

COVER SHEET

9 1 7 0

S.E.C. Registration Number

U N I V E R S A L R O B I N A C O R P O R A T I O N

(Company's Full Name)

8 T H F L O O R , T E R A T O W E R , B R I D G E T O W N E , E . R O D R I G U E Z , J R . A V E N U E (C 5 R O A D) , U G O N G N O R T E , Q U E Z O N C I T Y , M E T R O M A N I L A

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

ARLENE S. DENZON Compliance Officer

Contact Person

633-7631 to 40

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

FORM TYPE

FORM TYPE

Last Wednesday of May

Month Day

Annual Meeting

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

Issuer of Securities under SEC-BED Order No. 235, Series of 1994 and SEC-CFD Order No. 015, Series of 2006

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Dept. Requiring this Doc.

Amended Articles Number/Section

Amended Articles Number/Section

Total No. of Stockholders

Total No. of Stockholders

Domestic

Domestic

Foreign

Foreign

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

File Number

LCU

LCU

Document I.D.

Document I.D.

Cashier

Cashier

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Remarks: pls. use blank ink for scanning purposes



May 29, 2019

SECURITIES AND EXCHANGE COMMISSION

G/F Secretariat Building
PICC Complex, Roxas Boulevard, Pasay City

Attention: **Atty. Rachel Esther J. Gumtang-Remalante**
OIC, Corporate Governance and Finance Department

THE PHILIPPINE STOCK EXCHANGE, INC.

6/F PSE Tower
5th Avenue corner 28th Street
Bonifacio Global City, Taguig City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Re: **Submission of the 2018 Integrated Annual Corporate Governance Report (I-ACGR)**

Gentlemen:

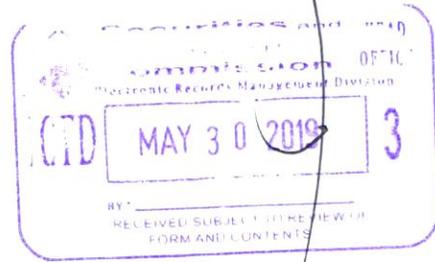
In compliance with the SEC Memorandum Circular No. 15, Series of 2017 on the submission of the Integrated Annual Corporate Governance Report (I-ACGR), we submit to the Commission the fully accomplished I-ACGR of Universal Robina Corporation (URC) covering the year 2018.

Thank you.

Respectfully yours,

A handwritten signature in blue ink, appearing to read 'Arlene S. Denzon', written over a circular blue stamp.

ARLENE S. DENZON
Compliance Officer



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

- | | | |
|----|--|--|
| 1. | For the calendar year ended | 2018 |
| 2. | SEC Identification Number SEC Registration No. | 9170 |
| 3. | BIR Tax Identification No. TIN No. | 000-400-016-000 |
| 4. | Exact name of issuer as specified in its charter | UNIVERSAL ROBINA CORPORATION |
| 5. | Metro Manila, Philippines
Province, Country or other jurisdiction of incorporation or organization | 6. (SEC Use Only)
Industry Classification Code: |
| 7. | 8th Floor, TERA Tower, Bridgetowne, E. Rodriguez, Jr. Ave., (C5 Road) Ugong Norte, Quezon City,
Address of principal office | 1110
Postal Code |
| 8. | (632) 633-7631 to 40
Issuer's telephone number, including area code | |
| 9. | None
Former name, former address, and former fiscal year, if changed since last report. | |



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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| | None | |
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**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT
AS OF DECEMBER 31, 2018**

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board’s Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company’s industry/sector.	Compliant	<p>1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors of the Directors are disclosed in the following:</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 32-35 http://www2.urc.com.ph/Annual Report 17A</p> <p>2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance are provided in the Company’s Revised Corporate Governance Manual.</p> <p>Revised Corporate Governance Manual Article III Governance Structure 2. Qualifications for or Disqualification from Directorship, page 13</p>	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>2.1. Qualifications of a Director In addition to the applicable provisions of the Corporation Code, Securities Regulation Code, and other relevant laws the Articles of Incorporation and By-Laws of the Corporation, the following general guidelines shall be observed in the initial evaluation of Director-nominees to the Board:</p> <p>2.1.1. He should own at least one (1) share of stock of the Corporation;</p> <p>2.1.2. He must have a practical understanding of the business of the Corporation;</p> <p>2.1.3. He shall have been proven to possess integrity and probity.</p> <p>The Corporate Governance Committee, as defined under Article III-B (3), may consider and recommend to the Board other qualifications which are now or may hereafter be provided in the relevant existing laws or any amendments thereto or new law applicable to the Corporation.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Recommendation 1.2			
<p>1. Board is composed of a majority of nonexecutive directors.</p>	<p>Compliant</p>	<p>The directors and the type of their directorships are disclosed in the following:</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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			<table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th colspan="2">URC</th> <th colspan="3">Type of Directorship</th> </tr> <tr> <th>Name</th> <th>Position</th> <th>ED</th> <th>NED</th> <th>ID</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>John L. Gokongwei, Jr.</td> <td>Chairman Emeritus and Founder</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>2</td> <td>James L. Go</td> <td>Chairman Emeritus</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>3</td> <td>Lance Y. Gokongwei</td> <td>Chairman</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>4</td> <td>Patrick Henry C. Go</td> <td>Director</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td>Irwin C. Lee</td> <td>President and CEO</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td>Johnson Robert G. Go, Jr.</td> <td>Director</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>7</td> <td>Robert G. Coyiuto, Jr.</td> <td>Director</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>8</td> <td>Wilfrido E. Sanchez</td> <td>Independent Director</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>9</td> <td>Cesar V. Purisima</td> <td>Independent Director</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td align="center" colspan="3">Total</td> <td align="center">2</td> <td align="center">5</td> <td align="center">2</td> </tr> </tbody> </table> <p>Independent Directors were treated as part of Non-Executive Directors and the total exceeds the number of Executive Directors.</p> <p>Company Website Board of Directors http://www2.urc.com.ph/investors/company-board-of-directors</p> <p>Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 32-35 http://www2.urc.com.ph/Annual Report 17A</p>	No.	URC		Type of Directorship			Name	Position	ED	NED	ID	1	John L. Gokongwei, Jr.	Chairman Emeritus and Founder		1		2	James L. Go	Chairman Emeritus		1		3	Lance Y. Gokongwei	Chairman		1		4	Patrick Henry C. Go	Director	1			5	Irwin C. Lee	President and CEO	1			6	Johnson Robert G. Go, Jr.	Director		1		7	Robert G. Coyiuto, Jr.	Director		1		8	Wilfrido E. Sanchez	Independent Director			1	9	Cesar V. Purisima	Independent Director			1	Total			2	5	2	
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Recommendation 1.3																																																																											
1.	Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The company’s Board Charter and Manual on Corporate Governance relating to its policy on training of director are found in: Revised Corporate Governance Manual																																																																								

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Article IX Communication, Education and Training; pages 44-45</p> <p>B. EDUCATION AND TRAINING</p> <p>Every Director shall receive appropriate orientation when he is first appointed to the Board of Directors, in order to ensure that incoming Directors are appropriately apprised of their duties and responsibilities before beginning their Directorships. The orientation program shall include SEC-mandated topics on Corporation Governance and an introduction to the Company’s business, Articles of Incorporation, and Code of Business Conduct and Ethics.</p> <p>Likewise, Management Officers shall receive appropriate orientation on his duties as a management executive and how to discharge these duties when he is first appointed to the Corporation. This will ensure that incoming Senior Management Officers are familiar with the Corporation’s business and governance processes.</p> <p>Each Director and key Officer shall be required to attend a training program on Corporate Governance and relevant topics every year. The training program shall ensure that Directors and key Officers are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company as well as Corporate Governance matters including audit, internal controls, risk management, sustainability and strategy.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Company has an orientation program for first time directors.	Compliant	The orientation program of directors is found in: Revised Corporate Governance Manual	
3. Company has relevant annual continuing training for all directors.	Compliant	Article IX Communication, Education and Training; pages 44-45 B. EDUCATION AND TRAINING Every Director shall receive appropriate orientation when he is first appointed to the Board of Directors, in order to ensure that incoming Directors are appropriately apprised of their duties and responsibilities before beginning their Directorships. The orientation program shall include SEC-mandated topics on Corporation Governance and an introduction to the Company’s business, Articles of Incorporation, and Code of Business Conduct and Ethics. Likewise, Management Officers shall receive appropriate orientation on his duties as a management executive and how to discharge these duties when he is first appointed to the Corporation. This will ensure that incoming Senior Management Officers are familiar with the Corporation’s business and governance processes. Each Director and key Officer shall be required to attend a training program on Corporate Governance and relevant topics every year. The training program shall ensure that Directors and key Officers are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company as well as Corporate Governance matters including audit, internal controls, risk management, sustainability and strategy. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		The Company initiated and organized the "Agile Workshop" on August 23, 2018 as Training for its directors, executives and officers. This was applied to the SEC as Corporate Governance training program for the Company. The Commission approved and granted the said request on August 30, 2018.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Information on the company’s board diversity policy is disclosed in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure; page 13 and A.3 Responsibility, Duties and Functions of the Board; 3.2.4. page 16</p> <p>3.2.4. Adopt policies on board nomination and election that will ensure diversity in board composition in terms of knowledge, expertise and experience; http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Diversity Policy</p> <p>The Company recognize the benefits of having a diverse Board and its value in maintaining sound corporate governance while achieving strategic objectives and sustainable growth. The Policy establishes the approach to realize diversity of Board membership. http://www2.urc.com.ph/BoardDiversityPolicy</p>	

