders.</p> <p>https://www.fphc.com/downloads/FPH-Board-Diversity-Policy.pdf</p>
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			<p>In addition, the Manual also emphasizes the need for diversity within the Board:</p> <p>Section 4.1, last paragraph:</p> <p>"In addition, the Corporation should endeavour to have a Board that has diversity in terms of gender, age, ethnicity, culture, skills, competence and knowledge."</p> <p>To date, the Corporation has two (2) female directors. The board's composition shows diverse age groups and backgrounds, from legal to commercial.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p> <p>In December 19, 2018, the Corporation issued a Gender Equality and Diversity Policy which also applies to all units of the Corporation, including the Board of Directors.</p> <p>https://www.fphc.com/downloads/FPH-Gender-Equality-and-Diversity-Policy.pdf</p>
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			<p>At present, FPH's Board has two (2) female directors while the rest are male.</p> <p>https://fphc.com/gettoknow/board-of-directors</p>
Optional: Recommendation 1.4			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	Compliant	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p>	<p>The Board Diversity Policy states the general criteria that can be used in the selection and retention of directors, such as, but not limited to, gender, age, cultural and educational background, ethnicity, professional experience, skills and knowledge, length of service.</p> <p>https://www.fphc.com/downloads/FPH-Board-Diversity-Policy.pdf</p> <p>In addition, the Manual provides on the Board's diversity policy:</p> <p>Section 4.1, last paragraph:</p> <p>"In addition, the Corporation should endeavour to have a Board that has diversity in terms of gender, age, ethnicity, culture, skills, competence and knowledge."</p> <p>To date, the Corporation has two (2) female directors and its board is composed of directors of differing age groups, culture, educational background and skills, among others.</p>

			https://www.fphc.com/corporategovernance/amended-manual-of-corporate-governance/?id=1 https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	<p>The Corporation has a Corporate Secretary in the person of Mr. Enrique I. Quason. The duties and responsibilities of the Corporate Secretary are likewise listed in the By-laws and the Manual.</p> <p>http://www.fphc.com/gettoknow/senior-management/</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p>
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		<p>Mr. Victor Emmanuel B. Santos, Jr., Senior Vice President, is the Corporation's Compliance Officer. The Corporate Secretary is Atty. Enrique I. Quason.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
3. Corporate Secretary is not a member of	Compliant		Mr. Enrique I. Quason, the Corporate



the Board of Directors.			Secretary, is not a member of the Board. http://www.fphc.com/gettoknow/board-of-directors/
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	The Corporate Secretary attends Corporate Governance trainings annually. The Corporation regularly submits to the SEC a photocopy of the certificate of attendance of the Corporate Secretary. In 2019, the Corporate Secretary attended the Annual Corporate Governance Training Program conducted by the Institute of Corporate Directors on September 6, 2019. https://www.fphc.com/wp-content/uploads/2014/07/LT-SECAttendance-in-CG-Training-2-6-2.pdf
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Non-compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	While board meeting materials are not provided at least five business days before the scheduled meeting, every effort is made by the Corporation to provide the materials in advance of the meeting in order to allow the directors enough time to intelligently review and prepare for the meetings. Every meeting has been a forum for the directors to post questions and discuss all relevant matters in detail. Ample time is given during the meetings to allow the directors to seek amplification or clarification on any

			matter presented before it. If so requested, the consideration of a matter can be deferred if so warranted.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	Mr. Victor Emmanuel B. Santos, Jr., Senior Vice President, is FPH's Compliance Officer. The duties and responsibilities of the Compliance Officer are listed in the Manual. http://www.fphc.com/gettoknow/senior-management/ https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		Mr. Santos is a Senior Vice President of the Corporation. http://www.fphc.com/gettoknow/board-of-directors/
3. Compliance Officer is not a member of the board.	Compliant		Mr. Santos is not a director of FPH. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	In 2019, majority of the directors and officers of the Corporation, including the Compliance Officer, attended the Annual Corporate Governance Training Program conducted by the Institute of Corporate Directors on September 6, 2019. Proof of this was submitted to the SEC.

<https://www.fphc.com/wp-content/uploads/2014/07/LT-SECAttendance-in-CG-Training-2-6-2.pdf>

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

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p>	<p>During every meeting, the directors openly discuss issues with Management. Board discussions are all reflected in the Minutes of the meetings and board decisions are properly documented in board resolutions.</p> <p>In addition, the Board adheres to transparency to all stockholders by ensuring disclosures are made to the public of all material actions taken by the Corporation.</p> <p>The Board's general and specific duties are likewise provided for in the Manual.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>And this can also be found in Article II, Section 1 of the By-laws.</p> <p>http://www.fphc.com/gettoknow/amen</p>
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		<p>ded-by-laws/?id=1</p> <p>A number of items were passed upon on a collegial basis by the Board and were disclosed to the Exchange, such as: (a) the election of directors and appointment of corporate officers; (b) membership in the relevant committees such as the Executive Committee; (c) designation of authorized signatories; (d) re-assignment of an officer and the appointment of her replacement; (e) share buyback transactions; (f) the approval of the audited financial statements for the calendar year ended Dec. 31, 2019; (g) the board approval on the declaration of cash dividends to all Series C Preferred shareholders and common shareholders; (h) the delisting of Series B Preferred Shares; (i) the additional budget of P750 Million for the common shares buyback program; (j) the additional allotment of P5 Billion for the common shares buyback program; (k) the appropriation of retained earnings; and (l) the sale of the Corporation's 25% stake in MHE-Demag (P), Inc.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
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<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	<p>Part of the Board responsibilities include review and guidance of corporate strategy and major plans of action. Further, the Board is tasked to provide sound strategic policies and guidelines to the Corporation on major capital expenditures (Section 4.3 b and q, Manual).</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>As far as strategies are concerned, these are annually reviewed during the Board retreat. For 2019, this was conducted last October 3, 2019.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>Compliant</p>		<p>During board meetings, Senior Management makes reports on current operations and other developments. The board takes an active role in posing questions and suggesting alternative courses of action. It examines risks and possible mitigants. As stated in the Manual, the Board has the duty and responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with corporate objectives and fiduciary responsibility.</p> <p>The Corporation also conducts annual strategic sessions with Management and</p>

			<p>members of the Board. In 2019, it had its annual group wide budget conference. The annual board retreat was also held on October 3, 2019. Both provide an opportunity to go over strategies and the possibility of harmonizing common objectives.</p> <p>The minutes will reflect how major corporate actions have been approved or ratified by the Board. Moreover, these have also been disclosed to the public through the Exchange as required. A listing of the material transactions acted upon and disclosed may be found in the Definitive Information Statement.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p>The Corporation's Business Mission and Vision are well-articulated and serve as guideposts for its actions. In addition, it has in place a Corporate Code of Conduct and Ethics and the Lopez Credo enumerates the distinct Lopez values.</p> <p>These are continuously reviewed in practice. But these are precisely intended to be timeless and constant barring important changes due to circumstances not heretofore</p>

			<p>anticipated.</p> <p>https://www.fphc.com/gettoknow/our-compass/#Vision</p> <p>https://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p>
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process.	<p>The Corporation conducts Annual Board Retreats that seek to examine the performance of its major subsidiaries, industry updates, strategies, financial programs and organization. The retreat for 2019 was conducted last October 3, 2019. A budget conference was held on January 31, 2019.</p> <p>As stated in Section 4.3(q) of the Manual: the Board has the duty to:</p> <p>"(q) Review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans;"</p> <p>With respect to risks, the BROCC has been created to assist the Board in ensuring that there is an effective and integrated risk management process in place. The Audit Committee, on the other hand, is tasked to assist the Board in fulfilling its oversight responsibilities for the management and financial reporting process the system of internal control,</p>

			among others. https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications	The Chairman and CEO is Mr. Federico R. Lopez. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	Part of the Board's duties under the Manual is the adoption of an effective succession planning program for directors, key officers and Management to ensure growth and a continued increase in the shareholders' value. The Board, through the Corporate Governance Committee, is responsible for recommending a succession plan for the Board members and senior officers. The Corporation recognizes the need for continuous development across all levels in the organization. The Corporation also has succession planning for Senior Management and key positions in the Corporation. HRMG likewise assists in identifying key personnel who can take on larger

			responsibilities. Group heads also identify key talents and possible successors. https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
2. Board adopts a policy on the retirement for directors and key officers.	Non-compliant		<p>Part of the board's mandate includes the adoption of a policy on the retirement age for directors and key officers as part of Management succession and to promote dynamism in the Corporation. A formal directors' retirement plan is still to be put in place.</p> <p>The Corporation already maintains a qualified, non-contributory, defined benefit retirement plan covering its organic personnel which includes key officers. Directors, however, continue to serve at the pleasure of the stockholders. The Corporation has found that certain directors' breadth of experience and wisdom are needed by the Corporation to navigate through the challenges each year brings and to effectively execute its strategies. Continuity of knowledge and management is likewise of utmost importance coupled with proven probity, independence and integrity.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>

			https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	<p>This is included as part of the Board's responsibilities.</p> <p>The Compensation and Remuneration Committee is tasked to establish a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>The By-laws state that no more than 3/4 of One Percent of the annual profits or net earnings of the company can be distributed to the Board as determined by the Chairman and the President. And as provided in the Corporation Code, compensation other than per diem must be approved by a majority vote of the stockholders (Section 29 of the Revised Corporation Code).</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p>
2. Board adopts a policy specifying the	Compliant		The Board has the responsibility to align

relationship between remuneration and performance.			<p>the remuneration of key officers and Board members with the long-term interests of the Corporation (Section 4.3, q, Manual). The Board has delegated this to Senior Management, and the Corporation has a Performance Management System that differentiates and rewards good performance.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		<p>Directors do not participate in such discussions because the By-laws already provide that each director shall receive a reasonable per diem for his attendance at each meeting of the Board, of the Executive Committee or other Committees by resolution of the Board. The By-laws has likewise stated that no more than 3/4 of One Percent of the annual profits or net earnings of the company can be distributed to the Board as determined by the Chairman and the President. And as provided in the Corporation Code, compensation other than per diem must be approved by a majority vote of the stockholders and In no case shall the total yearly compensation of directors exceed ten (10%) percent of the net income before income tax of the corporation during the preceding year. (Section 29 of the</p>

			Revised Corporation Code). http://www.fphc.com/gettoknow/amended-by-laws/?id=1
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	Provide proof of board approval	<p>The Board has de facto delegated to the Corporation's management the matter of remuneration of its senior executives. It has, through the Manual, authorized the creation of a Compensation and Remuneration Committee (CRC) that has powers and functions over the compensation and remuneration of the corporate officers other than the Chairman. The CRC is tasked to establish a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/wp-content/uploads/2014/05/Compensation-and-Remuneration-Committee-Charter.pdf</p>
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term	Compliant	Provide information on or link/reference to a document containing measurable standards to align performance-based	<p>The Board has the responsibility to align the remuneration of key officers and Board members with the long-term interests of the Corporation (Section 4.3,</p>

<p>interest, such as claw back provision and deferred bonuses.</p>		<p>remuneration with the long-term interest of the company.</p>	<p>q, Manual). The Board has delegated this to Senior Management, and the Corporation has a Performance Management System that differentiates and rewards good performance.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>In addition, the Board Charter states in Section 4(b)(xxiii) that part of the Board's specific responsibilities is to align the remuneration of key officers and Board members with the long-term interests of the Corporation.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p>
Recommendation 2.6			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.</p> <p>Provide proof if minority shareholders have a right to nominate candidates to the board</p>	<p>The Corporate Governance Committee Charter provides that the Committee has the power to determine the nomination and election process for the Corporation's directors. It shall also nominate directors and pass upon the qualifications of directors, board committee members, corporate officers, consistent with the By-laws and the Manual for Corporate Governance; review and/or recommend changes in the election and/or replacement of directors; make recommendations to the</p>

		Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	<p>Board on the organization and procedures for evaluating the performance of the Board and Board Committees, among others. (Section IV, Corporate Governance Committee Charter)</p> <p>https://www.fphc.com/corporategovernance/charter/?id=4</p> <p>Every shareholder is free to make nominations pursuant to the By-laws and requisite regulations. The nominations for directors have been made by bona fide shareholders, including by an individual shareholder in the case of the independent directors.</p>
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		<p>The Manual for Corporate Governance provides the Board nomination and election policy. For instance, as provided in the Manual, nomination of independent director/s shall be conducted by the Corporate Governance Committee and passed upon by the Board prior to the Shareholders' meeting. (Section 6.2.5, e, ii)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>In Section 2 of the Board Charter, it also</p>

			discusses the qualifications and disqualifications for nominees to the Board. https://www.fphc.com/downloads/FPH-Board-Charter.pdf
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		<p>Section 21.2 of the Manual for Corporate Governance provides that any Shareholder may write to the Corporate Governance Committee should he have recommendations and/or nominations for board directorship. Non-controlling shareholders are provided with a right to nominate candidates for the board of directors.</p> <p>In addition, holders of common shares of stock are entitled to one vote for each share held as of the established record date. A Shareholder entitled to vote at the meeting shall have the right to vote in person or by proxy. With respect to the election of directors, in accordance with Section 23 of the Revised Corporation Code of the Philippines, a Shareholder may vote such number of shares for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected.</p> <p>Under the By-laws, all nominations for the election of Directors by the stockholders shall be submitted in writing to the</p>

			<p>nomination and election committee at least sixty (60) days before the scheduled date of the annual stockholders' meeting. (Section 4, By-laws)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p>
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		<p>The Manual includes the qualifications of directors and independent directors and the disqualifications of said directors. The Manual also states that a shareholder may write to the Corporate Governance Committee should he/she have recommendations and/or nominations for board directorship, based on a list of qualified fellows from institutions engaged in professionalizing board of directors.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>This is reiterated in the Board Charter, specifically Section 2 which covers the qualifications and disqualifications for board membership.</p> <p>https://www.fphc.com/downloads/FPH-</p>

			Board-Charter.pdf
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		<p>Section 8 of the Manual provides that the Board shall endeavour to conduct an annual self-assessment of its performance, including the performance of the committees.</p> <p>The annual board self-assessment that is conducted includes a section on the performance of the board committees.</p> <p>https://fpbc.com/corporategovernance/amended-manual-of-corporate-governance</p>
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		<p>Part of the Board's duties and responsibilities include the establishment of a process for the selection of qualified and competent directors and corporate officers and ensure that they remain qualified for their positions individually and collectively throughout their terms to enable the Board to fulfil its roles and responsibilities and respond to the needs of the organization based on the evolving business environment and strategic direction. The Corporate Governance Committee is primarily tasked to ensure that Board elections are made that provide a mix of proficient directors, each of whom is able to add value and bring prudent judgment to bear on the decision making process. (Section 6.2.1, Manual)</p>

			https://fphc.com/corporategovernance/amended-manual-of-corporate-governance This is reiterated in the Board Charter, specifically Section 2 which covers the qualifications and disqualifications for board membership. https://www.fphc.com/downloads/FPH-Board-Charter.pdf Also note that in 2019 a Board Diversity Policy was issued to enhance the quality of the Company's performance and decision making through its Board of Directors. https://www.fphc.com/downloads/FPH-Board-Diversity-Policy.pdf
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	Identify the professional search firm used or other external sources of candidates	The Corporation has used professional search firms or other external sources of candidates (such as consulting the director databases set up by the ICD) when searching for candidates to the Board. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and	Compliant	Provide information on or reference to a document containing the	A Material RPT Policy is already in place, which replaced the previous RPT Policy.

system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.		<p>company's policy on related party transaction, including policy on review and approval of significant RPTs</p> <p>Identify transactions that were approved pursuant to the policy.</p>	<p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p> <p>Further, Section 4.3 (m) of the Manual for Corporate Governance states that the Board is responsible for formulating and implementing policies and procedures that would ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, subsidiaries, among others. Section 13 further provides that the material or significant RPTs reviewed and approved during the year should be disclosed, as appropriate. Finally, the Board shall commit to disclose material information required to be presented by statutory and regulatory requirements, including related party transactions.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		<p>The Material RPT Policy states the Company shall only enter into Material Related Party Transactions (Material RPTs) which are fair and at arm's length and are for the best interest of the Company and its shareholders as a whole. It also states that Material RPTs shall be</p>

			<p>conducted with transparency and fairness, subject to the approval and disclosure procedures mandated under the policy.</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		<p>The related party provisions would apply to all entities within the group for transactions that would fall within the defined threshold.</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p>	<p>The Material RPT Policy defines material RPTs as any RPT, either individually, or in aggregate over a twelve (12) month period with the same related party, amounting to ten percent (10%) or higher of the Company's total consolidated assets, based on its latest audited financial statement.</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during	Non-compliant	Provide information on voting system, if any.	The Corporation has not established such a voting system. However, all matters, including related party transactions, are set forth before all the shareholders for

shareholders' meetings.			<p>their ratification through the definitive information statement and the agenda which includes an explanation on each item. Votes for or against are recorded formally and the results are disclosed by the next day as required. The form of the proxy allows the shareholder, including a majority of the non-related shareholders, to approve RPTs as part of the AFS.</p> <p>Voting may be done by balloting if so requested.</p> <p>Questions regarding all transactions may likewise be raised during the stockholders' meeting and are recorded in the minutes.</p> <p>https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings</p> <p>For the upcoming 2020 Annual Stockholder's Meeting, the Corporation has engaged a third party provider that will set up a system to receive votes and questions from all registered stockholders.</p>
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.	Section 4.3(s) of the Manual states that the Board is responsible for approving the selection of Management. Section 4.4 (a) also provides for the minimum internal control mechanisms for the performance

Chief Audit Executive).		Identify the Management team appointed	<p>of the Board's oversight responsibility, which may include evaluation of proposed senior Management appointments and selection and appointment of qualified and competent senior Management officers. After every ASM, an organizational meeting is held where all senior management appointments are approved that includes the positions of Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</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).	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p>	<p>Section 4.3(s) of the Manual states that the Board is responsible for assessing the performance of Management.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>As part of the assessment process, a Corporate Governance Assessment Form was circulated to all the members of the Board. The assessment serves as a gauge to determine the effectiveness of governance and performance of top</p>

			<p>management. The assessment criteria reflect the specific duties, responsibilities and accountabilities of each party assessed as provided in the Company By-Laws, Manuals, Charters and governing policies. The Board's self-assessment includes a section on the Chairman and the President of the Corporation.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance/fph-corporate-governance-self-assessment-form-2019</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.	Compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	<p>The Corporation has established a Performance Management System that ensures the annual review of performance of the Management team. The Chairman and President participate in the individual review of performance.</p> <p>The Corporation has a PEP Evaluation where the officers' and staff's performance are assessed vis-a-vis the key result areas of the Corporation and the respective groups.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. Board establishes an effective performance management framework that ensures that personnel's performance	Compliant		<p>The same Performance Management System is implemented for all personnel of the Corporation. The President</p>

is at par with the standards set by the Board and Senior Management.			participates in the review with Senior Management.
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	<p>The Audit Committee, through the Corporation's Internal Audit Group, conducts an annual review of the effectiveness of the internal control system. The Audit Committee submits to the Board of Directors an annual report on the assessment of the internal control systems. The same report is embodied in the Attestation issued by the CEO and CAE of the Corporation.</p> <p>https://fphc.com/corporategovernance/acgr-forms/attestation-2020</p>
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		<p>The Manual provides:</p> <p>"15. Conflict of Interest</p> <p>The directors and officers of the Corporation shall always put the interest of the Corporation above personal interest. Except for salaries and other employment benefits, the directors and officers shall not directly or indirectly derive any personal profits or advantage by reason of their positions in the Corporation.</p> <p>If an actual or potential conflict of interest should arise, it should be fully disclosed and the concerned director</p>

			<p>should not participate in the decision-making process.</p> <p>Where a director, by virtue of his office, acquires for himself a business opportunity which should belong to the Corporation, thereby obtaining profits to the prejudice of the Corporation, the director must account to the latter for all such profits, unless his act has been ratified by a vote of the Shareholders representing two-thirds (2/3) of the outstanding capital stock of the Corporation.</p> <p>When a director or officer attempts to acquire or acquires, in violation of his duty, any interest adverse to the Corporation in respect of any matter which has been reposed in him in confidence, as to which equity imposes a disability upon him to deal in his own behalf, he shall be liable as a trustee for the Corporation and must account for the profits which otherwise would have accrued to the Corporation."</p> <p>The Corporation also has a Conflict of Interest Policy covering its directors, officers and employees.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-</p>
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			governance https://www.fphc.com/wp-content/uploads/2015/10/FPH-Conflict-of-Interest-Policy.pdf <p>To further emphasize the Conflict of Interest Policy, the Company has also issued a Loan Policy which prohibits any financial loans to Directors by virtue of their position as such.</p> https://www.fphc.com/downloads/FPH-Loan-Policy.pdf
3. Board approves the Internal Audit Charter.	Compliant	Provide reference or link to the company's Internal Audit Charter	<p>This is provided in Section 4.3 (z) of the Manual. The existing Audit Committee Charter has been reviewed and updated by the Committee and endorsed to the Board which approved it. In addition, Internal Audit has its own charter as well.</p> https://fphc.com/corporategovernance/amended-manual-of-corporate-governance https://fphc.com/corporategovernance/charter/internal-audit-charter
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management	To manage all risk-related matters and concerns of FPH on a conglomerate-wide level, the Board has created the Board Risk Oversight Committee (BROC), formerly the Risk Management

		<p>framework and how the board was guided by the framework.</p> <p>Provide proof of effectiveness of risk management strategies, if any.</p>	<p>Committee, headed by the Chairman, Chief Justice Artemio V. Panganiban.</p> <p>The BROC assists the Board in ensuring that there is an effective and integrated risk management process in place.</p> <p>FPH has also created the Enterprise Risk Management Group headed by the Chief Risk Officer (CRO), SVP Renato A. Castillo who is responsible for the overall implementation of the various ERM activities for the entire conglomerate. The CRO reports and updates the BROC on all risk management concerns on a regular basis.</p> <p>The ERM activities of the Corporation are being done based on the COSO framework as well as ISO 31000 which include: a) risk identification; b) risk analysis; c) risk response/mitigation; d) risk control activities; e) communications; f) risk monitoring and review; and g) risk reporting.</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.	Compliant		<p>Section 23 of the Manual provides that the Corporation should have a separate risk management function to identify, assess and monitor key risk exposures. The Corporation should endeavour to have a Chief Risk Officer (CRO) who is the ultimate champion of Enterprise Risk Management and has adequate</p>

			<p>authority, stature and resources to fulfil his responsibilities. Mr. Renato A. Castillo has been appointed as the CRO of the conglomerate and bears the overall responsibility of ensuring the effective and timely implementation of ERM activities across the organization.</p> <p>The Corporation has a Board Risk Oversight Committee (BROC) which ensures that there is proper management of all risk-related matters and concerns within FPH on a conglomerate-wide level. The BROC shall essentially assist the Board in ensuring that there is an effective and integrated risk management process in place.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	<p>The Board Charter serves as a guide for the Board of Directors in carrying out its duties and responsibilities.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p>
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		<p>This can be found in Section 4 of the Board Charter.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p>



3. Board Charter is publicly available and posted on the company's website.	Compliant		<p>The Board Charter is posted on the company website.</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p>
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy.	<p>The Corporation has in place and is implementing a Disclosure and Trading Policy covering all FPH directors, officers and employees with knowledge of material non-public information.</p> <p>https://www.fphc.com/wp-content/uploads/2015/10/FPH-Disclosure-and-Trading-Policy.pdf</p>
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	<p>The Corporation prohibits loans to directors as stated in the Loan Policy.</p> <p>https://www.fphc.com/downloads/FPH-Loan-Policy.pdf</p>
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Indicate the types of decision requiring board of directors' approval and where there are disclosed.	<p>The Corporation complies with the applicable provisions in the Corporation Code. As stated in Section 34 of the Revised Corporation Code, items may be delegated to the Executive Committee subject to subsequent ratification by the Board. All material transactions are disclosed. Further, Section 4 of the Manual provides for the general and specific duties and responsibilities of the Board.</p>

			https://fphc.com/corporategovernance/amended-manual-of-corporate-governance This is also found in the Board Charter, specifically Section 4 which covers the duties and responsibilities of the Board. https://www.fphc.com/downloads/FPH-Board-Charter.pdf
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company.	The Committees and the members of each committee are listed in the website. https://www.fphc.com/corporategovernance/committees/ In addition, the committees have their own respective charters. https://fphc.com/corporategovernance/charter/audit-committee-charter https://fphc.com/corporategovernance/charter/board-risk-oversight-committee-charter

			https://fphc.com/corporategovernance/charter/compensation-and-remuneration-committee-charter https://fphc.com/corporategovernance/charter/corporate-governance-committee-charter https://fphc.com/corporategovernance/charter/finance-and-investment-committee-charter https://fphc.com/corporategovernance/charter/internal-audit-charter
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p>	<p>The Audit Committee has been constituted to assist the Board in fulfilling its oversight responsibilities for the management and financial reporting process, the system of internal control, the maintenance of an effective audit process, and the process for monitoring compliance with the Corporate Code of Conduct and Ethics.</p> <p>The Audit Committee is empowered to recommend to the Board the appointment, compensation and oversight of the work of any registered public accounting firm employed by the organization, including external auditors.</p>

			https://fphc.com/corporategovernance/amended-manual-of-corporate-governance https://fphc.com/corporategovernance/charter/audit-committee-charter
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	<p>The Audit Committee is composed of four (4) non-executive directors and three (3) independent directors, one of whom is the Chairman. The Corporation believes that the foregoing composition already insures a fair and objective review of all transactions.</p> <p>In addition, the Chairmanship by an independent director together with the Committee's powers ensures that it functions independently and fairly.</p>
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.	<p>The latest Definitive Information Statement includes the relevant background, experience and other details of the Audit Committee members.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	<p>Mr. Juan B. Santos, the Chairman of the Audit Committee, is not the Chairman of the Board nor of any other committee. The members are listed in the Definitive Information Statement and the company website.</p>

			https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf https://www.fphc.com/corporategovernance/committees/
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	<p>Under the Report of the Audit Committee (page 516 of the Annual Report), all audit and non-audit engagements with the external auditor has been presented and reviewed by the Audit Committee.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.p df</p>
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Audit Committee will henceforth be scheduling periodic dialogues with the external auditors without anyone from management present. Last 2019, the Audit Committee conducted this dialogue on November 7.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	Indicate the number of Audit Committee meetings during the year and provide proof	The Audit Committee met at least four times in 2019: February 14, March 20, August 8, October 3 and November 7.
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	<p>The appointment of the internal auditor was approved by the Audit Committee in 2019.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/17-C-Appointment-of-Head-of-Internal-Audit-Sept-9-2019-1.pdf</p>

			Under the Audit Committee Charter, the Audit Committee is responsible for recommending a qualified Chief Audit Executive or its equivalent whom shall oversee and be responsible for the internal audit activity of the organization. There has been no change since this appointment.
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p>	<p>The establishment of a Corporate Governance Committee is provided in the company website and the Manual for Corporate Governance.</p> <p>https://www.fphc.com/corporategovernance/committees/</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>For 2019, the Committee passed upon all the qualifications of the directors nominated for election.</p>
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.	<p>The Corporate Governance Committee is composed of two executive directors, two non-executive directors and two independent directors.</p> <p>The Corporation believes that the presence of two (2) independent directors, with the stature of Mr. Santos and Mr. CuUnjieng, are sufficient</p>

			<p>safeguards of objectivity, independence and fairness. In addition, the other members are likewise fully aware of their duties and obligations as members of this Committee.</p> <p>The Corporation likewise has a lead independent director.</p> <p>All board members are likewise bound to observe their fiduciary duties under applicable laws, rules and regulations.</p>
3. Chairman of the Corporate Governance Committee is an independent director.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.	<p>The Chairman of the Corporate Governance Committee is not an independent director.</p> <p>However, the Manual is clear on the duties and responsibilities of the Committee, and these are adhered to by the Committee. It must be noted that the Committee has two non-executive directors and one independent director, and the Board has appointed a lead independent director.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>All board members are likewise bound to observe their fiduciary duties under applicable laws, rules and regulations.</p>

Optional: Recommendation 3.3

1. Corporate Governance Committee meet at least twice during the year.	Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	<p>The Corporate Governance Committee met two times in 2019: February 14 and September 9. In each instance, the matters approved were disclosed to the Exchange and the PSE consisting of its qualification of an officer and of the nominees to the Board.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/17-C-Appointment-of-Head-of-Internal-Audit-Sept-9-2019-1.pdf</p>
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Recommendation 3.4

1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The Corporation's BROC Charter provides the BROC as having been created by the Corporation to assist the Board in ensuring that there is an effective and integrated risk management process in place.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	<p>Currently, the BROC has eight (8) members with three independent directors, including the Chairman. Three are non-executive directors.</p> <p>https://www.fphc.com/corporategovernance/committees/#board_risk_oversight_committee</p> <p>The Corporation believes that the current composition provides the breadth of knowledge, experience & independence needed by this Committee.</p>

3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROCC	The Chairman of the BROCC, Chief Justice Artemio V. Panganiban, is not the Chairman of the Board or of any other committee, as can be seen in the list of committee members. https://www.fphc.com/corporategovernance/committees/
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.	Ms. Rizalina G. Mantaring, an Independent Director, has the relevant experience, considering her background with an insurance company, the Sun Life Financial Group of companies in the Philippines. In addition, the breadth of experience that the other Committee members have, provides the Committee with the needed insights and inputs on risk and risk management. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	As of 2019, the Corporation had an Audit Committee that was formally tasked to perform the functions of a Related Party Transactions Committee. https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The Audit Committee, which currently takes on the role of an RPT Committee, has four (4) non-executive directors and three (3) independent directors, one of whom is the Chairman. https://www.fphc.com/corporategovernance/committees/
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Recommendation 3.6

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	The Committee charters are posted on the company website. https://www.fphc.com/corporategovernance/charter/
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		https://www.fphc.com/corporategovernance/charter/
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	https://www.fphc.com/corporategovernance/charter/

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

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing	The Information Statement includes the record of attendance of the Directors in the Board meetings and stockholders' meetings for 2019. None of the directors has an attendance of less than 50% with respect to the Board meetings in 2019. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
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		information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	<p>In Section 4.5 of the Manual, as well as Section 3 of the Board Charter, directors are allowed to attend such meetings, either in person or via teleconference or videoconference or by any other technological means as may be allowed by law, except when a justifiable reason prevents his attendance.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/downloads/FPH-Board-Charter.pdf</p>
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		Meeting materials are given to the directors prior to board and committee meetings. They are given ample time to review said materials. Directors can give feedback on the materials to the Corporate Secretary prior to meetings.
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	<p>FPH's current board composition serves to insure independent, impartial and fair discussions having eleven (11) non executive directors (four of whom are also independents), and four executive members.</p> <p>The meetings allow the free exchange of inputs and ideas. Section 4.6.1 (g) provides that the directors should attend and actively participate in all meetings of the board and the board committees.</p>

			https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf All corporate minutes form part of stockholders' records which may be made available for inspection. The minutes will reflect the active participation of the directors in the discussions and decision-making.
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.	Non-compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies	Under the Manual, as much as possible, non-executive directors should concurrently serve as directors up to only a maximum of five (5) publicly listed companies to ensure that they have sufficient time to fully prepare for meetings, challenge Management's proposals/views, and oversee the long-term strategy of the Corporation. (Section 4.1, Manual). If any director does serve on more than five (5) listed companies, the Manual provides that he must only accept directorships outside the Corporation which, in his opinion, do not hinder him from his obligation to diligently perform his duties and functions in the Corporation (Section 4.7, Manual). Independent Directors are required to submit the list of publicly-listed companies or organizations that they are affiliated to. https://fphc.com/corporategovernance/

			amended-manual-of-corporate-governance The Corporation does not believe that any director has been hindered from diligently performing his duties and functions by virtue of his other positions in other companies.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	Independent Directors are required to accomplish certifications on their other directorships. The directors' positions are also disclosed in their CVs. In addition, the Directors are expected to accept appointments only to the extent they can still diligently perform their duties. (Section 4.7, Manual) As much as possible, directors should concurrently hold up to only a maximum of five (5) directorships in publicly listed companies. Also, the Corporation's Manual, with respect to conflicts of interest requires that "a director should notify the Board before accepting a directorship in another company." https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the	Compliant		Executive directors are expected to devote the time and attention necessary to properly and effectively perform their

group.			<p>duties and responsibilities.</p> <p>The Corporation provides a brief background on each executive director, including their directorships in other listed companies.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
2. Company schedules board of directors' meetings before the start of the financial year.	Non-compliant		<p>The Board is duly advised of the schedule of meetings at the start of the year. And As far as practicable, the Board meets every first Thursday of the month.</p> <p>However, starting 2019, the Company will be sending a preliminary schedule in December for the meetings for the next 12 months.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
3. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof	<p>The Board of Directors met nine (9) times in 2019.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Non-compliant	Indicate the required minimum quorum for board decisions	<p>While this has not been a formal requirement, in practice, all board decisions have been approved by at least $\frac{2}{3}$ or more of the membership. This is the de facto standard that has been observed by the Corporation. In any event, the Corporation complies with the</p>

			requirements under the Corporation Code.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board	<p>Currently, the Board has four (4) independent directors. The Corporation believes that the current composition of the Board more than adequately addresses the need for independence. In addition, all directors are bound to abide by their fiduciary duties under applicable laws, rules and regulations. In addition, it has likewise appointed a lead independent director.</p> <p>Moreover, Section 22 of the Revised Corporation Code only requires 20% of the board to be composed of independents.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	<p>The list of qualifications and disqualifications of independent directors are in the Manual and the By-laws. The qualifications of each incumbent independent director are in the Definitive Information Statement for 2019.</p> <p>https://www.fphc.com/storage/app/me</p>

			dia/SEC%2020-IS.pdf https://fphc.com/corporategovernance/amended-manual-of-corporate-governance http://www.fphc.com/gettoknow/amended-by-laws/?id=1 The qualifications and disqualifications can also be found in the Board Charter. https://www.fphc.com/downloads/FPH-Board-Charter.pdf
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.	The By-laws do not have provisions that constrain the directors' ability to vote independently. Every director is bound by their fiduciary duties as provided in the Corporation Code and in the Manual. There are no shareholders or other arrangements that constrain their ability to vote independently. http://www.fphc.com/gettoknow/amended-by-laws/?id=1
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	The Corporation will abide by all applicable laws, rules and requirements on term limits for independent directors. None of the independent directors have exceeded the terms as prescribed by

			law. https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director	<p>Under the Manual, each independent director should serve for a maximum of nine (9) years in accordance with applicable laws, rules and regulations. After such period, the independent director should be perpetually barred from re-election as such in the same corporation, but may continue to qualify for nomination and election as a non-independent director. In the instance that a corporation wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek Shareholders' approval during the annual Shareholders' meeting.</p> <p>The Corporation shall abide by SEC Memorandum Circular No. 4, dated March 9, 2017, stating that a company's independent director shall serve for a maximum cumulative term of nine (9) years, after which, the independent director shall be perpetually barred from re-election as such in the same company, but may continue to qualify as non-independent director.</p> <p>https://fphc.com/corporategovernance/</p>

			amended-manual-of-corporate-governance
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	Each independent director should serve for a maximum of nine (9) years in accordance with applicable laws, rules and regulations. After such period, the independent director should be perpetually barred from re-election as such in the same corporation, but may continue to qualify for nomination and election as a non-independent director. In the instance that a corporation wants to retain an independent director who has served for nine (9) years, the Board should provide meritorious justification/s and seek Shareholders' approval during the annual Shareholders' meeting. (Section 6.2.5, Manual) https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Mr. Federico R. Lopez is the Corporation's Chairman and CEO. The Corporation believes that it has sufficient safeguards in place to ensure sound corporate governance notwithstanding the fact that the position of Chairman and CEO is being held by one individual consisting of, among others, its independent directors and the conduct of free and open meetings of the Board. FPH