Optional: Recommendation 1.4

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<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>		<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>	
Recommendation 1.5			
<p>1. Board is assisted by a Corporate Secretary.</p>	Compliant	<p>Information on the Corporate Secretary, including his/her name, qualifications, duties and functions directorships are disclosed in the following:</p> <p>Revised Corporate Governance Manual Article III Governance Structure E. The Corporate Secretary; page 29</p> <p>1. Qualifications of the Corporate Secretary The Corporate Secretary, a Filipino citizen and a resident of the Philippines, is an officer of the Corporation and must be exemplary in performance. The Corporate Secretary should:</p> <p>1.1. Possess appropriate administrative and interpersonal skills;</p> <p>1.2. Have a working knowledge of the operations of the Corporation;</p> <p>1.3. Be aware of the laws, rules, and regulations necessary in the performance of his duties and responsibilities; and</p> <p>1.4. Be a separate individual from the Compliance Officer and should not be a member of the Board of Directors.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>2. Corporate Secretary is a separate individual from the Compliance Officer.</p>	Compliant		
<p>3. Corporate Secretary is not a member of the Board of Directors.</p>	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 67 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Rosalinda F. Rivera, 48, was appointed Corporate Secretary of URC on May 22, 2004 and has been Assistant Corporate Secretary since May 2002. She is also the Corporate Secretary of JGSHI, Robinsons Land Corporation, Cebu Air, Inc., Robinsons Retail Holdings, Inc., JG Summit Olefins Corporation and JG Summit Petrochemical Corporation. Prior to joining URC, she was a Senior Associate at Puno and Puno Law Offices. She received a Juris Doctor degree from the Ateneo de Manila University School of Law and a Masters of Law degree in International Banking from the Boston University School of Law. She was admitted to the Philippine Bar in 1995.</p> <p>Company Website Board of Directors http://www2.urc.com.ph/investors/company-board-of-directors</p> <p>Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 37 http://www2.urc.com.ph/Annual Report 17A</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. Corporate Secretary attends training/s on corporate governance.	Compliant	The Corporate Secretary attended: The Company initiated and organized the "Agile Workshop" on August 23, 2018 as Trainings for its directors, executives and officers. This was applied to the SEC as Corporate Governance training program for the Company. The Commission approved and granted the said request on August 30, 2018.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		The Corporate Secretary distributed the board meeting materials at least five business days before scheduled meeting:	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Information on the Company's Compliance Officer, including his/her name, position, qualifications, duties and functions are disclosed in the following: Revised Corporate Governance Manual Article III Governance Structure G. Compliance Officer; page 35 1. Appointment of the Compliance Officer The Board shall ensure that it is assisted in its duties by a Compliance Officer. The Board may consider appointing a Compliance Officer with a rank of Senior Vice President or an equivalent position with adequate stature and authority in the Corporation. The Compliance Officer should not be a member of the Board of Directors and shall have direct reporting responsibilities to the Chairman of the Board. The Compliance	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Officer shall annually attend a training on Corporate Governance. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 67-68 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Arlene S. Denzon, 51, is the Compliance Officer of URC and Vice President of the Corporate Governance and Management Systems (CGMS) of JGSHI Prior to rejoining URC in February 2013, she was the Senior Vice President and Chief Risk Officer (SVP and CRO) in charge of the Enterprise-wide Risk Management Group of Digitel Mobile Philippines, Inc. (DMPI, more popularly known as Sun Cellular) until December 2012. Ms. Denzon started her career in the Gokongwei Group in 1991 and performed various roles including Accounting Manager of JGSHI until 1997, Assistant Vice President - Special Assistant to the Chairman until 2001, Vice President - Treasurer and Acting Chief Financial Officer of URC International until 2003 before she was seconded to DMPI in 2004. Prior to JGSHI, Ms. Denzon had three years working experience as external auditor in Sycip, Gorres, Velayo & Co. She was a Certified Public Accountant Board topnotcher and obtained her Bachelor of Accountancy degree, Magna Cum Laude, from the Polytechnic University of the Philippines.</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>The Compliance Officer attended the following corporate governance trainings/seminars:</p> <ol style="list-style-type: none"> 1. 7th Annual GGAPP Forum on Good Governance, Ethics and Compliance and Keeping Pace with a Dynamic Corporate Landscape, Sustainability, Blockchain Technology and Data Privacy, October 11, 2018 2. 5th SEC-PSE Corporate Governance Forum, October 23, 2018 	

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company’s articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>The following contains the information on how the directors performed their duties:</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.4. Specific Duties and Responsibilities of a Director, 4.3; page 17</p> <p>4. Specific Duties and Responsibilities of a Director A Director shall endeavor to act in the best interest of the Corporation its shareholders and stakeholders in a manner characterized by fairness, accountability, and transparency. A Director shall observe the following norms of conduct:</p>	
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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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		<p>4.1. Conduct fair and impartial business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation;</p> <p>4.2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities;</p> <p>4.3. Act judiciously. Before deciding on any matter brought before the Board, a Director should carefully evaluate the issues and, if necessary, make inquiries and request clarification;</p> <p>4.4. Exercise independent judgment. A Director should view each problem or situation objectively;</p> <p>4.5. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies;</p> <p>4.6. Observe confidentiality. A Director should keep secure and confidential all nonpublic information he may acquire or learn by reason of his position as Director; and</p> <p>4.7. Have a working knowledge of the Corporation’s control systems. A Director shall ensure the continuing soundness, effectiveness and adequacy of the Corporation’s control environment.</p> <p>4.8. Disclose to the Philippine Stock Exchange (PSE) and the SEC the trading of the Corporation’s shares by Directors, Officers (or persons performing similar functions) and controlling Shareholders. This shall also</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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		<p align="center">include the disclosure of the Corporation’s purchase of its shares from the market (e.g. share buy-back program).</p> <p align="center">http://www2.urb.com.ph/RevisedCorporateGovernanceManual</p> <p>Minutes of Annual Stockholders’ Meeting</p> <p align="center">http://www2.urb.com.ph/MinutesoftheAnnualStockholdersMeeting</p>	
Recommendation 2.2			
<p>1. Board oversees the development, review and approval of the company’s business objectives and strategy.</p>	Compliant	<p>The following contains the information on how the directors performed this function:</p> <p>Revised Corporate Governance Manual</p> <p>Article III Governance Structure</p> <p>A.3. Responsibilities, Duties and Functions of the Board, 3.2.2; page 16</p>	
<p>2. Board oversees and monitors the implementation of the company’s business objectives and strategy.</p>	Compliant	<p>3.2.2 Oversee the development of and approve the Company’s business objectives and strategy, and monitor their implementation, in order to sustain the Company’s long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures</p> <p align="center">http://www2.urb.com.ph/RevisedCorporateGovernanceManual</p>	

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		Business objectives and strategy are reviewed and approved annually. Minutes of Annual Stockholders' Meeting http://www2.urc.com.ph/MinutesoftheAnnualStockholdersMeeting g	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The company's vision, mission and core values can be found in: Mission Universal Robina Corporation (URC) is one of the largest branded food product companies in the Philippines and has a growing presence in other ASEAN markets. Vision URC's vision is to be the best Philippine food and beverage company, with a powerful presence throughout the ASEAN region, carrying a wide portfolio of delightful brands of exceptional quality and value, equipped with efficient systems and motivated people. We are committed in making lives a truly fun experience. Core Values Passion to Win. We build organizational capability by being entrepreneurial and proactive, driven by a sense of urgency and purpose. We continuously challenge ourselves to deliver world-class brands and consistently rally our people to strive for excellence. Dynamism. We cultivate a culture of innovation and productive working relationships. We continuously find ways to improve	

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		<p>organizational and people capabilities to meet constantly challenging consumer needs.</p> <p>Integrity. We are guided by transparency, ethics, and fairness. We build the business with honor and are committed to good governance. Our processes and products meet the highest standards. We are credible in our dealings with both internal and external stakeholders.</p> <p>Courage. We seize opportunities in building long-term, sustainable businesses. We make tough people and business decisions to ensure competitive advantage.</p> <p>Company Website Mission, Vision and Core Values http://www2.urc.com.ph/about-us/company-mission_vision</p> <p>Annual Report (Colored) http://www2.urc.com.ph/Annual Report (Colored)</p> <p>The Company’s vision, mission and core values are reviewed annually.</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.3. Responsibilities, Duties and Functions of the Board, 3.2.8; page 16 3.2.8. Annually review, together with Management, the Company’s vision and mission;</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>Compliant</p>	<p>The following contains information on the strategy execution process:</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.3. Responsibilities, Duties and Functions of the Board, 3.2.2; page 16</p> <p style="padding-left: 40px;">A.3. 3. Responsibilities, Duties and Functions of the Board, 3.2.2.; page 17</p> <p style="padding-left: 80px;">3.2.2 Oversee the development of and approve the Company's business objectives and strategy, and monitor their implementation, in order to sustain the Company's long-term viability and strength. The Board shall review and guide corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; set performance objectives; monitor implementation and corporate performance; and oversee major capital expenditures, acquisitions and divestitures</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Annual Report SEC Form 17A I. Business and General Information; 5-14 http://www2.urc.com.ph/Annual Report 17A</p>	

Recommendation 2.3

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>The following contains the information on the Chairperson, including his/her name and qualifications:</p> <p>Revised Corporate Governance Manual Article III Governance Structure C. Chairman; page 27 http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Lance Y. Gokongwei, 52, is the Chairman of Universal Robina Corporation. He is also the Chairman of Robinsons Retail Holdings, Inc., Robinsons Land Corporation, JGSHI Petrochemical Corporation, JGSHI Olefins Corporation and Robinsons Bank Corporation. He is also the President and Chief Executive Officer of JG Summit Holdings, Inc. and Cebu Air, Inc. He is a director and Vice Chairman of Manila Electric Company and is a Director of Oriental Petroleum and Minerals Corporation and United Industrial Corporation Limited. He is a trustee and secretary of the Gokongwei Brothers Foundation, Inc. He received a Bachelor of Science degree in Finance and a Bachelor of Science degree in Applied Science from the University of Pennsylvania.</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 63 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	
Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning</p>	<p>Compliant</p>		

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>program for directors, key officers and management.</p>		<p>The company’s succession planning policies and programs and its implementation are disclosed in:</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Compliant</p>	<p>Revised Corporate Governance Manual Article III Governance Structure A.3. Responsibilities, Duties and Functions of the Board, 3.2.3; page 16 3.2.3. Oversee the adoption of an effective succession planning program and remuneration policies;</p> <p>5. Internal Controls and Responsibilities of the Board, 5.1.5; page 18 5.1.5. Review of the Corporation’s human resource policies, conflict of interest situations, compensation program for employees and management succession plan.</p> <p>3. Corporate Governance Committee, 3.3. Functions, 3.3.4; page 24 3.3.4. Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession planning for the Board members and senior Officers, and levels of remuneration for corporate and individual performance; http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Succession Planning and Remuneration Policy The Company shall ensure the Company’s effective performance and sustained growth through leadership continuity for the benefit of all its stakeholders. Subject to the Board’s approval, suitable candidates are identified, assessed and nominated to fill the vacancies that arise from time to time. Competency requirements are assessed and</p>	

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		developed through planned developments and learning initiatives. This ensures systematic and long-term development of individuals in the senior management level as ready replacement when the need arises due to deaths, disabilities, retirements and other unexpected occurrence. http://www2.urc.com.ph/SuccessionPlanningandRemunerationPolicy	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	The following contains information on the company’s remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant	Revised Corporate Governance Manual Article III Governance Structure B.3. Corporate Governance Committee; page 23 The Corporate Governance Committee shall have the following functions:	
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	3.3.6. Establish a formal procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Corporation’s culture and strategy as well as the business environment in which it operates, including disallowing any Director to decide his remuneration; http://www2.urc.com.ph/RevisedCorporateGovernanceManual Company Website Succession Planning and Remuneration Policy	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>12. The Corporate Governance Committee shall recommend and the Board of Directors shall approve the remuneration of Executive and Non-Executive Directors.</p> <p>12.1. Fixed remuneration for Non-Executive directors (including Independent Directors) shall reflect the time commitment and responsibilities of the role.</p> <p>12.2. The remuneration of Executive Directors may be a combination of fixed monthly salary in terms of their appointment as approved by the Board and variable pay based on the Company's and individual performance. The Corporate Governance Committee shall determine and decide the performance parameters and/or measurable standards applicable to the Executive Directors that will serve as the basis for the variable pay.</p> <p>12.3. The Corporate Governance Committee may consider aligning Key Executives and Board remuneration with the longer-term interests of the company and its shareholders.</p> <p>13. The compensation structure for Key Management Personnel and Senior Management Team members may consist of fixed salary component and variable performance-based compensation. The compensation structure shall be devised to help the Company attract and retain top talents to efficiently run the Company with a long-term perspective.</p> <p>http://www2.urb.com.ph/SuccessionPlanningandRemunerationPolicy</p>	
Optional: Recommendation 2.5			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.		Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The following contains 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; proof that minority shareholders have a right to nominate candidates to the board; information that there was an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director. Revised Corporate Governance Manual Article III Governance Structure, 3.2. Duties and Functions of the Board, 3.2.4; page 16	
2. Board nomination and election policy is disclosed in the company’s Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	3.2.4. Adopt policies on board nomination and election that will ensure diversity in board composition in terms of knowledge, expertise and experience;	
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	B.3. Corporate Governance Committee, 3.3.5; page 24 3.3.5. Determine the nomination and election process for the Corporation's Directors and define the general profile of the Board members that the Company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	http://www2.urc.com.ph/RevisedCorporateGovernanceManual Notice of Annual Stockholders' Meeting http://www2.urc.com.ph/NoticeoftheAnnualStockholdersMeeting Company Website Board Nomination and Election Policy The Board recognizes the importance of having a qualified and competent Board to achieve Company objectives as well as to protect the interest of all its stakeholders and shall ensure that proper nomination and election process is in place to attain this. http://www2.urc.com.ph/BoardNominationandElectionPolicy	
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)		Identify the professional search firm used or other external sources of candidates	

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when searching for candidates to the board of directors.			
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The following contains the company’s policy on related party transaction, including policy on review and approval of significant RPTs: Revised Corporate Governance Manual Article III Governance Structure A.3. Responsibilities, Duties and Functions of the Board, 3.2.5; page 16	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	3.2.5. Oversee the implementation of a policy and system on RPTs which shall include the review and approval of material or significant RPTs and ensure fairness and transparency of the transactions;	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	2.3. Functions of the Audit Committee, 2.3.8; page 22 2.3.8. Review and approve the interim and Annual Financial Statements before their submission to the Board, with particular focus on the following: <ul style="list-style-type: none"> • Any change/s in accounting policies and practices; • Areas where significant amount of judgment has been exercised; • Significant Related Party Transactions; • Significant adjustments resulting from the audit; • Going concern assumptions; 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ul style="list-style-type: none"> • Compliance with accounting standards; and • Compliance with tax, legal, and regulatory requirements. <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Annual Report SEC Form 17A Related Party Transactions; Notes to Financial Statements Note 34 Related Party Transactions; pages 157-161 http://www2.urc.com.ph/Annual Report 17A</p> <p>Company Website Related Party Transaction Policy The Company shall conduct all Related Party Transactions (RPT) on an arm’s length basis with consideration paid or received and on terms no less favorable than any such terms available to unrelated third parties under the same or similar circumstances. The policy is instituted for the proper review, approval and reporting of transactions entered into between and among the Company or any of its subsidiaries, affiliates, directors or officers. http://www2.urc.com.ph/RelatedPartyTransactionsPolicy</p> <p>Identify transactions that were approved pursuant to the policy.</p> <p>All related party transactions for the financial year are related to the regular business operations consummated on an arms-length basis.</p>	

Supplement to Recommendations 2.7

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION												
<p>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.</p>	<p>Compliant</p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p>Company Website Related Party Transaction Policy</p> <table border="1" data-bbox="747 630 1539 1182"> <thead> <tr> <th data-bbox="747 630 982 743">Nature of Transaction</th> <th data-bbox="982 630 1171 743">Transaction Value Per Contract</th> <th data-bbox="1171 630 1539 743">Approving Authority</th> </tr> </thead> <tbody> <tr> <td data-bbox="747 743 982 889">Significant RPT</td> <td data-bbox="982 743 1171 889">Over Php500M</td> <td data-bbox="1171 743 1539 889">Requires review and approval by the Audit Committee; Will be reported to the Board of Director</td> </tr> <tr> <td data-bbox="747 889 982 1003">Material RPT</td> <td data-bbox="982 889 1171 1003">Over Php1B</td> <td data-bbox="1171 889 1539 1003">Requires review by the Audit Committee and approval by the Board of Directors.</td> </tr> <tr> <td data-bbox="747 1003 982 1182">RPT involving Directors or Corporate Officers</td> <td data-bbox="982 1003 1171 1182">Regardless of amount</td> <td data-bbox="1171 1003 1539 1182">Requires the review of the Audit Committee and approval of the Board of Directors.</td> </tr> </tbody> </table> <p>The Company shall conduct all Related Party Transactions (RPT) on an arm’s length basis with consideration paid or received and on terms no less favorable than any such terms available to unrelated third parties under the same or similar circumstances. The purpose of this policy is to institute the proper review, approval and reporting</p>	Nature of Transaction	Transaction Value Per Contract	Approving Authority	Significant RPT	Over Php500M	Requires review and approval by the Audit Committee; Will be reported to the Board of Director	Material RPT	Over Php1B	Requires review by the Audit Committee and approval by the Board of Directors.	RPT involving Directors or Corporate Officers	Regardless of amount	Requires the review of the Audit Committee and approval of the Board of Directors.	
Nature of Transaction	Transaction Value Per Contract	Approving Authority													
Significant RPT	Over Php500M	Requires review and approval by the Audit Committee; Will be reported to the Board of Director													
Material RPT	Over Php1B	Requires review by the Audit Committee and approval by the Board of Directors.													
RPT involving Directors or Corporate Officers	Regardless of amount	Requires the review of the Audit Committee and approval of the Board of Directors.													

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>of transactions which may be entered in to between or among the Company or any of its subsidiaries, affiliates, directors and officers. This policy shall cover the review, approval and reporting of transactions which may be entered in to between or among the Company or any of its subsidiaries, affiliates, directors and officers and the general guidelines to be observed in relation to RPTs.</p> <p>http://www2.urc.com.ph/RelatedPartyTransactionsPolicy</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>Provide information on voting system, if any.</p> <p>Amended By-Laws Article II Meetings of Stockholders, Section 2, page 9 Article III Board of Directors, Section 1.b, page 13 http://www2.urc.com.ph/AmendedBy-Laws</p> <p>There are no transactions during the financial year that would require the approval of the majority of non-related party shareholders.</p>	
<p>Recommendation 2.8</p>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The following contains the Board's policy and responsibility for approving the selection of management:</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.3 Responsibilities, Duties and Functions of the Board, 3.2.6; page 16</p> <p>3.2.6. Oversee the adoption of policies on the selection of Management and Key Officers and the assessment of their performance;</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Company Website Succession Planning and Remuneration Policy</p> <p>3. All appointments, re-appointments, removal and tenure of the Directors shall be governed by the provisions of the Company’s Nomination and Election Policy.</p> <p>4. All hiring and appointments of Senior Managerial Personnel with the rank of AVP and up (equivalent of Job Grades 16 and up) shall be presented, deliberated and approved by the Executive Committee. The ranks (officer title) and position or functional titles of Senior Managerial Personnel shall be conferred by the Corporate Governance Committee. Corporate Human Resources (CHR) shall facilitate the presentation and deliberation process.</p> <p>http://www2.urb.com.ph/SuccessionPlanningandRemunerationPolicy</p> <p>In accordance with its By-Laws, Company formed an Executive Committee that acts based on the majority vote of its members on the normal business decision requirements of the Company.</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance</p>	<p>Compliant</p>	<p>The following contains the Board’s policy and responsibility for assessing the performance of management:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, A.3 Responsibilities, Duties and Functions of the Board, 3.2.6; page 16</p> <p>3.2.6. Oversee the adoption of policies on the selection of Management and Key Officers and the assessment of their performance;</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Officer and Chief Audit Executive).		<p>Article VII Corporate Governance Monitoring and Self-Assessment; pages 41-42</p> <p>A. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and Committees. Every three (3) years, the assessment may be supported by an external facilitator.</p> <p>B. The Board shall have in place a system that provides the criteria and process to determine the performance of the Board, the individual Directors, and Committees including feedback from Shareholders.</p> <p>C. The Corporate Governance Committee shall oversee the evaluation process, shall ensure that its business processes and practices are consistent with the provisions of this Manual. This Manual shall be subject to review as the need arises in order to take into account the Corporation’s changing needs, business, technological and environmental conditions, and regulatory requirements. Any recommended changes to the Manual shall be subject to approval by the Board.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website</p> <p>Succession Planning and Remuneration Policy</p> <p>6. The Corporate Governance Committee shall periodically review the list of senior managerial personnel due for retirement/attrition within the year with due consideration of possible new vacancies that may arise from business needs and/or up-gradation and shall assess the availability of suitable candidates. Based on the recommendation of the Chief Executive Officer, President and CHR Head, the Committee:</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>6.1. Shall recommend to the Board the retention or replacement of incumbents after due evaluation using the following criteria:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 50% Performance: Consistent Demonstration of Competencies and Impact to the Business Results that can be validated on the Advancement Planning ratings. <input type="checkbox"/> 50% Demonstration of Leadership Attributes that can be validated through critical incidents and vouching of critical stakeholders on consistent demonstration of the 6 Leadership attributes: <ul style="list-style-type: none"> ▪ Competent; ▪ Strategic ▪ Innovative; ▪ Passionate; ▪ Entrepreneurial; and ▪ Team Player <p>http://www2.urc.com.ph/SuccessionPlanningandRemunerationPolicy</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p>Senior Executive’s performance is assessed annually after the end of the Financial Year.</p>	
Recommendation 2.9			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>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.</p>	<p>Compliant</p>	<p>The following contains the Board’s performance management framework for management and personnel:</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.3 Responsibilities, Duties and Functions of the Board, 3.2.6 and 3.2.7; page 16</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel’s performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>3.2.6. Oversee the adoption of policies on the selection of Management and Key Officers and the assessment of their performance;</p> <p>3.2.7. Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess and manage key business risks;</p> <p>Article VII Corporate Governance Monitoring and Self-Assessment; pages 41-42</p> <p>A. The Board shall conduct an annual self-assessment of its performance, including the performance of the Chairman, individual members and Committees. Every three (3) years, the assessment may be supported by an external facilitator.</p> <p>B. The Board shall have in place a system that provides the criteria and process to determine the performance of the Board, the individual Directors, and Committees including feedback from Shareholders.</p> <p>C. The Corporate Governance Committee shall oversee the evaluation process, shall ensure that its business processes and practices are consistent with the provisions of this Manual.</p> <p>This Manual shall be subject to review as the need arises in order to take into account the Corporation’s changing needs, business,</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>technological and environmental conditions, and regulatory requirements. Any recommended changes to the Manual shall be subject to approval by the Board.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website</p> <p>Succession Planning and Remuneration Policy</p> <p>7. The Corporate Governance Committee shall periodically review the list of senior managerial personnel due for retirement/attrition within the year with due consideration of possible new vacancies that may arise from business needs and/or up-gradation and shall assess the availability of suitable candidates. Based on the recommendation of the Chief Executive Officer, President and CHR Head, the Committee:</p> <p>7.1. Shall recommend to the Board the retention or replacement of incumbents after due evaluation using the following criteria:</p> <ul style="list-style-type: none"> <input type="checkbox"/> 50% Performance: Consistent Demonstration of Competencies and Impact to the Business Results that can be validated on the Advancement Planning ratings. <input type="checkbox"/> 50% Demonstration of Leadership Attributes that can be validated through critical incidents and vouching of critical stakeholders on consistent demonstration of the 6 Leadership attributes: <ul style="list-style-type: none"> ▪ Competent; ▪ Strategic ▪ Innovative; ▪ Passionate; 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<ul style="list-style-type: none"> ▪ Entrepreneurial; and ▪ Team Player <p>http://www2.urc.com.ph/SuccessionPlanningandRemunerationPolicy</p> <p>Senior Executive’s performance is assessed annually after the end of the Financial Year.</p> <p>In accordance with its By-Laws, Company formed an Executive Committee that acts based on the majority vote of its members on the normal business decision requirements of the Company.</p>	
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	The following provide information on the Board’s responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system:	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<p>Revised Corporate Governance Manual Article III Governance Structure A.3 Responsibilities, Duties and Functions of the Board, 3.2.7; page 16</p> <p>3.2.7. Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess and manage key business risks;</p> <p>3.2.14. Ensure that the Corporation establishes appropriate Corporate Governance policies and procedures pursuant to this Manual and the Governance Code, including but not</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>limited to, policies on conflict of interest, and oversee the effective implementation thereof;</p> <p>5. Internal Control Responsibilities of the Board; page 18 5.1. The internal control mechanisms for the performance of the Board’s oversight responsibility may include: 5.1.5. Review of the Corporation’s human resource policies, conflict of interest situations, compensation program for employees and management succession plan.</p> <p>B. Board Committees, 2. Audit Committee; page 20 2.1. Role of the Audit Committee The role of the Audit Committee is to provide oversight over the Company’s financial reporting, Internal Control System, Internal and External Audit processes, and monitor compliance with applicable laws and regulations. It shall ensure that systems and processes are put in place to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of business operations, and proper safeguarding and use of the Corporation’s resources and assets.</p> <p>F. Internal Audit, 1. Role of Internal Audit; page 30 4. Responsibilities of Internal Audit Internal Audit shall be solely responsible for the planning, implementation, and reporting of its results. For this purpose, Internal Audit shall:</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>4.1. Periodically review the Internal Audit charter and present it to the Senior Management and the Audit Committee for approval;</p> <p>4.2. Establish and implement risk-based Internal Audit Plan, including policies and procedures, to determine the priorities of the Internal Audit activity, consistent with the Corporation’s goals;</p> <p>4.3. Present the Internal Audit Plan and its performance, resource requirement and impact of resource limitations, as well as significant interim changes, to Senior Management and the Audit Committee for review and approval;</p> <p>4.4. Spearhead the performance of the Internal Audit activity to ensure it adds value to the Corporation;</p> <p>4.5. Prepare a forward Strategic Audit Plan to set the direction and approach of audits in the long-term;</p> <p>4.6. Perform regular and special audit as contained in the Annual Audit Plan and/or based on the Company’s risk assessment;</p> <p>4.7. Perform consulting and advisory services related to governance and control as appropriate for the Corporation;</p> <p>4.8. Perform compliance audit of relevant laws, rules and regulations, contractual obligations and other commitments, that could have a significant impact on the Corporation;</p> <p>4.9. Review, audit and assess the efficiency and effectiveness of the internal control system of all areas of the Company;</p> <p>4.10. Evaluate operations or programs to ascertain whether results are consistent with established objectives and</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>goals, and whether the operations or programs are being carried out as planned;</p> <p>4.11. Evaluate specific operations at the request of the Board or Management, as appropriate;</p> <p>4.12. Monitor and evaluate governance processes;</p> <p>4.13. Report in a timely manner significant issues noted during the audit relating to the adequacy, efficiency, and effectiveness of policies, controls, processes, and activities of the Corporation. As directed by or under the policies of the Audit Committee, furnishes auditees and/or any other member of Management copies of the reports;</p> <p>4.14. Recommend any improvement in policies and procedures, systems of controls, processes, and other financial and operational matters to assist Management in the effective discharge of their responsibilities, in order to minimize or prevent waste, extravagance, negative image, and fraud. Management is responsible to implement specific recommendations;</p> <p>4.15. Coordinate with External Auditors and ensure that the audit works are complementary to optimize coverage at a reasonable cost; and</p> <p>4.16. Comply with standards that are promulgated by the relevant professional and regulatory bodies.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>Compliant</p>	<p>The following are the links to the company's Internal Audit Charter:</p> <p>Revised Corporate Governance Manual Article III Governance Structure B. Board Committees, 2. Audit Committee; page 20</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>2.1. Role of the Audit Committee The role of the Audit Committee is to provide oversight over the Company’s financial reporting, Internal Control System, Internal and External Audit processes, and monitor compliance with applicable laws and regulations. It shall ensure that systems and processes are put in place to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of business operations, and proper safeguarding and use of the Corporation’s resources and assets.</p> <p>F. Internal Audit, 4. Responsibilities of Internal Audit, 4.1; page 32</p> <p>4. Responsibilities of Internal Audit Internal Audit shall be solely responsible for the planning, implementation, and reporting of its results. For this purpose, Internal Audit shall:</p> <p>4.1. Periodically review the Internal Audit charter and present it to the Senior Management and the Audit Committee for approval;</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Audit Committee Charter http://www2.urc.com.ph/corporate-governance/board-Committees</p>	