			<p>currently has four (4) independent directors. In addition, it has a number of non-executive directors. The Corporation believes that Mr. Lopez's record of service while holding both positions shows the benefit this arrangement has had.</p> <p>Further, the Manual states that if one person occupies the positions of CEO and Chairman, the Corporation will take steps to ensure that proper checks and balances should be laid down to ensure that the Board gets the benefit of independent views and perspectives. (Section 9.2, Manual)</p> <p>The Corporation has likewise appointed a lead independent director in the person of Chief Justice Artemio V. Panganiban.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p>	<p>Section 3 of the By-laws provides that the Chairman of the Board, or in his absence, the Vice Chairman, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman and Vice Chairman shall exercise powers as may be conferred upon them by the Board. Section 4 of the By-laws provides for the duties of the President. Section 9.2 of the Manual lists down the duties of the</p>

			<p>Chairman, consistent with the By-laws.</p> <p>Section 9.3 of the Manual provides that the CEO shall be in charge of the general management and administration of the Corporation and shall provide information on the performance of the Corporation.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p>	<p>The minutes of the Organizational Board Meeting held last May 10, 2019 will reflect the appointment of Mr. Chief Justice Artemio V. Panganiban as Lead Independent Director. He held the same position in 2018</p> <p>The lead independent director acts as chairman of meetings of non-executive directors, if any is held.</p> <p>Section 9.2 of the Manual states that in the event that the positions of Chairman and Chief Executive Officer are held by one person, the Board may designate a lead independent director in accordance with this Manual.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>

			governance
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case	<p>Under Section 15 of the Manual, if an actual or potential conflict of interest should arise between the director/s and the Corporation, it should be fully disclosed and the concerned director should not participate in the decision-making process.</p> <p>Under Section 4.6.1 (h) of the Manual, if a director has a material interest in any transaction affecting the Corporation, he should abstain from taking part in the deliberations for the same.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>The Conflict of Interest Policy also requires that Directors conduct fair business transactions with the Company, i.e. at arm's length basis and ensure that his personal interest does not conflict with the interest of the Company.</p> <p>https://www.fphc.com/wp-content/uploads/2015/10/FPH-Conflict-of-Interest-Policy.pdf</p>
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the	Compliant	Provide proof and details of said meeting, if any.	The non-executive directors met once last November 7, 2019. During the

external auditor and heads of the internal audit, compliance and risk functions, without any executive present.		Provide information on the frequency and attendees of meetings.	November 7, 2019 meeting, the external auditors (SGV) and the heads of internal audit, compliance and risk were in attendance without any other executives present.
2. The meetings are chaired by the lead independent director.	Compliant		The lead independent director is tasked to head meetings of non-executive directors.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years	Mr. Federico R. Lopez has been the CEO of the Corporation for the past 2 years.
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	<p>The Corporation conducts a self-assessment with questions on the Board's overall performance, to be accomplished by each director.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance/fph-corporate-governance-self-assessment-form-2019</p> <p>Section 8 of the Manual provides:</p> <p>"The Board of Directors shall endeavour to conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and committees. Every three years, the Corporation may seek the</p>

			<p>services of an external facilitator with respect to the assessment. 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.</p> <p>The Board shall endeavour to have a system that provides, at the minimum, criteria and process to determine the performance of the Board, the individual directors, and the Committees, and such system should allow for a feedback mechanism from the Shareholders."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. The Chairman conducts a self-assessment of his performance.	Compliant		The Corporation conducts a self-assessment with questions on the Board's overall performance, to be accomplished by each director.
3. The individual members conduct a self-assessment of their performance.	Compliant		The Corporation conducts a self-assessment with questions on the Board's overall performance, to be accomplished by each director.
4. Each committee conducts a self-assessment of its performance.	Compliant		A section of the board self-assessment deals with the performance of the board committees.
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	The Corporation has seen fit to make internal assessments only. However, it is open to securing the services of facilitators should this be required or

			become necessary.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The Corporation's system of corporate governance with the participation of the board, senior management and stakeholders allows the determination of board, directors and committee performance. The Corporation has a self-assessment form to be filled up by the Board members that provides the criteria to determine the performance of the Board, individual directors and committees.
2. The system allows for a feedback mechanism from the shareholders.	Compliant		<p>Under its system of governance, the Corporation has always sought to keep communications open with its stockholders and encourages them to participate in the meeting of shareholders either in person or by proxy. Shareholders are free to write to the Corporate Governance Committee should they have recommendations and/or nominations for board directorship.</p> <p>Stockholders can also communicate with the Corporation through the company website.</p> <p>The ASM minutes will reflect that shareholders are given ample opportunity to comment and make inquiries. The Board and Senior</p>

			<p>Management have fully responded on such occasions.</p> <p>https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings</p>
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			
Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	<p>The Code of Business Conduct and Ethics is an appendix to the Manual.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/FPH-Code-of-Corporate-Conduct-and-Ethics-2018.pdf</p>
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	<p>The Board directors and Senior management are given copies of the Code. This is also posted on the company website which can be accessed by all employees and stakeholders.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/FPH-Code-of-Corporate-Conduct-and-Ethics-2018.pdf</p>
3. The Code is disclosed and made available to the public through the company website.	Compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	<p>https://www.fphc.com/wp-content/uploads/2014/07/FPH-Code-of-Corporate-Conduct-and-Ethics-2018.pdf</p>
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying	Compliant	Provide information on or link/reference to a document containing information on the	The Corporation has an Anti-Bribery and Corruption Policy (previously, an Anti-Corruption Statement before it was

and receiving bribes.		company's policy and procedure on curbing and penalizing bribery	updated) and a Whistleblower Policy. Both, as applicable, provide sanctions for any company involvement in offering, paying and receiving bribes and offers protection for whistleblowers. https://www.fphc.com/wp-content/uploads/2015/10/FPH-Anti-Bribery-and-Corruption-Policy.pdf https://www.fphc.com/wp-content/uploads/2019/09/whistleblower-policy-updated.pdf
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Code of Conduct and Ethics covers all directors, employees, consultants, product and service providers and any and all persons who act for and on behalf of the Corporation. The directors, officers and employees are all tasked to observe and implement the Code of Conduct and Ethics. Copies of the Code are distributed to directors and posted on the company website. Implementation is done company-wide with regulatory compliance being one of the focus areas of the Audit Committee. https://www.fphc.com/wp-content/uploads/2014/07/FPH-Code-of-Corporate-Conduct-and-Ethics-2018.pdf
2. Board ensures the proper and efficient implementation and monitoring of	Compliant		This is done by Management and is a focus area as well of the Audit

compliance with company internal policies.			Committee, the Legal and Regulatory Group and the Compliance Officer. Internal policies are posted on the company website for dissemination. The Corporation has appointed a Senior Vice President, Mr. Victor Emmanuel B. Santos, Jr. as Compliance Officer and he is assisted by a Vice President who is the Assistant Compliance Officer.
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	<p>The Corporation pursues a policy of full, fair and complete disclosure as required by applicable law, rules and regulations. All material transactions are promptly disclosed to the public through the Exchange. The Corporation files all structured and unstructured reports required by the Exchange such as the annual, current and quarterly reports.</p> <p>https://fphc.com/company_disclosures/ecpse-disclosures</p> <p>https://fphc.com/company_disclosures/ec-filings</p> <p>Section 22 of the Manual states that:</p> <p>"22. Disclosure and Transparency</p>

		<p>The essence of corporate governance is transparency. The more transparent the internal workings of the Corporation are, the more difficult it will be for Management and dominant stockholders to mismanage the Corporation or misappropriate its assets.</p> <p>It is therefore essential that all material information about the Corporation which could adversely affect its viability or the interests of the Shareholders and other stakeholders as a whole should be publicly and timely disclosed. Such material information should include, among other things, earnings results, acquisition or disposition of significant assets which could adversely affect the viability or the interest of its Shareholders and stakeholders, material off balance sheet transactions, related party transactions, and remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the SEC.</p> <p>The Board shall therefore commit at all times to full disclosure of material information dealings. It shall cause the filing of all required information through the appropriate Exchange mechanisms</p>
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			<p>for listed companies and submissions to the SEC for the interest of its Shareholders and other stakeholders. The Board shall also fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p> <p>The Board shall endeavour to establish 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 the Corporation's financial condition, results and business operations.</p> <p>The Board should endeavour to have a policy requiring all directors and officers to disclose/report to the Corporation any dealings in the Corporation's shares within three (3) business days.</p> <p>The Corporation should endeavour to provide a clear disclosure of its policies and procedure for setting Board and executive remuneration, as well as the level and mix of the same in the Annual Corporate Governance Report or any equivalent requirement. To the extent legally required and taking into account</p>
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			<p>security as well as safety considerations, the Corporation may disclose the remuneration of directors and executives on a collective or individual basis, subject to applicable law, rule or regulation.</p> <p>The Corporation should ensure that the material and reportable non-financial and sustainability issues are disclosed. The Board should have a clear and focused policy on the disclosure of nonfinancial information, which may underpin sustainability. The Corporation should endeavour to adopt a globally recognized standard/framework in reporting sustainability and non-financial issues."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>In addition, the Corporation seeks to be compliant with SEC Memorandum Circular No. 11 which directs all publicly-listed companies to include all company disclosures in their company websites.</p> <p>https://www.fphc.com/company_disclosures/secpse-disclosures/?id=1</p>
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports,	Non-compliant	Indicate the number of days within which the consolidated and interim	Financial documents are published on the company website and submitted to

<p>cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>		<p>reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p>the PSE. The annual financial statement is likewise distributed to the stockholders during the ASM. Consolidated financial statements are published within 105 days from the end of the fiscal year, but quarterly reports are published within forty five (45) days. The Corporation has been adhering to the statutory deadlines.</p> <p>https://www.fphc.com/investor_relations/annual-reports/</p>
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	<p>As stated in the Corporation 2019 SEC Form 17-A or Annual Report:</p> <p>As of December 31, 2019, the Parent Company is 50.60%-owned by Lopez Holdings Corporation (Lopez Holdings), a publicly-listed Philippine-based entity. Majority of Lopez Holdings is owned by Lopez, Inc. The remaining shares are held by various shareholder groups and individuals. The Parent Company discloses in its annual report principal risks, if any have been noted as significant, associated with the identity of the 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 Parent Company. The risks discussed in the report would affect all shareholders. In</p>

			<p>any event, the Parent Company has in place policies and safeguards to ensure transparency, disclosure and arms' length transactions, including on related party dealings and against conflicts of interest, among others.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf</p>
Recommendation 8.2			
<p>1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.</p>	Compliant	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>The Corporation's Disclosure and Trading Policy requires a director to report his transaction/s to the Office of the Corporate Secretary within three (3) business days. In addition, all directors and officers should file the requisite Forms 23-A and B with respect to their shareholdings.</p> <p>https://www.fphc.com/wp-content/uploads/2015/10/FPH-Disclosure-and-Trading-Policy.pdf</p> <p>The following 23-A forms were uploaded to the company website in 2019:</p> <p>https://fphc.com/storage/app/media/23-A%20Agnes%20de%20Jesus.pdf</p> <p>https://fphc.com/storage/app/media/23-A%20Ferdinand%20Poblete.pdf</p>

			https://fphc.com/storage/app/media/23-A%20Angelo%20Macabuhay.pdf https://fphc.com/storage/app/media/23-B%20Joaquin%20E.%20Quintos%20IV.pdf
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		<p>The Corporation's Disclosure and Trading Policy requires an officer to report his transaction/s to the Office of the Corporate Secretary within three (3) business days. In addition, all directors and officers should file the requisite Forms 23-A and B with respect to their shareholdings.</p> <p>https://www.fphc.com/wp-content/uploads/2015/10/FPH-Disclosure-and-Trading-Policy.pdf</p>
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p>	<p>Trading by directors, officers and controlling shareholders are disclosed through Form 23-B and through the submissions to the Exchange.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf</p> <p>Buy Back Disclosures have likewise been made.</p> <p>https://www.fphc.com/company_disclosures/secpse-disclosures/?id=1</p>