Recommendation 2.11

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>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.</p>	<p>Compliant</p>	<p>The following shows the Board’s oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.3 Responsibilities, Duties and Functions of the Board, 3.2.7; page 16</p>	
<p>2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.</p>	<p>Compliant</p>	<p>3.2.7. Oversee the establishment of an internal control system to monitor and manage potential conflicts of interest and an ERM framework to identify, monitor, assess and manage key business risks;</p> <p>4. Board Risk Oversight Committee, Role of the BROC, 4.1; page 25 4.1. Role of the BROC The role of the BROC is to oversee the establishment of ERM framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The BROC shall be responsible for defining the Company’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.</p> <p>G. Enterprise Risk Management, pages 33-35 1. Role of ERM</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>The role of ERM is to oversee that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise level risk exposures, as well as the effectiveness of risk management strategies.</p> <p>2. Appointment of an ERM Head The Board shall appoint an ERM Head, a Chief Risk Officer or its equivalent position, who shall oversee the entire ERM process and spearhead the development, implementation, maintenance and continuous improvement of ERM processes and documentation.</p> <p>2.1. The ERM Head reports functionally to the BROCC and administratively to the CEO;</p> <p>2.2. The ERM Head shall have no executive or managerial powers and duties in the Corporation except those relating to ERM; and</p> <p>2.3. ERM shall have an independent status and will not be involved in the day-to-day operations of the business units and corporate centers in the Corporation.</p> <p>3. Functions and Responsibilities of ERM ERM shall have the following functions and responsibilities:</p> <p>2.1. Define a risk management strategy;</p> <p>2.2. Identify and analyzing key risk exposures relating to Economic, Environmental, Social and Governance (“EESG”) factors and the achievement of the Corporation’s strategic objectives;</p>	

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		<p>2.3. Evaluate and categorize each identified risk using the Company’s predefined risk categories and parameters;</p> <p>2.4. Establish a risk register with clearly defined, prioritized and residual risks;</p> <p>2.5. Develop risk mitigation plan for the most important risks to the Company, as defined by the risk management strategy;</p> <p>2.6. Communicate and report significant risk exposures including business risks (e.g. strategic, compliance, operational, financial and reputational risks), control issues and risk mitigation plan to the BROCC;</p> <p>2.7. Collaborate with the CEO in updating and making recommendations to the BROCC;</p> <p>2.8. Coordinate, monitor, and facilitate compliance with laws, rules, and regulations; and</p> <p>2.9. Suggest ERM policies and related guidance, as may be needed.</p> <p>3. Authority of ERM</p> <p>Subject to the approval of the BROCC, the ERM is authorized to:</p> <p>3.1. Allocate resources and apply different techniques required to accomplish ERM objectives;</p> <p>3.2. Assess and recruit personnel with sufficient knowledge, skills, experience, and professional certifications to meet the requirements of this charter provided within policy and approved budget;</p> <p>3.3. Have discussions with Management and employees of the Corporation at any reasonable time;</p>	

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		<p>3.4. Attend or participate in meetings relating to the Board’s oversight responsibilities for ERM; 3.5. Have full and free access to the BROCC; and 3.6. Obtain the necessary assistance of Business Unit or Corporate Center Unit, as well as other specialized services from within or outside the Corporation.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Definitive Information Statement 4. Financial Risk Management Objectives and Policies Enterprise Resource Management (ERM) Framework; page 119 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	
Recommendation 2.12			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	Compliant	<p>Provide link to the company’s website where the Board Charter is disclosed.</p> <p>Revised Corporate Governance Manual B. Board Committees; pages 20-27</p>	
<p>2. Board Charter serves as a guide to the directors in the performance of their functions.</p>	Compliant	<p>To aid in the optimal performance of its roles and responsibilities and ensure compliance with the principles of Corporate Governance, the Board shall form the following Board Committees: (a) Audit Committee (b) Board Risk Oversight Committee (BROC) and (c) Corporate Governance Committee.</p>	
<p>3. Board Charter is publicly available and posted on the company’s website.</p>	Compliant	<p>The Board may establish other Committees such as a RPT Committee as it may deem appropriate or necessary to support the Board in the effective performance of its functions.</p> <p>1. Appointment of Members and Adoption of Committee Charter 1.1. Appointment of Members of the Board</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Committees The Board shall appoint the members and chairman (from among the members) of each Board Committee annually.</p> <p>1.2 Charter of the Board Committees</p> <p>1.2.1. Each Board Committee shall have a Charter which shall define and govern, among other matters, its purposes, composition, membership and duties and responsibilities, conduct of meetings, and reporting processes.</p> <p>1.2.2. The respective Charters of the Board Committee shall be approved by the Board and shall not be amended, altered, or varied unless the Board shall have approved such amendment, alteration or variation.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Committees' Charter http://www2.urc.com.ph/corporate-governance/board-Committees</p>	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Information on or link/reference to a document showing company's insider trading policy is found in:</p> <p>Company Website Insider Trading Policy The Company shall abide with the provisions of law set forth in the Securities Regulation Code and shall implement policies and procedures to prevent the unauthorized disclosure or misuse of</p>	

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		material, non-public information in securities trading to preserve the reputation and integrity of the Company. http://www2.urc.com.ph/docs/Insider Trading Policy	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.		Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
<p>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.</p>			
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	Information on all the board committees established by the company are disclosed in: Revised Corporate Governance Manual Article III Governance Structure B. Board Committees; pages 21-28	

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		<p>To aid in the optimal performance of its roles and responsibilities and ensure compliance with the principles of Corporate Governance, the Board shall form the following Board Committees: (a) Audit Committee (b) Board Risk Oversight Committee (BROC) and (c) Corporate Governance Committee. The Board may establish other Committees such as a RPT Committee as it may deem appropriate or necessary to support the Board in the effective performance of its functions.</p> <p>1. Appointment of Members and Adoption of Committee Charter</p> <p>1.1. Appointment of Members of the Board Committees The Board shall appoint the members and chairman (from among the members) of each Board Committee annually.</p> <p>1.2 Charter of the Board Committees</p> <p>1.2.1 Each Board Committee shall have a Charter which shall define and govern, among other matters, its purposes, composition, membership and duties and responsibilities, conduct of meetings, and reporting processes.</p> <p>1.2.2 The respective Charters of the Board Committee shall be approved by the Board and shall not be amended, altered, or varied unless the Board shall have approved such amendment, alteration or variation.</p> <p>2. Audit Committee</p> <p>2.1. Role of the Audit Committee</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>The role of the Audit Committee is to provide oversight over the Company’s financial reporting, Internal Control System, Internal and External Audit processes, and monitor compliance with applicable laws and regulations. It shall ensure that systems and processes are put in place to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of business operations, and proper safeguarding and use of the Corporation’s resources and assets.</p> <p>2.2. Organization of the Audit Committee</p> <p>2.2.1. The Audit Committee reports functionally to the Board.</p> <p>2.2.2. The Audit Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider appointing Non-Executive Directors to comprise majority membership of the Audit Committee. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>2.2.3. The Board shall appoint an Independent Director as Chairman, of the Audit Committee.</p> <p>2.3. Functions of the Audit Committee</p> <p>The Audit Committee shall have the following functions:</p> <p>2.3.1. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>approval of the Internal Audit Head. The Audit Committee shall also approve the terms and conditions for the outsourcing of Internal Audit services if applicable;</p> <p>2.3.2. Through the Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Corporation’s internal control system, integrity of financial reporting, and security of physical and information assets;</p> <p>2.3.3. Review the Annual Internal Audit Plan to ensure its conformity with the objectives of the Corporation. The Plan shall include the audit scope, resources, and budget necessary to implement it;</p> <p>2.3.4. Review the reports submitted by the Internal and External Auditors;</p> <p>2.3.5. Review and monitor Management’s responsiveness to Internal Audit’s findings and recommendations;</p> <p>2.3.6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts;</p> <p>2.3.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the proportion of non-audit fees paid to the External Auditor to the Corporation’s overall consultancy expenses.</p>	

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		<p>The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this shall be disclosed in the Corporation’s Annual Corporate Governance Report;</p> <p>2.3.8. Review and approve the interim and Annual Financial Statements before their submission to the Board, with particular focus on the following:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices; • Areas where significant amount of judgment has been exercised; • Significant Related Party Transactions; • Significant adjustments resulting from the audit; • Going concern assumptions; • Compliance with accounting standards; and • Compliance with tax, legal, and regulatory requirements. <p>2.3.9. Review the disposition of the recommendations in the External Auditor’s management letter;</p> <p>2.3.10. Perform oversight functions over the Corporation’s Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given reasonable access to all material records,</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>properties and personnel to enable them to perform their respective audit functions;</p> <p>2.3.11. Recommend the appointment, re-appointment, removal and fees of the External Auditor; and</p> <p>2.3.12. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.</p> <p>2.4. Meetings of the Audit Committee</p> <p>2.4.1. The Audit Committee shall meet quarterly and as often as may be necessary. The Audit Committee may opt to meet without the presence of the CEO or other management team members, and periodically meet with the Internal Audit Head.</p> <p>2.4.2. The notice and agenda for each meeting shall be circulated to all Audit Committee members at least five (5) business days before each meeting.</p> <p>2.4.3. The Audit Committee may invite other Directors and Management Officers to attend any meeting.</p> <p>2.4.4. The Audit Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.</p> <p>2.4.5. A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the Audit Committee is</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>present. No business shall be transacted at any meeting unless a quorum is present.</p> <p>2.4.6. The Audit Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.</p> <p>3. Corporate Governance Committee</p> <p>3.1. Role of the Corporate Governance Committee</p> <p>The role of the Corporate Governance Committee is to oversee the development and implementation of Corporate Governance principles and policies. The Corporate Governance Committee shall recommend a formal framework on the nomination, remuneration and evaluation of the performance of the Directors and key Management Officers to ensure that this framework is consistent with the Corporation’s culture, strategies and the business environment.</p> <p>3.2. Organization of the Corporate Governance Committee</p> <p>3.2.1. The Corporate Governance Committee shall report directly to the Board.</p> <p>3.2.2. The Corporate Governance Committee shall be composed of at least three (3) directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to comprise the membership of the Corporate Governance Committee, including the Chairman.</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>The Board shall ensure that the members of the Corporate Governance Committee are appropriately qualified to discharge their responsibilities.</p> <p>3.2.3. The Board shall appoint one of the members of the Corporate Governance Committee to be the Committee Chairman.</p> <p>3.3. Functions of the Corporate Governance Committee The Corporate Governance Committee shall have the following functions:</p> <p>3.3.1. Oversee the implementation of a Corporate Governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation’s size, complexity and business strategy, as well as the business and regulatory environment;</p> <p>3.3.2. Oversee the formulation and implementation of a Code of Business Conduct and Ethics and internal policies and monitor compliance with such code and policies by the Corporation through communication and awareness campaign, continuous training and setting a proper forum where issues may be addressed;</p> <p>3.3.3. Oversee the performance evaluation of the Board and its Committees and Management, and conduct an annual self-evaluation of its performance;</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>3.3.4. Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession planning for the Board members and senior Officers, and levels of remuneration for corporate and individual performance;</p> <p>3.3.5. Determine the nomination and election process for the Corporation’s Directors and define the general profile of the Board members that the Company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;</p> <p>3.3.6. Establish a formal procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Corporation’s culture and strategy as well as the business environment in which it operates, including disallowing any Director to decide his remuneration;</p> <p>3.3.7. Establish efficient communication channels which aid and encourage employees, customers, suppliers, creditors and other Stakeholders to raise concerns on potential unethical or unlawful behavior without fear of retribution; and</p> <p>3.3.8. Review recommendations concerning policies on conflict of interest, salaries and benefits policies, promotion and career advancement directives, and compliance with all statutory requirements.</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>3.4. Meetings of the Corporate Governance Committee</p> <p>3.4.1. The Corporate Governance Committee shall meet twice a year or as may be necessary.</p> <p>3.4.2. The notice and agenda for each meeting shall be circulated to all Corporate Governance Committee members at least five (5) business days before each meeting.</p> <p>3.4.3. The Corporate Governance Committee may invite other Directors and Management Officers to attend any meeting.</p> <p>3.4.4. The Corporate Governance Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.</p> <p>3.4.5. A quorum shall be present if at least a majority of the members of the Corporate Governance Committee is present. No business shall be transacted at any meeting unless a quorum is present.</p> <p>3.4.6. The Corporate Governance Committee shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.</p> <p>4. Board Risk Oversight Committee</p> <p>4.1. Role of the BROC</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>The role of the BROC is to oversee the establishment of ERM framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The BROC shall be responsible for defining the Company’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.</p> <p>4.2. Organization of the BROC</p> <p>4.2.1. The Board Risk Oversight Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider Independent Directors to comprise majority membership of the BROC. At least one member of the committee must have relevant knowledge and experience on risk and risk management.</p> <p>4.2.2. The Board shall appoint one of the members of the BROC to be the Committee Chairman.</p> <p>4.3. Functions of the BROC</p> <p>The BROC shall have the following functions:</p>	

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		<p>4.3.1. Oversee the development and implementation of a formal ERM Plan that contains the following elements:</p> <ul style="list-style-type: none"> • Common language or register of risks; • Well-defined risk management goals, objectives and oversight; • Uniform processes of identifying, assessing, evaluating and measuring risks as well developing strategies to manage and mitigate prioritized risks; • Designing and implementing risk management strategies; and • Continuing assessments and monitoring to improve risk strategies, processes and measures; <p>4.3.2. Evaluate the ERM Plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stays abreast of significant developments that may seriously impact the likelihood of harm or loss;</p> <p>4.3.3. Review the Corporation’s risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Company;</p>	

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		<p>4.3.4. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its Stakeholders;</p> <p>4.3.5. Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and</p> <p>4.3.6. Report to the Board on a regular basis, or as deemed necessary, the Company’s risk, material risk exposures, the actions taken to reduce the risks, and recommends appetite levels, risk tolerance limits, further action or plans, as necessary.</p> <p>4.4. Meetings of the BROC</p> <p>4.4.1. The BROC shall meet twice a year or as may be necessary. The BROC may opt to meet without the presence of the CEO or other management team members, and periodically meets with the ERM Head.</p> <p>4.4.2. The notice and agenda for each meeting shall be circulated to all BROC members at least five (5) business days before each meeting.</p>	

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		<p>4.4.3. The BROC may invite other Directors and Management Officers to attend any meeting.</p> <p>4.4.4. The BROC Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.</p> <p>4.4.5. A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the BROC is present. No business shall be transacted at any meeting unless a quorum is present.</p> <p>4.4.6. The BROC shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Recommendation 3.2			
<p>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.</p>	<p>Compliant</p>	<p>Information regarding the Company’s Audit Committee, including its functions are disclosed in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure B.1. Audit Committee; pages 20-23 2.1. Role of the Audit Committee The role of the Audit Committee is to provide oversight over the Company’s financial reporting, Internal Control System, Internal and External Audit processes, and monitor compliance with applicable laws and regulations.</p>	

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		<p>It shall ensure that systems and processes are put in place to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of business operations, and proper safeguarding and use of the Corporation’s resources and assets.</p> <p>2.2. Organization of the Audit Committee</p> <p>2.2.1. The Audit Committee reports functionally to the Board.</p> <p>2.2.2. The Audit Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider appointing Non-Executive Directors to comprise majority membership of the Audit Committee. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>2.2.3. The Board shall appoint an Independent Director as Chairman, of the Audit Committee.</p> <p>2.3. Functions of the Audit Committee</p> <p>The Audit Committee shall have the following functions:</p> <p>2.3.1. Oversee the Internal Audit Department, and recommend the appointment and/or grounds for approval of the Internal Audit Head. The Audit Committee shall also approve the terms and conditions for the outsourcing of Internal Audit services if applicable;</p>	

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		<p>2.3.2. Through the Internal Audit Department, monitor and evaluate the adequacy and effectiveness of the Corporation’s internal control system, integrity of financial reporting, and security of physical and information assets;</p> <p>2.3.3. Review the Annual Internal Audit Plan to ensure its conformity with the objectives of the Corporation. The Plan shall include the audit scope, resources, and budget necessary to implement it;</p> <p>2.3.4. Review the reports submitted by the Internal and External Auditors;</p> <p>2.3.5. Review and monitor Management’s responsiveness to Internal Audit’s findings and recommendations;</p> <p>2.3.6. Prior to the commencement of the audit, discuss with the External Auditor the nature, scope and expenses of the audit, and ensure the proper coordination, if more than one audit firm is involved in the activity, to secure proper coverage and minimize duplication of efforts;</p> <p>2.3.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the proportion of non-audit fees paid to the External Auditor to the Corporation’s overall consultancy expenses.</p> <p>The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit</p>	