			<p>The Conglomerate Map is contained in the Annual Report of the Corporation (page 3), as well as on the website.</p> <p>https://www.fphc.com/wp-content/uploads/2014/07/LOWRES-FPH-2018-Annual-Report.pdf</p> <p>https://fphc.com/gettoknow/our-company</p>
Recommendation 8.3			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	<p>As part of the materials for the ASM, the directors' academic qualifications, share ownership in the Corporation, membership in the boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the Definitive Information Statement.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</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>	<p>Compliant</p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	<p>As part of the materials for the ASM, the key executives' academic qualifications, share ownership in the Corporation, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in the Definitive Information Statement. Moreover, the Corporate Governance Committee passes upon the qualifications of key officers prior to endorsing any appointment to the Board.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p> <p>https://fphc.com/corporategovernance/charter/corporate-governance-committee-charter</p>
<p>Recommendation 8.4</p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p>	<p>The Corporation's Definitive IS states:</p> <p>(A) Standard Arrangements. Directors receive a per diem of P20,000 for every board meeting. Under the Corporation's By-Laws, directors may receive up to a maximum of Three Fourths (3/4) of One Percent (1%) of the Corporation's annual profits or net earnings as may be determined by the Chairman of the Board and the President.</p> <p>In addition, Section 29 of the Revised Corporation Code provides that the total</p>

		<p>yearly compensation of the directors shall not exceed ten percent (10%) of the net income before income tax of the corporation during the preceding year.</p> <p>(B) Other Arrangements. The Corporation does not have any other arrangements pursuant to which any director is compensated directly or indirectly for any service provided as a director.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p> <p>The By-laws also provide that each director shall receive a reasonable per diem for his attendance at each meeting of the Board, of the Executive Committee or other Committees by resolution of the Board. The By-laws has likewise stated that no more than 3/4 of One Percent of the annual profits or net earnings of the Corporation can be distributed to the Board as determined by the Chairman and the President. And as provided in the Corporation Code, compensation other than per diem must be approved by a majority vote of the stockholders. (Section 30)</p> <p>http://www.fphc.com/gettoknow/amen-ded-by-laws/?id=1</p>
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			<p>The Manual also provides for a Compensation and Remuneration Committee (Section 6.3) that is tasked to establish a policy on remuneration of directors and officers to ensure that their compensation is consistent with the Corporation's culture, strategy and the business environment in which it operates.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://fphc.com/corporategovernance/charter/compensation-and-remuneration-committee-charter</p>
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	<p>Part of the Board's duties is to recommend remuneration packages for corporate and individual performance and to align the remuneration of key officers with the long-term interests of the Corporation. (Section 6.3, Manual)</p> <p>Further, under Section 6.3.1 of the Manual, it is stated as a policy that the Board shall promote a culture that supports enterprise and innovation, with appropriate short-term and long-term performance-related rewards that are fair and achievable in motivating Management and employees to be effective and productive. It is imperative</p>

			<p>that the Board seeks to drive the business enterprise proficiently through the proper and considered decision-making processes and recognizes entrepreneurial endeavour amongst its Management without contravening laws and regulations.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>The Compensation and Remuneration Committee Charter is tasked to review and recommend to the Board the Corporation's compensation system, policies and guidelines and oversee the development and implementation of compensation and incentives program.</p> <p>https://fphc.com/corporategovernance/charter/compensation-and-remuneration-committee-charter</p>
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>Currently, the Corporation complies with the requirement to disclose the top compensated officers without a breakdown.</p> <p>As far as the directors, their <i>per diems</i> are disclosed in the Definitive IS. The By-laws likewise prescribe the limits on directors' and employees' sharing in the profits.</p>

			<p>The Corporation believes security and privacy concerns should be considered as well. The current disclosures should be sufficient to advise the stakeholders of how their directors and officers are being remunerated.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p> <p>The stockholders' have effectively approved the Corporation's current practices in this regard.</p>
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p>	<p>The Corporation has a Related Party Transactions Policy to ensure that all related party transactions should be under such terms and conditions that are at arm's length and serve the best interests of the Corporation and the shareholders as a whole. The Corporation's Audit Committee acts as the Related Party Transactions Committee. (Section 6.7, Manual) This is also provided for in Sections 13 and 20 of the Manual.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>

			<p>Last October 2019, the Corporation issued a new Material Related Party Transactions Policy.</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions 	<p>A list of related party transactions have been disclosed in Note 20 (page 41) of the Corporation's SEC 17-A.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf</p>
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Indicate where and when directors disclose their interests in transactions or any other conflict of interests.	The Directors and Officers with personal interest in a Material RPT shall fully and timely disclose any and all material facts, including their respective interest in such,

			<p>as well as abstain from the discussion, approval and management of such transaction. (Section 4.3 of Material RPT Policy)</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	Compliant	Provide link or reference where this is disclosed, if any	<p>This is covered by the Material RPT Policy which states that all RPTs should be under such terms and conditions that are at arm's length and serve the best interests of the Corporation and the shareholders as a whole..</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p> <p>In addition, Item 12 of SEC 17-A (page 93) states that transactions between related parties are accounted for at arm's-length prices or on terms similar to those offered to non-related entities in an economically comparable market.</p> <p>The related-party transactions are disclosed in the AFS. Shareholders are also free to inquire on these transactions, including at the ASM.</p> <p>https://fphc.com/storage/app/media/co</p>

			company disclosures/FPH%202019%2017A.pdf
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	Provide link or reference where this is disclosed	<p>As required, the Corporation makes a full, fair, accurate and timely disclosure of all material transactions.</p> <p>https://www.fphc.com/company_disclosures/secpse-disclosures/?id=1</p> <p>Under Section 4.3 of the Manual, the Board is to:</p> <p>"g. Ensure that the Corporation communicates with Shareholders and other stakeholders effectively by providing the Shareholders and other stakeholders relevant and timely information, including periodic reports and an annual report of its performance as well as its prospects through publicly available reports submitted to the regulatory authorities;"</p> <p>In Section 22 of the said Manual, it states that:</p> <p>Section 22 of the Manual states that:</p> <p>"22. Disclosure and Transparency</p> <p>xxx It is therefore essential that all material information about the Corporation which</p>

			<p>could adversely affect its viability or the interests of the Shareholders and other stakeholders as a whole should be publicly and timely disclosed. Such material information should include, among other things, earnings results, acquisition or disposition of significant assets which could adversely affect the viability or the interest of its Shareholders and stakeholders, material off balance sheet transactions, related party transactions, and remuneration of members of the Board and Management. All such information should be disclosed through the appropriate Exchange mechanisms and submissions to the SEC.</p> <p>The Board shall therefore commit at all times to full disclosure of material information dealings. 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 Shareholders and other stakeholders. The Board shall also fully disclose all relevant and material information on individual board members and key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment xxx."</p>
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2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	<p>The Corporation has had occasion to engage third-party institutions to evaluate the fairness of transactions. Moreover, under Section 4.3(c) of the Manual, the Board is obligated to ensure that an independent party is appointed, if still needed and to the extent practicable, to evaluate the fairness of the transaction price. There was no such appointment in 2019.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>In addition, the Material RPT Policy states that before a Material transaction is executed, an external independent party, which may include auditing/accounting firms or third party consultants and appraisers, shall evaluate the fairness of the terms of the transaction. (IV. General Principles, Section 4)</p> <p>https://www.fphc.com/wp-content/uploads/2019/10/Material-RPT-Policy-Oct-28-2019.pdf</p>

Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	Provide link or reference where these are disclosed.	As required, the Corporation makes a full, fair, accurate and timely disclosure of all material transactions, which would include such agreements. https://www.fphc.com/company_disclosures/secpse-disclosures/?id=1
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
2. Company's MCG is submitted to the SEC and PSE.	Compliant		The Manual was submitted to the SEC and PSE on May 31, 2017.
3. Company's MCG is posted on its company website.	Compliant		https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission.	So far, there are no changes in the Manual since its submission in May 2017. The Corporation will be submitting the same to the SEC and PSE in accordance with applicable laws, rules and regulations.
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant		https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf



b. Financial performance indicators	Compliant		https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
c. Non-financial performance indicators	Compliant		Page 67 to 100 of the Integrated Report https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf
d. Dividend Policy	Non-compliant		<p>While the Dividend Policy is not stated in the Annual Report, the AFS, which is included in the Annual Report, provides:</p> <p>"Dividends on Preferred and Common Stocks: The Group may pay dividends in cash, property or by the issuance of shares of stock. Cash, property and stock dividends are subject to the approval of the BOD, at least two-thirds of the outstanding capital stock of the shareholders at a shareholders' meeting called for such purpose (for stock dividends only), and by the Philippine SEC. The Group may declare dividends only out of its unrestricted retained earnings."</p> <p>Also, under the By-laws, the Board shall have the power to determine whether any part of the net profits or surplus shall be declared and paid as dividends and to fix the times for the declaration and payment of dividends.</p>

			https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf Also, in the Manual, it states that shareholders shall have the right to receive dividends as may be determined by the Board in accordance with the Corporation's By-Laws and relevant agreements including subscription agreements. (Section 21.4) https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		Page 68 to 76 of the Annual Report https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
f. Attendance details of each director in all directors meetings held during the year	Compliant		Page 107 of the Integrated Report https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf
g. Total remuneration of each member of the board of directors	Non-compliant		In page 89 of SEC 17-A, the compensation of the Directors and Executive Directors are disclosed. https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
2. The Annual Report contains a statement confirming the company's full compliance	Compliant	Provide link or reference to where this is contained in the Annual	In the Integrated Report (page 109), it states that FPH is governed by a Code of

<p>with the Code of Corporate Governance and where there is non-compliance, identifies and explains the reason for each such issue.</p>		<p>Report</p>	<p>Corporate Governance and complies with all listing and disclosure rules of the PSE and the SEC.</p> <p>https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf</p> <p>In addition, Section 1 of the Manual provides: "The Board shall have the principal responsibility of ensuring the Corporation's compliance with the principles of good corporate governance and provide an independent check on Management.</p> <p>It shall exercise all corporate powers and manage the business and property of the Corporation in accordance with good corporate governance."</p> <p>The Corporation has likewise been submitting its ACGR annually as previously required. In addition, the Definitive IS describes the Corporation's compliance with leading practices in Corporate Governance.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/storage/app/me</p>
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			dia/SEC%2020-IS.pdf
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	In the Report of the Audit Committee (page 516), the Board Risk Oversight Committee finds that the risk management system is in place and functioning effectively, and that the Corporation has adequate internal controls. https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Provide link or reference to where this is contained in the Annual Report	In the Report of the Audit Committee (page 516), the Board Risk Oversight Committee finds that the risk management system is in place and functioning effectively, and that the Corporation has adequate internal controls. https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Compliant	Provide link or reference to where these are contained in the Annual Report	Major risks are listed under "Factors Affecting The Group's Results of Operations" of SEC Form 17-A (page 10 under Business and General Information, Item 1). https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf

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

Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p>	<p>This is provided under the Audit Committee Charter which states that the Audit Committee should ensure that the External Auditor is credible and competent, among others.</p> <p>This is also mandated by Section 6.4.2 of the Manual:</p> <p>"The Audit Committee shall have a robust process for approving and recommending the appointing, reappointment, removal, and fees of the External Auditor. The appointment, reappointment, removal, and fees of the External Auditor may be recommended by the Audit Committee, approved by the Board and ratified by the shareholders, if deemed necessary upon the recommendation of Management. For removal of the External Auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures."</p> <p>http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter https://fphc.com/corporategovernance/</p>
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			amended-manual-of-corporate-governance
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	<p>The minutes of the ASM reflect the votes taken on each item for approval, including the appointment of external auditors. The ASM is scheduled at July 30, 2020, which is the same date as the deadline for this document. Please note that the Report of the Audit Committee recommends the reappointment of the external auditor. The results of the percentage of shareholders that will ratify the reappointment shall be available in the Corporate website.</p> <p>Page 516: https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings </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.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	<p>The Corporation had no occasion to remove the external auditor but intends to fully comply with the requirements with respect to disclosure on this matter. As stated in Section 6.4.2 of the Manual, the Audit Committee is obligated as follows:</p> <p>"The Audit Committee shall have a robust process for approving and recommending the appointing,</p>

			<p>reappointment, removal, and fees of the External Auditor. The appointment, reappointment, removal, and fees of the External Auditor may be recommended by the Audit Committee, approved by the Board and ratified by the shareholders, if deemed necessary upon the recommendation of Management. For removal of the External Auditor, the reasons for removal or change should be disclosed to the regulators and the public through the company website and required disclosures."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	<p>As stated in Section 10 of the Manual:</p> <p>"The Corporation's External Auditor's handling partner shall be rotated or changed, every five (5) years or earlier, or the signing partner of the external auditing firm assigned to the Corporation, should be changed with the same frequency or as may be otherwise required by applicable law, rule or regulation."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>