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		<p>work is allowed, this shall be disclosed in the Corporation’s Annual Corporate Governance Report;</p> <p>2.3.8. Review and approve the interim and Annual Financial Statements before their submission to the Board, with particular focus on the following:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices; • Areas where significant amount of judgment has been exercised; • Significant Related Party Transactions; • Significant adjustments resulting from the audit; • Going concern assumptions; • Compliance with accounting standards; and • Compliance with tax, legal, and regulatory requirements. <p>2.3.9. Review the disposition of the recommendations in the External Auditor’s management letter;</p> <p>2.3.10. Perform oversight functions over the Corporation’s Internal and External Auditors. It shall ensure the independence of Internal and External Auditors, and that both auditors are given reasonable access to all material records, properties and personnel to enable them to perform their respective audit functions;</p> <p>2.3.11. Recommend the appointment, re-appointment, removal and fees of the External Auditor; and</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>2.3.12. Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal controls, audit process and monitoring of compliance with applicable laws, rules and regulations.</p> <p>2.4. Meetings of the Audit Committee</p> <p>2.4.1. The Audit Committee shall meet quarterly and as often as may be necessary. The Audit Committee may opt to meet without the presence of the CEO or other management team members, and periodically meet with the Internal Audit Head.</p> <p>2.4.2. The notice and agenda for each meeting shall be circulated to all Audit Committee members at least five (5) business days before each meeting.</p> <p>2.4.3. The Audit Committee may invite other Directors and Management Officers to attend any meeting.</p> <p>2.4.4. The Audit Committee Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.</p> <p>2.4.5. A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the Audit Committee is present. No business shall be transacted at any meeting unless a quorum is present.</p> <p>2.4.6. The Audit Committee shall cause proper records of its proceedings to be kept. Members may</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p align="center">nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.</p> <p>Http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Committees' Charter http://www2.urc.com.ph/corporate-governance/board-Committees</p> <p>The Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor is documented and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, B.1. Audit Committee, Functions of the Audit Committee, 2.3.11; page 22 2.3.11. Recommend the appointment, re-appointment, removal and fees of the External Auditor;</p> <p>Article V. Accountability and Audit, B; page 38 B. The Board, after consultations with the Audit Committee, shall recommend to the Shareholders an External Auditor duly accredited by the SEC who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the matter by which the financial statements shall be prepared and presented to the Shareholders. The External Auditor shall not, at the same time, provide Internal Audit services to the Corporation. Non-audit work may be given to the External Auditor, provided it does not conflict with his duties as an</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>independent External Auditor, or does not pose a threat to his independence. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Committees' Charter http://www2.urc.com.ph/corporate-governance/board-Committees</p>	
<p>2. Audit Committee is composed of at least three appropriately qualified nonexecutive directors, the majority of whom, including the Chairman is independent.</p>	<p align="center">Non-Compliant</p>	<p>Information on the members of the Audit Committee, including their qualifications and type of directorship are disclosed and can be found in:</p>	<p>The Audit Committee is composed of majority of Non-Executive Directors and headed by an Independent Director.</p> <p>Revised Corporate Governance Manual Article III Governance Structure B.1. Audit Committee, Organization of the Audit Committee, 2.2.2; page 20 2.2.2. The Audit Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider appointing Non-Executive Directors to comprise majority</p>

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION						
			<p>membership of the Audit Committee. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The incumbent members of the Audit Committee of the Corporation are as follows:</p> <table border="1" data-bbox="1577 808 2043 1130"> <thead> <tr> <th data-bbox="1577 808 1730 854">Position</th> <th data-bbox="1730 808 2043 854">Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="1577 854 1730 894">Chairman</td> <td data-bbox="1730 854 2043 894">Wilfrido E. Sanchez (ID)</td> </tr> <tr> <td data-bbox="1577 894 1730 1130">Members</td> <td data-bbox="1730 894 2043 1130">James L. Go Lance Y. Gokongwei Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima (ID)</td> </tr> </tbody> </table> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 63-64</p>	Position	Director	Chairman	Wilfrido E. Sanchez (ID)	Members	James L. Go Lance Y. Gokongwei Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima (ID)
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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION						
			http://www2.urc.com.ph/DefinitiveInformationStatement						
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	Compliant	<p>Information on the background, knowledge, skills, and/or experience of the members of the Audit Committee are disclosed and can be found in:</p> <p>The incumbent members of the Audit Committee of the Corporation are as follows:</p> <table border="1" data-bbox="747 699 1329 987"> <thead> <tr> <th data-bbox="747 699 968 743">Position</th> <th data-bbox="968 699 1329 743">Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="747 743 968 784">Chairman</td> <td data-bbox="968 743 1329 784">Wilfrido E. Sanchez (ID)</td> </tr> <tr> <td data-bbox="747 784 968 987">Members</td> <td data-bbox="968 784 1329 987">James L. Go Lance Y. Gokongwei Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima</td> </tr> </tbody> </table> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 63-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	Position	Director	Chairman	Wilfrido E. Sanchez (ID)	Members	James L. Go Lance Y. Gokongwei Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima	
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Chairman	Wilfrido E. Sanchez (ID)								
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<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	Compliant	<p>Information on the Chairman of the Audit Committee is disclosed in and can be found in:</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 63-64</p>							

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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POSITION	Name of Director								
Chairman of the Audit Committee	Wilfrido E. Sanchez (ID)								
Chairman of the Board, Corporate Governance Committee, Board Risk Oversight Committee	Lance Y. Gokongwei								
Supplement to Recommendation 3.2									
<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Proof that the Audit Committee approved all non-audit services conducted by the external auditor is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure B.2. Audit Committee, Functions of Audit Committee, 2.3.7; page 21</p> <p>2.3.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the proportion of non-audit fees paid to the External Auditor to the Corporation’s overall consultancy expenses. The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this shall be disclosed in the Corporation’s Annual Corporate Governance Report;</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>							

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The President and CEO is an Executive Director and member of the Audit Committee. The Audit Committee is chaired by an Independent Director and consists mostly of Non-Executive Directors (NED) who provide independent and balanced insights.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.		The Audit Committee had ___ meetings during the year as documented in:	
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Information on the Corporate Governance Committee, including its functions is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, B. Board Committees; page 20 3. Corporate Governance Committee; page 23</p> <p>The role of the Corporate Governance Committee is to oversee the development and implementation of Corporate Governance principles and policies. The Corporate Governance Committee shall recommend a formal framework on the nomination, remuneration and evaluation of the performance of the Directors and key Management Officers to ensure that this framework is</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>consistent with the Corporation’s culture, strategies and the business environment.</p> <p>3.2. Organization of the Corporate Governance Committee</p> <p>3.2.1. The Corporate Governance Committee shall report directly to the Board.</p> <p>3.2.2. The Corporate Governance Committee shall be composed of at least three (3) directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to comprise the membership of the Corporate Governance Committee, including the Chairman. The Board shall ensure that the members of the Corporate Governance Committee are appropriately qualified to discharge their responsibilities.</p> <p>3.2.3. The Board shall appoint one of the members of the Corporate Governance Committee to be the Committee Chairman.</p> <p>3.3. Functions of the Corporate Governance Committee</p> <p>The Corporate Governance Committee shall have the following functions:</p> <p>3.3.1. Oversee the implementation of a Corporate Governance framework and periodically review the said framework to ensure that it remains appropriate in light of material changes to the Corporation’s size, complexity and business strategy, as well as the business and regulatory environment;</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>3.3.2. Oversee the formulation and implementation of a Code of Business Conduct and Ethics and internal policies and monitor compliance with such code and policies by the Corporation through communication and awareness campaign, continuous training and setting a proper forum where issues may be addressed;</p> <p>3.3.3. Oversee the performance evaluation of the Board and its Committees and Management, and conduct an annual self-evaluation of its performance; 3.3.4. Recommend continuing education/training programs for Directors, assignment of tasks/projects to Board Committees, succession planning for the Board members and senior Officers, and levels of remuneration for corporate and individual performance;</p> <p>3.3.5. Determine the nomination and election process for the Corporation’s Directors and define the general profile of the Board members that the Company may need and ensure appropriate knowledge, competencies and expertise that complement the existing skills of the Board;</p> <p>3.3.6. Establish a formal procedure to develop a policy for determining the remuneration of Directors and Officers that is consistent with the Corporation’s culture and strategy as well as the business environment in which it operates, including disallowing any Director to decide his remuneration;</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>3.3.7. Establish efficient communication channels which aid and encourage employees, customers, suppliers, creditors and other Stakeholders to raise concerns on potential unethical or unlawful behavior without fear of retribution; and</p> <p>3.3.8. Review recommendations concerning policies on conflict of interest, salaries and benefits policies, promotion and career advancement directives, and compliance with all statutory requirements.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Committees http://www2.urc.com.ph/corporate-governance/board-Committees</p> <p>The Committee’s process of identifying the quality of directors aligned with the company’s strategic direction is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, Duties and Function of the Board, 3.2.4; page 16</p> <p>3.2.4. Adopt policies on board nomination and election that will ensure diversity in board composition in terms of knowledge, expertise and experience;</p> <p>3. Corporate Governance Committee, Organization, 3.2.2; page 23</p>	

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		<p>3.2.2. The Corporate Governance Committee shall be composed of at least three (3) directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to comprise the membership of the Corporate Governance Committee, including the Chairman. The Board shall ensure that the members of the Corporate Governance Committee are appropriately qualified to discharge their responsibilities.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Board Nomination and Election Policy The Board recognizes the importance of having a qualified and competent Board to achieve Company objectives as well as to protect the interest of all its stakeholders and shall ensure that proper nomination and election process is in place to attain this.</p> <p>http://www2.urc.com.ph/docs/Board Nomination and Election Policy</p>							
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>Non-Compliant</p>	<p>Information on the members of the Corporate Governance Committee, including their qualifications and type of directorship are disclosed and can be found in:</p>	<p>Company Website Corporate Governance Committee</p> <table border="1"> <thead> <tr> <th data-bbox="1577 1146 1740 1187">POSITION</th> <th data-bbox="1740 1146 2032 1187">Name of Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="1577 1187 1740 1256">Chairman</td> <td data-bbox="1740 1187 2032 1256">Lance Y. Gokongwei</td> </tr> <tr> <td data-bbox="1577 1256 1740 1409">Members</td> <td data-bbox="1740 1256 2032 1409">James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee</td> </tr> </tbody> </table>	POSITION	Name of Director	Chairman	Lance Y. Gokongwei	Members	James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee
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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION		
			<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;"></td> <td style="width: 20%; text-align: center;"> Wilfrido E. Sanchez (ID) </td> </tr> </table> <p> http://www2.urc.com.ph/corporate-governance/board-Committees </p> <p>Based on the Company’s Revised Corporate Governance Manual, the Corporate Governance Committee shall be composed of at least three (3) Directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to comprise the membership of the Corporate Governance Committee, including the Chairman. The Board assessed that the Committee is able to carry out its functions with the current membership.</p> <p>Revised Corporate Governance Manual</p> <p>Article III Governance Structure</p> <p>B.3. Corporate Governance Committee</p> <p style="padding-left: 20px;">3.2.2. The Corporate Governance Committee shall be composed of at least three (3) directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to</p>		Wilfrido E. Sanchez (ID)
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			<p>comprise the membership of the Corporate Governance Committee, including the Chairman. The Board shall ensure that the members of the Corporate Governance Committee are appropriately qualified to discharge their responsibilities.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The Company is continuously reviewing Board composition and shall implement appropriate changes with due consideration of the best practice.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>Non-Compliant</p>	<p>Information on the Chairman of the Corporate Governance Committee is disclosed and can be found in:</p>	<p>The Company is compliant with the SEC Memorandum Circular No. 6 Series of 2004 requiring only the Audit Committee Chairman to be an Independent Director.</p> <p>Company Website Corporate Governance Committee http://www2.urc.com.ph/corporate-governance/board-Committees</p>
<p>Optional: Recommendation 3.3.</p>			

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1. Corporate Governance Committee meet at least twice during the year.		The Corporate Governance Committee had ___ meetings during the year as documented in:	
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	<p>Information on the Board Risk Oversight Committee (BROC), including its functions is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, B. Board Committees; page 25</p> <p>4. Board Risk Oversight Committee</p> <p>4.1. Role of the BROC</p> <p>The role of the BROC is to oversee the establishment of ERM framework that will effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. The BROC shall be responsible for defining the Company’s level of risk tolerance and providing oversight over its risk management policies and procedures to anticipate, minimize, control or manage risks or possible threats to its operational and financial viability.</p> <p>4.2. Organization of the BROC</p> <p>4.2.1. The Board Risk Oversight Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider Independent Directors to comprise majority membership of the</p>	

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		<p>BROC. At least one member of the committee must have relevant knowledge and experience on risk and risk management.</p> <p>4.2.2. The Board shall appoint one of the members of the BROC to be the Committee Chairman.</p> <p>4.3. Functions of the BROC</p> <p>The BROC shall have the following functions:</p> <p>4.3.1. Oversee the development and implementation of a formal ERM Plan that contains the following elements:</p> <ul style="list-style-type: none"> ▪ Common language or register of risks; ▪ Well-defined risk management goals, objectives and oversight; ▪ Uniform processes of identifying, assessing, evaluating and measuring risks as well developing strategies to manage and mitigate prioritized risks; ▪ Designing and implementing risk management strategies; and ▪ Continuing assessments and monitoring to improve risk strategies, processes and measures; <p>4.4. Evaluate the ERM Plan to ensure its continued relevance, comprehensiveness and effectiveness. The BROC shall revisit defined risk management strategies, look for emerging or changing material exposures, and stays</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>abreast of significant developments that may seriously impact the likelihood of harm or loss;</p> <p>4.4.1. Review the Corporation’s risk appetite levels and risk tolerance limits based on changes and developments in the business, the regulatory framework, the external economic and business environment, and occurrence of major events that may have a major impact on the Company;</p> <p>4.4.2. Assess the probability of each identified risk becoming a reality and estimate its possible significant financial impact and likelihood of occurrence. Priority areas of concern are those risks that are the most likely to occur and to impact the performance and stability of the Corporation and its Stakeholders;</p> <p>4.4.3. Provide oversight over Management’s activities in managing credit, market, liquidity, operational, legal and other risk exposures of the Corporation. This function includes regularly receiving information on risk exposures and risk management activities from Management; and</p> <p>4.4.4. Report to the Board on a regular basis, or as deemed necessary, the Company’s risk, material risk exposures, the actions taken to reduce the risks, and recommends appetite levels, risk tolerance limits, further action or plans, as necessary.</p> <p>4.4. Meetings of the BROC</p>	

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		<p>4.4.1. The BROC shall meet twice a year or as may be necessary. The BROC may opt to meet without the presence of the CEO or other management team members, and periodically meets with the ERM Head.</p> <p>4.4.2. The notice and agenda for each meeting shall be circulated to all BROC members at least five (5) business days before each meeting.</p> <p>4.4.3. The BROC may invite other Directors and Management Officers to attend any meeting.</p> <p>4.4.4. The BROC Chairman shall preside in all meetings of the Committee. In his absence, the members present shall elect from among themselves one member to preside over the particular meeting.</p> <p>4.4.5. A quorum shall be present as long as an Independent Director is present or if at least a majority of the members of the BROC is present. No business shall be transacted at any meeting unless a quorum is present.</p> <p>4.4.6. The BROC shall cause proper records of its proceedings to be kept. Members may nominate a member or some other person to be the Committee Secretary to record and keep minutes of meetings and other proceedings.</p> <p>http://www2.urb.com.ph/RevisedCorporateGovernanceManual</p>	
<p>2. BROC is composed of at least three members, the majority of whom should be independent</p>	<p>Non-Compliant</p>	<p>Information on the members of the BROC, including their qualifications and type of directorship are disclosed and found in:</p>	<p>Company Website Board Risk Oversight Committee</p>

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<p>directors, including the Chairman.</p>			<table border="1" data-bbox="1577 402 2032 776"> <thead> <tr> <th data-bbox="1577 402 1793 448">POSITION</th> <th data-bbox="1793 402 2032 448">Name of Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="1577 448 1793 548">Chairman</td> <td data-bbox="1793 448 2032 548">Lance Y. Gokongwei</td> </tr> <tr> <td data-bbox="1577 548 1793 776">Members</td> <td data-bbox="1793 548 2032 776">James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima (ID)</td> </tr> </tbody> </table> <p data-bbox="1577 781 2032 846">http://www2.urc.com.ph/corporate-governance/board-Committees</p> <p data-bbox="1577 867 2032 1321">Based on the Company’s Revised Corporate Governance Manual, the Board Risk Oversight Committee shall be composed of at least three (3) Directors, one (1) of whom shall be an Independent Director. The Board may consider Independent Directors to comprise the membership of the Corporate Governance Committee, including the Chairman. The Board assessed that the Committee is able to carry out its functions with the current membership.</p>	POSITION	Name of Director	Chairman	Lance Y. Gokongwei	Members	James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima (ID)
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			<p>Revised Corporate Governance Manual</p> <p>Article III Governance Structure B.4. Board Risk Oversight Committee, Organization of the BROC, 4.2.1; page 25</p> <p>4.2.1. The Board Risk Oversight Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider Independent Directors to comprise majority membership of the BROC. At least one member of the committee must have relevant knowledge and experience on risk and risk management.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The Company is continuously reviewing Board composition and shall implement appropriate changes with due consideration of the best practice.</p>
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>Non-Compliant</p>	<p>Information on the Chairman of the BROC is disclosed and can be found in:</p>	<p>The roles of the Chairman of the Board and Board Risk Oversight Committee are explicitly defined in the Corporate</p>

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION						
			Governance Manual. Two of the members of BROC are Non-Executive Directors (NED) and an Independent Director who provide independent and balanced insights.						
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Information on the background, skills, and/or experience of the members of the BROC.</p> <p>Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Company Website Board Risk Oversight Committee</p> <table border="1" data-bbox="747 976 1409 1247"> <thead> <tr> <th data-bbox="747 976 1016 1019">POSITION</th> <th data-bbox="1016 976 1409 1019">Name of Director</th> </tr> </thead> <tbody> <tr> <td data-bbox="747 1019 1016 1084">Chairman</td> <td data-bbox="1016 1019 1409 1084">Lance Y. Gokongwei</td> </tr> <tr> <td data-bbox="747 1084 1016 1247">Members</td> <td data-bbox="1016 1084 1409 1247">James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima</td> </tr> </tbody> </table> <p>http://www2.urc.com.ph/corporate-governance/board-Committees</p>	POSITION	Name of Director	Chairman	Lance Y. Gokongwei	Members	James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima	
POSITION	Name of Director								
Chairman	Lance Y. Gokongwei								
Members	James L. Go Johnson Robert G. Go, Jr. Irwin C. Lee Cesar V. Purisima								

Recommendation 3.5

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p align="center">Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p>	<p>The roles and responsibilities of the Company’s Audit Committee included the review of RPTs.</p> <p>Revised Corporate Governance Manual Article III. Governance Structure, Audit Committee; page 20 2.3. Functions of the Audit Committee</p> <p>2.3.8. Review and approve the interim and Annual Financial Statements before their submission to the Board, with particular focus on the following:</p> <ul style="list-style-type: none"> • Any change/s in accounting policies and practices; • Areas where significant amount of judgment has been exercised; • Significant Related Party Transactions; • Significant adjustments resulting from the audit; • Going concern assumptions;

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<ul style="list-style-type: none"> • Compliance with accounting standards; and • Compliance with tax, legal, and regulatory requirements. <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p align="center">Non-Compliant</p>	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p>	<p>Information on the members of the Audit Committee, including their qualifications and type of directorship are disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III. Governance Structure, Audit Committee; page 20</p> <p>2.2. Organization of the Audit Committee</p> <p>2.2.1. The Audit Committee reports functionally to the Board.</p> <p>2.2.2. The Audit Committee shall be composed of at least three (3) directors, at least one (1) of whom shall always be an Independent Director. The Board may consider</p>

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>appointing Non-Executive Directors to comprise majority membership of the Audit Committee. All members must have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>2.2.3. The Board shall appoint an Independent Director as Chairman, of the Audit Committee.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Definitive Information Statement http://www2.urc.com.ph/DefinitiveInformationStatement</p>
Recommendation 3.6			
<p>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.</p>	<p>Compliant</p>	<p>The company’s committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes, are disclosed and can be found in:</p> <p>Company Website Board Committees’ Charters</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	http://www2.urc.com.ph/corporate-governance/board-Committees	
3. Committee Charters were fully disclosed on the company's website.	Compliant		

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	<p>Actual Meetings are conducted instead of tele/ videoconferencing.</p> <p>As a policy, members of the Board shall attend regular and special meetings in person or through video/teleconferencing conducted in accordance with the rules and regulations of the SEC except for justifiable reasons that prevent them from doing so.</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.6. Board Meetings and Quorum Requirement, page 19 6.1. The Board shall schedule meetings at the beginning of the year, and hold regular meetings in accordance with its By-Laws and convene special meetings when required by business exigencies.</p>	
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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>6.2. The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors at least five (5) business days prior to each meeting, which meeting must be duly minuted.</p> <p>6.3. The members of the Board shall attend regular and special meetings in person or through video/teleconferencing conducted in accordance with the rules and regulations of the SEC except for justifiable reasons that prevent them from doing so.</p> <p>6.4. Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.</p> <p>6.5. To monitor the Directors' compliance with the attendance requirements, the Corporation shall submit to the Commission, within five (5) business days from the end of the Corporation's fiscal year, an advisement letter on Directors' record of attendance in Board meetings.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Information on the attendance and participation of directors to Board, Committee and shareholders' meetings are disclosed and found in:</p> <p>Minutes of Annual Stockholders' Meeting</p> <p>http://www2.urc.com.ph/MinutesoftheAnnualStockholdersMeeting</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION																																																																								
		<p><i>Attendance of Directors</i></p> <p align="right">January 1, 2018 to December 31, 2018</p> <table border="1"> <thead> <tr> <th>Board</th> <th>Name</th> <th>Date of Election</th> <th>No. of Meetings Held during the year</th> <th>No. of Meetings Attended</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Chairman Emeritus and Founder</td> <td>1. John L. Gokongwei, Jr.</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Chairman Emeritus</td> <td>2. James L. Go</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Chairman</td> <td>3. Lance Y. Gokongwei</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Director</td> <td>4. Patrick Henry C. Go</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Director</td> <td>5. Frederick D. Go</td> <td>(Note 1)</td> <td>4</td> <td>4</td> <td>100.00%</td> </tr> <tr> <td>President and CEO</td> <td>6. Irwin C. Lee</td> <td>May 30, 2018 (Note 2)</td> <td>8</td> <td>8</td> <td>100.00%</td> </tr> <tr> <td>Director</td> <td>7. Johnson Robert G. Go, Jr.</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Director</td> <td>8. Robert G. Coyiuto, Jr.</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Independent</td> <td>9. Wilfrido E. Sanchez</td> <td>May 30, 2018</td> <td>12</td> <td>12</td> <td>100.00%</td> </tr> <tr> <td>Independent</td> <td>10. Pascual S. Guerzon</td> <td>(Note 3)</td> <td>4</td> <td>4</td> <td>100.00%</td> </tr> <tr> <td>Independent</td> <td>11. Cesar V. Purisima</td> <td>May 30, 2018 (Note 4)</td> <td>8</td> <td>8</td> <td>100.00%</td> </tr> </tbody> </table> <p><u>Notes</u></p> <ol style="list-style-type: none"> 1. Ceased to be a director effective May 14, 2018. 2. Elected as director effective May 14, 2018. 3. Ceased to be a director on May 30, 2018. 4. Elected director on May 30, 2018. 	Board	Name	Date of Election	No. of Meetings Held during the year	No. of Meetings Attended	%	Chairman Emeritus and Founder	1. John L. Gokongwei, Jr.	May 30, 2018	12	12	100.00%	Chairman Emeritus	2. James L. Go	May 30, 2018	12	12	100.00%	Chairman	3. Lance Y. Gokongwei	May 30, 2018	12	12	100.00%	Director	4. Patrick Henry C. Go	May 30, 2018	12	12	100.00%	Director	5. Frederick D. Go	(Note 1)	4	4	100.00%	President and CEO	6. Irwin C. Lee	May 30, 2018 (Note 2)	8	8	100.00%	Director	7. Johnson Robert G. Go, Jr.	May 30, 2018	12	12	100.00%	Director	8. Robert G. Coyiuto, Jr.	May 30, 2018	12	12	100.00%	Independent	9. Wilfrido E. Sanchez	May 30, 2018	12	12	100.00%	Independent	10. Pascual S. Guerzon	(Note 3)	4	4	100.00%	Independent	11. Cesar V. Purisima	May 30, 2018 (Note 4)	8	8	100.00%	
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<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Revised Corporate Governance Manual Article III Governance Structure A.6. Board Meetings and Quorum Requirement, page 19 6.1. The Board shall schedule meetings at the beginning of the year, and hold regular meetings in accordance with its By-Laws and convene special meetings when required by business exigencies. 6.2. The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors at</p>																																																																									