Recommendation 9.2

1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee Charter states that the Audit Committee has the responsibility to review and confirm the independence of the external auditor, to maintain an effective audit process, and to assist the Board in the performance of its oversight responsibility for the financial reporting process, among others. http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	Provide link/reference to the company's Audit Committee Charter	Under the Audit Committee Charter, the Audit Committee is tasked to review the performance of the external auditor and recommend to the Board the appointment or discharge of the auditors. http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter

Supplement to Recommendation 9.2

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter	The Audit Committee's responsibilities regarding external auditors are stated in the Audit Committee Charter Section V.2 External Auditor. http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter
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			arter
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter	<p>The Audit Committee's responsibilities regarding external auditors are stated in the Audit Committee Charter Section V.2 External Auditor</p> <p>http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter</p>
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	<p>The Corporation engaged its external auditor to perform non-audit services.</p> <p>Under the Report of the Audit Committee (page 516 of the Annual Report), this has been reported and further determined that the fees were not significant so as to impair the independence of the external auditor.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf</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.	Compliant	Provide link or reference to guidelines or policies on non-audit services	<p>The Audit Committee is tasked to evaluate and determine the non-audit work of the external auditor and to disallow any non-audit work that will conflict with its duties as an external auditor or may pose a threat to its independence.</p> <p>http://www.fphc.com/corporategovernance/charter/?id=2#Audit_Committee_Charter</p>

			arter
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid.	<p>The Corporation engaged its external auditor to perform non-audit services.</p> <p>Under the Report of the Audit Committee (page 516 of the Annual Report), this has been reported and further determined that the fees were not significant so as to impair the independence of the external auditor.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.p df</p>
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. 	<p>SGV & Co. is the external auditor with SEC Accreditation No. 1700-A (Group A) effective August 16, 2018, valid until August 15, 2021. The audit engagement partner is Mr. Roel E. Lucas. Address: 6760 Ayala Avenue 1226 Makati City Philippines Contact no.: 8910307</p>
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement 	<p>The Company's external auditor, SGV & Co., has agreed to be subjected to the SOAR inspection program. The Company's understanding is that this was last conducted in 2017.</p>

team inspected by the SEC.

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

Recommendation 10.1

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Compliant</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>The Corporate Value Creation Diagram (page 41 to 54) presents the direction of the company, how we guide our businesses, taking into serious consideration external factors and how these impact our various business, the environment and greater society.</p> <p>https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf</p> <p>The Corporate Value Creation Diagram takes into consideration the Corporate Sustainability Policies which were issued beginning 2016 which espouses the improvement of people's lives and futures through responsible growth and investments. It has established an Environmental Management System (EMS) which is aligned with the Philippine Environmental Impact Assessment System.</p> <p>https://www.fphc.com/downloads/FPH-Gender-Equality-and-Diversity-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Responsible-Asset-Protection-Policy.pdf</p>
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			https://www.fphc.com/downloads/FPH-Cultural-Heritage-and-IP-Policy.pdf https://www.fphc.com/downloads/FPH-Human-Rights-Policy.pdf https://www.fphc.com/downloads/FPH-ESH-Policy.pdf <p>The Corporation's Corporate Social Responsibility guidelines also provide that it shall uphold the rights of, and promote harmonious relationships with our stakeholders, and stresses its role to support the company's sustainable path that contributes to the economic growth and the stability of both the planet and society through culturally appropriate CSR initiatives</p> https://www.fphc.com/wp-content/uploads/2014/07/FPH-Code-of-Corporate-Conduct-and-Ethics-2018.pdf
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	<p>Due to the pandemic, the new deadline was set by the SEC on June 30, 2020. The Corporation adopted the Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) to better define value creation for our different stakeholders. The framework helped us better connect our financial and operational</p>

			<p>performance with our Environmental, Social, Governance (ESG) initiatives, thereby providing a more holistic view of the company.</p> <p>The financial section is in compliance with the Philippine Financial Reporting Standards (PFRS). To better communicate our ESG or non-financial performance, we employed multiple sustainability reporting frameworks, standards, and protocols, most notable of which is the Sustainability Reporting Guidelines for Publicly-Listed Companies of the SEC. https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf</p>
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Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p>	<p>Media briefings are usually done during the ASM and relevant documents are uploaded on the company website. Its subsidiaries and affiliates may likewise conduct its own briefings.</p> <p>The Corporation complies with the requirement for all structured reports such as the current, quarterly and annual reports.</p>
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Supplemental to Principle 11

1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	www.fphc.com
a. Financial statements/reports (latest quarterly)	Compliant		https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf
b. Materials provided in briefings to analysts and media	Compliant		Where applicable, press materials are likewise provided. http://www.fphc.com/news/
c. Downloadable annual report	Compliant		http://www.fphc.com/company_disclosures/sec-filings/?id=1 https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf
d. Notice of ASM and/or SSM	Compliant		https://www.fphc.com/storage/app/media/Notice%202020.pdf
e. Minutes of ASM and/or SSM	Compliant		http://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings/?id=1
f. Company's Articles of Incorporation and By-Laws	Compliant		http://www.fphc.com/gettoknow/amended-articles-of-incorporation/?id=1 https://www.fphc.com/gettoknow/amended-by-laws/?id=1

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Compliant		The current website template is compliant with the template prescribed by the SEC. http://www.fphc.com/
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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.	Compliant	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system</p>	<p>The Audit Committee, through the Corporation's Internal Audit Group, conducts reviews of the effectiveness of the internal control system. The Audit Committee submits to the Board an annual report on the assessment of the internal control systems. The same report is embodied in the Annual Report of the Corporation.</p> <p>This is likewise summarized in the Report of the Audit Committee as signed by its Chairman.</p> <p>https://fphc.com/storage/app/media/company_disclosures/FPH%202019%2017A.pdf</p>
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages 	<p>The ERM activities of the Corporation are governed and guided by its company-tailored ERM Manual that describes the principles, framework, and procedures in undertaking a comprehensive risk assessment process.</p> <p>This ERM Manual, in turn, is based on the COSO framework as well as the ISO 31000 which include: a) risk identification; b) risk analysis; c) risk response/mitigation; d) risk control activities; e) communications; f)</p>

		<p>the key risks</p> <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>risk monitoring and review; and g) risk reporting.</p> <p>The key risks identified by the Corporation and the controls/mitigating measures deployed can be found in its website.</p> <p>The Corporation conducts 2 types of risk reviews as part of its ERM activities covering its subsidiaries and business units. One is the Senior Management Risk Reviews conducted at least twice a year chaired by the President and assisted by other senior executives. Second is the BROCC that meets at least once a year chaired by Chief Justice Artemio V. Panganiban and assisted by other members of the Board of Directors.</p>
Supplement to Recommendations 12.1			
<p>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.</p>	Compliant	<p>Provide information on or link/reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>The ERM activities of the Corporation are governed and guided by its company-tailored ERM Manual that describes the principles, framework, and procedures in undertaking a comprehensive risk assessment process.</p> <p>This ERM Manual, in turn, is based on the COSO framework as well as the ISO 31000 which include: a) risk identification; b) risk analysis; c) risk response/mitigation; d) risk control activities; e) communications; f) risk monitoring and review; and g) risk reporting.</p>

			<p>The officers and staff of the Corporation's ERM Group are sent to various risk management trainings and seminars here and abroad to ensure continuous learnings, broaden the knowledge, and update skills on risk management concepts and best practices. These new knowledge and current best practices in risk management are then cascaded down to the employees by way of risk orientation sessions and/or applications of better procedures in doing risk assessment work.</p> <p>The Corporation conducts 2 types of risk reviews as part of its ERM activities covering its subsidiaries and business units. One is the Senior Management Risk Reviews conducted at least twice a year chaired by the President and assisted by other senior executives. Second is the BROCC that meets at least once a year chaired by Chief Justice Artemio V. Panganiban and assisted by other members of the Board of Directors.</p> <p>In addition, the Corporation makes available to all of its directors and officers a Corporate Governance Seminar administered by the Institute of Corporate Directors (ICD), an accredited provider of the SEC.</p>
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			https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	Provide information on IT governance process	The Corporation, working together with its service provider operating the IT infrastructure at the RBC Head office, has in place an Incident Management Procedure to manage IT-specific incidents, along with an Information Security Team with a Security Event Management Procedure to manage security events. In conjunction with these procedures, the Operation Escalation Matrix defines the persons who need to be informed in case of an incident or event and how escalation will be progressed. Depending on the severity and classification an incident, the Chief Information Officer and/or the Chief Risk Officer of the Corporation is informed of these incidents and events and reports high severity or significant incidents and events to Senior Management.
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The Corporation has an independent Internal Audit Group that functionally reports to the Audit Committee and acts as the working arm of the Audit Committee. https://fphc.com/corporategovernance/charter/internal-audit-charter

Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	<p>The Corporation's Chief Audit Executive is Mr. Angelo G. Macabuhay, CPA who was appointed by the Board.</p> <p>The Manual includes the responsibilities of the CAE.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</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.	Compliant		<p>The CAE's responsibilities are listed in the Manual.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</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.	Compliant	Identify qualified independent executive or senior management personnel, if applicable.	<p>There has been no such outsourcing. In the event there is, the Corporation intends to have this managed by a qualified independent executive or by senior management personnel. As stated in Section 11 of the Manual:</p> <p>"The Corporation should have a qualified Chief Audit Executive ("CAE"), or its equivalent, appointed by the Board. The CAE shall oversee and be responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider. The CAE, in order to achieve the necessary independence to fulfil his</p>

			responsibilities, directly reports functionally to the Audit Committee and administratively to the CEO."
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Provide information on company's risk management function.	<p>As stated in the Manual:</p> <p>"23. Risk Management Function The Corporation should have a separate risk management function to identify, assess and monitor key risk exposures. The Corporation should endeavour to have a Chief Risk Officer (CRO) who is the ultimate champion of Enterprise Risk Management (ERM) and has adequate authority, stature, resources and support to fulfil his responsibilities."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	Identify source of external technical support, if any.	The officers and staff of the Corporation's ERM Group are sent to various risk management trainings and seminars here and abroad to ensure continuous learnings, broaden the knowledge, and update skills on risk management concepts and best practices. These new knowledge and current best practices in risk management are then cascaded down to the employees by way of risk orientation sessions and/or applications of better procedures in doing risk

			assessment work.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Corporation's CRO is SVP Mr. Renato A. Castillo, who is tasked to manage all risk-related matters and concerns of the Corporation on a conglomerate-wide level. http://www.fphc.com/gettoknow/senior-management/
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant		The CRO, in the person of SVP Mr. Renato A. Castillo, has been Chief Risk Officer since 2015 and is also the Chief Risk Officer of First Gen Corporation since 2011. He was also a Risk Management Officer of FPH since 2013. Previously, he was the Chief Credit Officer of Philippine National Bank.
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	Provide link to CEO and CAE's attestation	An attestation was issued by the Corporation's CEO and CAE on April 23, 2020. https://fphc.com/corporategovernance/acgr-forms/attestation-2020
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Section 21 of the Manual provides for the basic rights and benefits of shareholders, including the right to information, voting rights and appraisal rights, among others.

			https://fphc.com/corporategovernance/amended-manual-of-corporate-governance
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website	<p>The Manual, which includes basic shareholder rights, is posted on the company website. These are also included in the By-laws of the Corporation.</p> <p>https://www.fphc.com/</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p> <p>In addition, the rights are discussed in the Definitive Information Statement.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		<p>This is provided in the Manual.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any.	<p>This is provided in the Manual and the By-laws. Section 21 of the Manual states that all shareholders should be treated equally or without discrimination.</p>

			https://fphc.com/corporategovernance/amended-manual-of-corporate-governance http://www.fphc.com/gettoknow/amended-by-laws/?id=1
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	<p>Article 1, Section 7 of the By-laws provides for the voting procedure to be followed by the stockholders.</p> <p>This is likewise contained in the Definitive Information Statement.</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</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.	Non-compliant	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	<p>While there is no such formal mechanism, the minority shareholders enjoy the same rights as the majority shareholders. Furthermore, Section 21 of the Manual provides for the rights of the shareholders as provided in Section 82 of the Corporation Code, covering matters from the right to information, right to dividends, appraisal rights and voting rights, among others. As stated in Section 21 of the Manual:</p> <p>"The Corporation should treat all Shareholders fairly and equitably, and also recognize, protect and facilitate the</p>

		<p>exercise of their rights. Shareholders' meetings shall be conducted fairly and in a transparent manner and the Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they should be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of the By-laws, the exercise of that right shall not be unduly restricted.</p> <p>It is the duty of the Board to promote the rights of the Shareholders, 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> <p>The Board should take the appropriate steps to remove excessive or unnecessary costs and other administrative impediments to the Shareholders' meaningful participation in meetings, whether in person or by proxy. Accurate and timely information should be made available to the Shareholders to enable them to make a sound judgment on all matters brought to their attention for consideration or approval."</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
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<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>Compliant</p>	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p>	<p>The By-laws provide that special meetings of stockholders, unless otherwise provided by law, may be called at any time by the President and Secretary of the Corporation, or by the Secretary of the Corporation upon orders of the Board of Directors or of the Executive Committee. The Secretary shall call a special meeting of stockholders whenever he is requested in writing to do so by holders of record of a majority of the capital stock of the Corporation entitled to vote at such meetings.</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p> <p>The Manual further provides that the Board should consider giving minority stockholders the right to propose the holding of meetings as may be proper under the circumstances. (Section 21.4)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p>	<p>Under the Manual, all shareholders are to be treated fairly and equitably. And the Board is duty bound to promote their rights (Section 21).</p> <p>The Manual further provides that the Board should consider giving minority</p>

			<p>stockholders the right to propose the holding of meetings as may be proper under the circumstances. (Section 21.4)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
7. Company has a transparent and specific dividend policy.	Non-compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p>	<p>The Manual states that, subject to the Articles of Incorporation, Corporation Code, the Securities Regulation Code and its IRR, shareholders whose shares may have fixed dividend features shall have the right to receive dividends on such shares. In other cases, the Board shall determine whether or not to declare dividends.</p> <p>The Corporation has been making regular declarations of dividends on its common and preferred shares and which has been the subject of disclosures to the Exchange which includes the details on the record and payment dates. These are uploaded to the company website as well. In 2019, dividends were declared and paid on the following dates:</p> <ol style="list-style-type: none"> 1. For Common and Preferred shares, it was declared on May 10, 2019 and paid on June 3, 2019 for the Preferred and June 18, 2019 for Common; 2. For Common and Preferred

			<p>shares, it was declared on November 7, 2019 and paid on December 2, 2019 for Preferred and December 17, 2019 for Common;</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>http://www.fphc.com/company_disclosures/secpse-disclosures/?id=1</p>
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	Identify the independent party that counted/validated the votes at the ASM, if any.	The Corporation engages independent third parties during the ASM to count and/or validate the votes. In 2019, this was done under the supervision of the Corporate Secretary who is its external counsel with the assistance of the external auditor, and the appointed stock transfer agent. For the upcoming ASM, the same protocols observed as of the previous year will be followed, as needed and as practicable.
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any</p>	The schedule of the ASM for 2020, including the agenda, was disclosed to the public through the Exchange as early as May 28, 2020 for the meeting scheduled on July 30, 2020. The Definitive IS with the formal Notice was also made available to the public starting on July 6, 2020.

		<p>changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p>In addition, the Corporation has caused the publication of the Notice of the meeting on July 8 and 9, 2020 in two newspapers of general circulation, including online publication.</p> <p>No change in remuneration is to be taken up at the meeting.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
b. Auditors seeking appointment/re-appointment	Compliant		https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
c. Proxy documents	Compliant		https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items	<p>This is included in the Definitive Information Statement.</p> <p>https://www.fphc.com/storage/app/media/SEC%2020-IS.pdf</p>
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the	Compliant	Provide information or reference to a document containing information	Voting results are posted on the company website one (1) working day



votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.		on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.	<p>after the Annual Stockholders' Meeting.</p> <p>As of the date of filing of this report, the Annual Stockholder's Meeting voting results will be posted on the website.</p> <p>The discussions during the ASM including the questions raised by the stockholders and the responses are recorded in the minutes.</p> <p>https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings</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.	Compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p>	<p>Minutes of the ASM are posted on the company website within five (5) days from the end of the meeting. These reflect the voting results, including the votes cast, that the votes were polled and that there was full opportunity to ask questions and the responses made.</p> <p>https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings</p>
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	The ASM is scheduled on July 30, 2020, which is the same date that this report is due. In the previous year, the external auditors were present during the ASM and it was announced at the meeting

			that they were available to take questions from the floor. This will remain the same for the upcoming ASM.
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	<p>This is provided in Section 4.3 of the Manual which states that the Board shall:</p> <p>"k. Make available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner;"</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	<p>This is provided in Section 4.3 of the Manual, which states:</p> <p>"n. As may be deemed proper by the Board, establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its Shareholders, and the Corporation and third parties, including the regulatory authorities;"</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
Recommendation 13.5			
1. Board establishes an Investor Relations	Compliant	Disclose the contact details of the	Contact details are listed on the

Office (IRO) to ensure constant engagement with its shareholders.		officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	company website and the printed Annual Report distributed during the ASM. Telephone number: (632)555 8000 E-mail address: InvRel@fphc.com The Investment Relations Officer has likewise been disclosed in the Definitive IS as Ms. Emelita D. Sabella, Vice President of the Corporation.
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM.	Ms. Emelita D. Sabella, the IRO, was present during the ASM. It is the intention of the Corporation to have her present at future shareholder meetings.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	There are no such anti-takeover measures in place. Section 4.2 of the Manual effectively bars the Board from enacting such measures: "It shall be the Board's duty and responsibility to foster the long-term success of the Corporation and secure its sustained competitiveness in a manner consistent with its corporate objectives, fiduciary responsibility, which it shall exercise in the best interest of the Corporation, and in proper cases, its shareholders as a body ("Shareholders") and other stakeholders. To ensure a high standard of best practice for the Corporation, its Shareholders and other stakeholders, the Board shall conduct

		<p>itself with utmost honesty and integrity in the discharge of its duties, functions and responsibilities. It is duty-bound to apply high ethical standards, taking into account the interests of all stakeholders. To ensure good corporate governance, the Board shall institute adequate internal control mechanisms and exert its best efforts to ensure best practices, keeping in mind its objective of steering the Corporation towards sustained profitability.</p> <p>The Board shall act on a fully informed basis and shall exercise care, skill, judgment, good faith and due diligence in the conduct and management of the business of the Corporation within the scope and authority provided in the Corporation's Articles of Incorporation, By-Laws, policies and applicable laws and regulations. It shall, at all times, act in the best interest of the Corporation. The Board shall also take into account the interest and welfare of the Shareholders and other stakeholders. The Board should identify the Corporation's various stakeholders and promote cooperation between them and the Corporation in creating wealth, growth and sustainability. The Board should also establish clear policies and programs to provide a mechanism on the fair</p>
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			<p>treatment and protection of stakeholders. The Board should adopt a transparent framework and process that allows stakeholders to communicate with the Corporation and to obtain redress for the violation of their rights."</p> <p>https://fphe.com/corporategovernance/amended-manual-of-corporate-governance</p>
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float.	The public float as of December 31, 2019 is 44.144%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	The company website has a feedback form that encourages shareholders to engage with the Corporation. The Annual Report distributed at the ASM includes a corporate directory with contact details that the stockholders may reach in case they wish to give any feedback.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant	Disclose the process and procedure for secure electronic voting in absentia, if any.	As of 2019, the Board has not yet approved any such mechanism as it awaited further guidelines on the same. In any event, its nominations and elections procedure insure the integrity of the election process. Votes are tallied which may be with the assistance of third parties as required. Procedures are included in the Manual. The minutes of the ASM disclose the number of votes in favor of or against a proposed item. These are likewise disclosed by the next

			<p>working day.</p> <p>Shareholders can likewise effectively vote, in absentia, through the use of proxies which are subjected to validation by the Company.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>https://www.fphc.com/company_disclosures/minutes-of-all-general-or-special-stockholders-meetings</p> <p>It is to be noted that for the Annual Stockholders meeting scheduled for July 30, 2020, voting remotely or in absentia is to be allowed.</p>
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	<p>The Corporation lists down its various stakeholders - shareholders, customers, joint venture partners, among others, in its Corporate Code of Conduct and Ethics.</p> <p>"OUR COMMITMENTS</p> <p>Our basic purpose is to create new wealth for our stakeholders in a manner</p>

			<p>consistent with national socio-economic development.</p> <p>We adhere to the values and principles instilled in us by our founder, namely: nationalism, integrity, entrepreneurship and innovation, teamwork and a strong work ethic.</p> <p>We recognize that our businesses provide basic goods and services to the country. We remain committed to provide quality and timeliness in the delivery of our products and services consistent with the profitable growth of the Corporation.</p> <p>In promoting the interests of our stakeholders, we are committed to good corporate governance. xxx"</p> <p>http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p> <p>The Corporation has also issued its Sustainability Policies for its stakeholders.</p> <p>https://www.fphc.com/downloads/FPH-Gender-Equality-and-Diversity-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Responsible-Asset-Protection-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-</p>
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			Cultural-Heritage-and-IP-Policy.pdf https://www.fphc.com/downloads/FPH-Human-Rights-Policy.pdf
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	<p>Under its Corporate Code of Conduct and Ethics, the Corporation commits to adhere to values and principles as well as to conduct fair business transactions with its stakeholders.</p> <p>http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p>
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p>	<p>The Corporation has a Whistleblower Policy that allows directors, officers, employees and any persons to complain about or report certain acts to Management.</p> <p>The following are the contact details under the Policy:</p> <p>Internal Audit Department First Philippine Holdings Corporation Attention: Head of Internal Audit 6th Floor, Rockwell Business Center, Tower 3 Ortigas Avenue, Pasig City Email: agmacabuhay@firstgen.com.ph</p> <p>https://www.fphc.com/wp-content/uploads/2019/09/whistleblower-policy-updated.pdf</p>

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>Compliant</p>	<p>Provide information on the alternative dispute resolution system established by the company.</p>	<p>In practice, the Corporation has adopted arbitration as an alternative dispute resolution system. This is incorporated in contracts with suppliers and partners, among others.</p> <p>Under the Manual, among the Board's duties are the following:</p> <p>"k. As may be deemed proper by the Board, establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its Shareholders, and the Corporation and third parties, including the regulatory authorities; (Section 4.3)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p>
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Additional Recommendations to Principle 14

<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>Disclose any requests for exemption by the company and the reason for the request.</p>	<p>The Company has not requested any exception for itself with respect to corporate governance. The only request made was for the permanent exemption of Mr. Oscar M. Lopez from attending the corporate governance training as required by the SEC, due to advanced age and his expertise. The SEC has seen fit to grant this request.</p>
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2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any.	The Corporation's contracts include standard provisions protecting the intellectual property rights of the parties. In any event, it is guided by all relevant laws, regulations and guidelines including those on IP rights.
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	Under the Corporate Code of Conduct and Ethics, the Corporation recognizes that customer satisfaction is a paramount concern. The Corporation commits to its customers its unceasing quest to meet their needs and its uncompromising struggle for excellence in meeting their expectations http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	In 2018, the Corporation had in place the FPH Vendor Accreditation and Guidelines wherein the corporate group shall only transact with vendors accredited by ERM. The internal policy requires potential vendors to submit the documentation to be accredited. Certain vendors/contractors may need to undergo technical and safety review. In addition to the accreditation process, a Procure to Pay Policy has been instituted to facilitate the proper processing of payments to suppliers/contractors. The Corporate Code of Conduct states:

			<p>"Suppliers and Service Providers.</p> <p>We value our suppliers of goods and services as partners in the pursuit of our businesses. We shall deal with them fairly, with transparency, act in good faith and with total professionalism."</p> <p>http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p>
<p>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.</p>			
<p>Recommendation 15.1</p>			
<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>Compliant</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p>	<p>The Corporation, in its Corporate Code of Conduct and Ethics, is committed to find effective ways to foster professionalism, teamwork and employee participation to attain higher levels of productivity and quality.</p> <p>https://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p> <p>The Integrated Report (page 86 to 87) details the company's efforts towards Employee Engagement which include programs for emotional well-being and gender awareness, as well as social activities.</p> <p>The Step Up is also an on-going effort for</p>

			<p>continuous sustainability embedding program anchored on the climate pillars of the company, namely, GHG accounting, energy management, water management, waste management, and sustainable supply chain.</p> <p>https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf</p> <p>Conglomerate-wide initiatives include activities such as the Lopez Group Walk the Talk and FPH Company Outing, Christmas parties and tree planting.</p> <p>Corporate events also allow for building camaraderie among employees. These events include the Coastal Clean-up, Christmas parties, and Seasons Greenings Contest.</p>
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Article VIII Section 3 of the Corporation's By-laws guides the Corporation in the determination of its incentives to officers and employees on account of company performance. The Corporation has a Performance Management System that differentiates and rewards good performance. It has a PEP Evaluation where the officers' and staff's performance are assessed vis-a-vis the key result areas of the Corporation and

			<p>the respective groups.</p> <p>http://www.fphc.com/gettoknow/amended-by-laws/?id=1</p>
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	Compliant	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p>	<p>As stated in its ESH Policy, the Corporation shall implement an environment, safety and health management system that will constitute an integral part of its performance in the development and management of power generation plants, procurement and construction activities, manufacturing, real estate development and other related investments, and which shall be a primary responsibility of all personnel at all levels.</p> <p>https://sites.google.com/a/fphc.com/esh-hub/fph-esh-policy</p> <p>The Integrated Report (page 86 to 88) details the different programs geared towards the health, safety and welfare of our employees. For 2019, the notable improvements are as follows:</p> <ol style="list-style-type: none"> 1. Strengthened the Anti-Sexual Harassment procedures 2. Gender Equality and Diversity Awareness 3. Employee Engagement Platform called Uplift/Unwind for spiritual, mental, physical and social activities 4. Emotional Well-Being program wherein seminars and workshops for

			<p>mindfulness, mental health, and managing one's well-being.</p> <p>5. 24/7 hotline access, chat support, or face to face sessions with professional counsellors and life coaches</p> <p>6. Step Up program for sustainability training</p> <p>7. Human Capital Management System enables real-time business insights, automated workflows and process analytics, and employee ownership of personal data, as well as tracking employee statistics and performance.</p> <p>https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf</p>
3. Company has policies and practices on training and development of its employees.	Compliant	<p>Disclose and provide information on policies and practices on training and development of employees.</p> <p>Include information on any training conducted or attended.</p>	<p>The Corporation recognizes the need for continuous development across all levels in the organization. It shall adopt a professional training and development program for its employees and officers as well as succession planning for Senior Management and key positions in the Corporation.</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>For 2019, the Corporation has provided Core, Functional, People Management, Team Development and Leadership</p>

			<p>programs to the employees. The Corporation sponsored learning opportunities on Organizational Agility, Agile Fundamentals, Data Storytelling for Business, Strategic Systems Thinking, Project Management Essentials, Effective Presentation Skills Training and 7 Habits of Highly Effective People Signature Program. These classroom programs were offered across all departments; as these were deemed important in every employee of the Corporation.</p> <p>Apart from the core programs, the Corporation has always provided for the development of the specialized skills. Employees attended conferences relevant to their functions such as PICPA Annual Convention, Business World Economic Forum, CEB Corporate Leadership Council, Building Green Conference, and Verge Hawaii- Clean Energy Integration Seminar.</p>
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	The Corporation, in its Corporate Code of Conduct and Ethics, affirms the commitment of all directors, officers and employees towards the prohibitions against corruption. The Corporation also has an Anti-Bribery and Corruption Policy (previously, an Anti-Corruption Statement before it was updated) which describes the Corporation's implementation of anti-

			<p>corruption programs.</p> <p>The Code of Conduct states that:" xxx we affirm the commitment of all directors, officers and employees towards required confidentiality, the integrity of corporate assets, the avoidance of any conflict of interest and the prohibition against insider trading, bribery and corruption..." It further states that as far as government, We recognize the authority of the government and the supremacy of the law. We abide by its rules, orders and decisions while keeping our right to invoke any and all legal entitlements and administrative, judicial or other remedies and to advocate for change and reform when appropriate. We adhere to good governance and public accountability policies of the government. And we have likewise adopted and implemented anti-corruption programmes and procedures."</p> <p>http://www.fphc.com/wp-content/uploads/2014/07/Corporate-Code-of-Conduct-and-Ethics.pdf</p> <p>http://www.fphc.com/corporategovernance/anti-corruption-statement/?id=1#Anti Bribery and Corruption Policy</p>
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2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	<p>The Anti-Bribery and Corruption Policy (previously, an Anti-Corruption Statement before it was updated) and the Corporate Code of Conduct and Ethics are posted on the company website. The Anti-Bribery and Corruption Policy is also distributed to the senior officers and is made accessible to all employees.</p> <p>http://www.fphc.com/corporategovernance/anti-corruption-statement/?id=1#Anti Bribery and Corruption Policy</p>
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p>	<p>The Corporation has an Anti-Bribery and Corruption Policy (previously, an Anti-Corruption Statement before it was updated) which describes the Corporation's stand against corruption and the measures/procedures implemented to prevent corruption.</p> <p>http://www.fphc.com/corporategovernance/anti-corruption-statement/?id=1#Anti Bribery and Corruption Policy</p> <p>There have been no such findings of violations to date.</p> <p>Corruption and Bribery is also a cause for a disciplinary action that may merit a suspension or dismissal under the FPH</p>

Recommendation 15.3			Code of Discipline.
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behaviour.</p>	<p>The Corporation has a Whistleblower Policy. A whistleblower may be an employee who makes a protected disclosure to his immediate supervisor, other superior officers or the Internal Audit Department, may complain on or report acts or omissions that are contrary to laws, rules, regulations or policies; unreasonable, unjust unfair oppressive or discriminatory; or constitutive of an undue or improper exercise of powers and prerogatives.</p> <p>A whistleblower who has made or is believed or suspected to have made a protected disclosure under the Policy shall not be liable to disciplinary action for making such disclosure. No retaliatory action shall be taken against a whistleblower.</p> <p>Any report covered by the Whistleblower Policy may be made to:</p> <p>Internal Audit Department First Philippine Holdings Corporation Attention: Head of Internal Audit 6th Floor, Rockwell Business Center, Tower 3 Ortigas Avenue, Pasig City Email: agmacabuhay@firstgen.com.ph</p>

			https://www.fphc.com/wp-content/uploads/2019/09/whistleblower-policy-updated.pdf
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant		<p>Any report covered by the Whistleblower Policy may be made to:</p> <p>Internal Audit Department First Philippine Holdings Corporation Attention: Head of Internal Audit 6th Floor, Rockwell Business Center, Tower 3 Ortigas Avenue, Pasig City Email: agmacabuhay@firstgen.com.ph</p> <p>https://www.fphc.com/wp-content/uploads/2019/09/whistleblower-policy-updated.pdf</p>
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	<p>It is the Board's duty to:</p> <p>"hh. Establish a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board, Management representative or a unit created to handle whistleblowing concerns." (Manual, Section 4.3)</p> <p>https://fphc.com/corporategovernance/amended-manual-of-corporate-governance</p> <p>And this has been concretized with the</p>

			<p>issuance of the Whistleblower Policy.</p> <p>https://www.fphc.com/wp-content/uploads/2019/09/whistleblower-policy-updated.pdf</p> <p>No such incident has been reported to date.</p>
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p>	<p>The Corporation remains committed to lending its strength and expertise toward the causes of education, safety, and disaster recovery; poverty alleviation and culture; and environmental responsibility, recognizing that its businesses flourish best when the communities it operates flourish as well.</p> <p>As such, the Corporation has issued its Sustainability Policies.</p> <p>https://www.fphc.com/downloads/FPH-Gender-Equality-and-Diversity-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Responsible-Asset-Protection-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Cultural-Heritage-and-IP-Policy.pdf</p>

			https://www.fphc.com/downloads/FPH-Human-Rights-Policy.pdf The Corporation's programs and initiatives can be found in the Integrated Report (page 129 to 131). https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	<p>The Corporation adheres to applicable laws and regulations in the country and cooperates fully with regulatory agencies/enforcement agencies. It ensures that all the organizations under FPH establish and maintain their operations, programs, and initiatives to protect the environment.</p> <p>It adopts the "Mitigation Hierarchy" principle which prescribe the following action in order of importance:</p> <p>a) avoidance of an activity to prevent expected adverse impacts; b) minimization measures to reduce duration intensity and extent of impact that cannot be avoided; c) restoration to re-establish the system's composition, structure and function; d) offset to compensate an adverse impact.</p>

			https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf It is expressly stated in its Code of Conduct and Ethics that it is the Corporation's goal and commitment to contribute to society's needs for poverty alleviation, health, education and environmental protection. http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	FPH remains committed to lending its strengths and expertise towards the causes of education, disaster recovery, poverty alleviation, and environmental responsibility. It recognizes that its businesses flourish when the communities where it operates flourish as well. Through our foundations, the Corporation is able to fulfil its advocacy and complement the work of our businesses in contributing to the well-being of the general public. In page 94 of the Integrated Report, a listing of the different initiatives for 2019 can be found. https://www.fphc.com/storage/app/media/Annual-Reports/FPH-2019-Integrated-Report.pdf

			<p>The Company's CSR program targets empowered communities that are to be safe, healthy, educated and employed in order to be able to help themselves and to contribute to society. FPH has in the past and continues to provide assistance to over a hundred host communities through various programs on education, health, livelihood and culture.</p> <p>As stated in its Corporate Code of Conduct and Ethics under Corporate Social Responsibility:</p> <p>"We shall pursue civic, charitable, and social projects and undertakings.</p> <p>We remain partners with non-governmental organizations whose objectives and activities are aligned with our Corporation's goals and commitment to contribute to society's needs for poverty alleviation, health, education and environmental protection.</p> <p>We operate and maintain our businesses consistent with sustainable development and generally accepted industry practices."</p> <p>http://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p>
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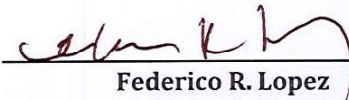
			<p>The Corporation has issued its Sustainability Policies which include the Environment, Safety and Health*, Human Rights, Gender Equality and Diversity, Responsible Asset Protection, Cultural Heritage and Indigenous Peoples, and Corporate Social Responsibility**.</p> <p>*existing since August 2016 **Code of Conduct and Ethics</p> <p>https://www.fphc.com/downloads/FPH-Gender-Equality-and-Diversity-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Responsible-Asset-Protection-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Cultural-Heritage-and-IP-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-Human-Rights-Policy.pdf</p> <p>https://www.fphc.com/downloads/FPH-ESH-Policy.pdf</p> <p>https://www.fphc.com/corporategovernance/corporate-code-of-conduct/?id=1</p>
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This document may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same document. All signatures need not be on the same counterpart.

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 for the City of Pasig effective as of July 27, 2020.

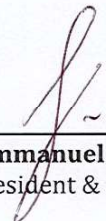
SIGNATURES



Federico R. Lopez
Chairman and Chief Executive Officer



Francis Giles B. Puno
President and Chief Operating Officer



Victor Emmanuel B. Santos, Jr.
Senior Vice President & Compliance Officer



Enrique I. Quiason
Corporate Secretary



A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke, positioned above a solid black horizontal line.

Artemio V. Panganiban
Lead Independent Director

A handwritten signature in black ink, featuring a large, stylized 'R' and 'M' with a long horizontal stroke, positioned above a solid black horizontal line.

Rizalina G. Mantaring
Independent Director

A handwritten signature in black ink, consisting of a stylized 'J' and 'S' with a long horizontal stroke, positioned above a solid black horizontal line.

Juan B. Santos
Independent Director



A handwritten signature in black ink, reading "Stephen T. CuUnjieng". The signature is written in a cursive style with a horizontal line underneath the name.

Stephen T. CuUnjieng
Independent Director