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>least five (5) business days prior to each meeting, which meeting must be duly minuted.</p> <p>6.3. The members of the Board shall attend regular and special meetings in person or through video/teleconferencing conducted in accordance with the rules and regulations of the SEC except for justifiable reasons that prevent them from doing so.</p> <p>6.4. Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement. However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.</p> <p>6.5. To monitor the Directors' compliance with the attendance requirements, the Corporation shall submit to the Commission, within five (5) business days from the end of the Corporation's fiscal year, an advisement letter on Directors' record of attendance in Board meetings.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Information on any questions raised or clarification/explanation sought by the directors are disclosed and can be found in:</p> <p>Minutes of Annual Stockholders' Meeting</p> <p>http://www2.urc.com.ph/MinutesoftheAnnualStockholdersMeeting</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 4.2			
<p>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.</p>	<p align="center">Non-Compliant</p>	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company’s directors in both listed and non-listed companies</p>	<p>The Company sees to it that the members of the board are committed to perform their roles and responsibilities regardless of the number of board seats they have in other companies and in the absence of policy setting the limit of board seats that a non-executive director can hold. The Company take note of the guidelines on the number of board seats recommended by the Commission to listed companies. Based on the 2018 Board Attendance, all Directors have 100% attendance.</p> <p>Corporate Governance Manual Article III Governance Structure A. Board of Directors 8. Directorships and Officerships in Other Corporations</p> <p>The Board may consider the adoption of guidelines on the number of dictatorships that its members can hold in publicly-listed corporation, ensuring however that the shareholders legal right to vote and be voted as directors remains inviolable.</p>

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION				
			<p>8.1. Any limitation in the number of directorships outside of the Company as may be adopted by Corporation shall not include directorships in the Corporation’s subsidiaries, affiliates, parent Company (if any), and affiliates and subsidiaries of such parent Company;</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Summary of NEDs (including the IDs) and Directorships in PLCs</p> <table border="1" data-bbox="1577 948 2018 1401"> <thead> <tr> <th data-bbox="1577 948 1751 1066">Name of Director</th> <th data-bbox="1751 948 2018 1066">PLCs with Directorship / Designation</th> </tr> </thead> <tbody> <tr> <td data-bbox="1577 1066 1751 1401">John L. Gokongwei, Jr.</td> <td data-bbox="1751 1066 2018 1401"> 1. JG Summit Holdings, Inc. – Chairman Emeritus (Non-Executive Director) 2. Universal Robina Corporation – Chairman </td> </tr> </tbody> </table>	Name of Director	PLCs with Directorship / Designation	John L. Gokongwei, Jr.	1. JG Summit Holdings, Inc. – Chairman Emeritus (Non-Executive Director) 2. Universal Robina Corporation – Chairman
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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
			<p>Emeritus and Founder (Non-Executive Director)</p> <p>3. Robinsons Land Corporation – Chairman Emeritus and Founder (Non-Executive Director)</p> <p>4. Cebu Air, Inc. – Non-Executive Director</p> <p>5. Robinsons Retail Holdings, Inc. – Non-Executive Director</p> <p>6. Oriental Petroleum and Minerals Corporation – Non-Executive Director</p> <p>7. Manila Electric Company – Non-Executive Director</p>

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION	
				Vice-Chairman (Non-Executive Director) 6. Oriental Petroleum and Minerals Corporation – Chairman and CEO 7. PLDT, Inc. – Non-Executive Director 8. Manila Electric Company – Non-Executive Director
			Lance Y. Gokongwei	1. Universal Robina Corporation- Director 2. Oriental Petroleum and Minerals Corporation- Director 3. JG Summit Holdings, Inc.- Director

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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			<table border="1" data-bbox="1577 367 2018 448"> <tr> <td data-bbox="1577 367 1755 448"></td> <td data-bbox="1755 367 2018 448">Independent Director</td> </tr> </table> <p data-bbox="1577 505 2062 776">Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p>		Independent Director
	Independent Director				
Recommendation 4.3					
<p>1. The directors notify the company’s board before accepting a directorship in another company.</p>	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p>As a policy, a Director shall notify the Board before accepting Directorship in any company.</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.8. Directorships and Officerships in Other Corporations; page 20 8.2. A Director shall notify the Board before accepting Directorship in another Company. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The changes, if any, in the Directors’ Directorship are reflected in the Definitive Information Statement.</p>			

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Definitive Information Statement 2018 Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Definitive Information Statement 2019 Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 60-62 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3. Board of directors meet at least six times during the year.	Compliant	The Company had 12 board meetings during the year.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 5.1			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p align="center">Non-Compliant</p>	<p>Information on the number of independent directors in the board is disclosed and can be found in:</p>	<p>At present, the Company has two (2) Independent Directors representing twenty two percent (22%) of the total membership of the Board. The remaining seven (5) Directors are Non-Executive and two (2) executive directors, the President and CEO and Vice President and Senior Managing Director. The Board is able to exercise objective and independent judgment on all corporate affairs. The Company also ensured to strengthen the governance through the establishment of corporate governance related policies.</p> <p>The Company is continuously reviewing Board composition and shall implement appropriate changes with due consideration of the best practice.</p> <p>Definitive Information Statement Certification of Independent Director; page 29-32</p>

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

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			<table border="1"> <thead> <tr> <th rowspan="2">No.</th> <th colspan="2">URC</th> <th colspan="3">Type of Directorship</th> </tr> <tr> <th>Name</th> <th>Position</th> <th>ED</th> <th>NED</th> <th>ID</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>John L. Gokongwei, Jr.</td> <td>Chairman Emeritus and Founder</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>2</td> <td>James L. Go</td> <td>Chairman Emeritus</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>3</td> <td>Lance Y. Gokongwei</td> <td>Chairman</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>4</td> <td>Patrick Henry C. Go</td> <td>Director</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td>Irwin C. Lee</td> <td>President and CEO</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td>Johnson Robert G. Go, Jr.</td> <td>Director</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>7</td> <td>Robert G. Coviuto, Jr.</td> <td>Director</td> <td></td> <td>1</td> <td></td> </tr> <tr> <td>8</td> <td>Wilfrido E. Sanchez</td> <td>Independent Director</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td>9</td> <td>Cesar V. Purisima</td> <td>Independent Director</td> <td></td> <td></td> <td>1</td> </tr> <tr> <td colspan="3">Total</td> <td>2</td> <td>5</td> <td>2</td> </tr> </tbody> </table> <p>The Company is compliant with the Securities Regulation Code 38.7.1 requiring a minimum of 2 Independent Directors in the Board of Publicly Listed Companies.</p>					No.	URC		Type of Directorship			Name	Position	ED	NED	ID	1	John L. Gokongwei, Jr.	Chairman Emeritus and Founder		1		2	James L. Go	Chairman Emeritus		1		3	Lance Y. Gokongwei	Chairman		1		4	Patrick Henry C. Go	Director	1			5	Irwin C. Lee	President and CEO	1			6	Johnson Robert G. Go, Jr.	Director		1		7	Robert G. Coviuto, Jr.	Director		1		8	Wilfrido E. Sanchez	Independent Director			1	9	Cesar V. Purisima	Independent Director			1	Total			2	5	2
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Recommendation 5.2																																																																														
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>Information on the qualifications of the independent directors is disclosed and can be found:</p> <p>Revised Corporate Governance Manual Article III Governance Structure, 2. Qualifications for or Disqualifications from Directorship; page 13</p> <p>6.1. The Board shall schedule meetings at the beginning of the year, and hold regular meetings in accordance with its By-Laws and convene special meetings when required by business exigencies.</p> <p>6.2. The notice and agenda of the meeting and other relevant meeting materials shall be furnished to the Directors at least</p>																																																																												

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		<p>five (5) business days prior to each meeting, which meeting must be duly minuted.</p> <p>6.3. The members of the Board shall attend regular and special meetings in person or through video/teleconferencing conducted in accordance with the rules and regulations of the SEC except for justifiable reasons that prevent them from doing so.</p> <p>6.4. Independent Directors shall always attend Board meetings. Unless otherwise provided in the By-Laws, their absence shall not affect the quorum requirement.</p> <p> However, the Board may, to promote transparency, require the presence of at least one (1) Independent Director in all its meetings.</p> <p>6.5. To monitor the Directors' compliance with the attendance requirements, the Corporation shall submit to the Commission, within five (5) business days from the end of the Corporation's fiscal year, an advisement letter on Directors' record of attendance in Board meetings.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Definitive Information Statement Profiles of the Nominees For Election To The Board of Directors For The Year 2018, Pages 9-13 Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement</p>	
Supplement to Recommendation 5.2			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors’ ability to vote independently.</p>	<p>Compliant</p>	<p>Information that directors are not constrained to vote independently is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure A.4. Specific Duties and Responsibilities of a Director; page 17</p> <p>4. Specific Duties and Responsibilities of a Director A Director shall endeavor to act in the best interest of the Corporation its shareholders and stakeholders in a manner characterized by fairness, accountability, and transparency.</p> <p>A Director shall observe the following norms of conduct:</p> <p>4.1. Conduct fair and impartial business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation;</p> <p>4.2. Devote the time and attention necessary to properly and effectively perform his duties and responsibilities;</p> <p>4.3. Act judiciously. Before deciding on any matter brought before the Board, a Director should carefully evaluate the issues and, if necessary, make inquiries and request clarification;</p> <p>4.4. Exercise independent judgment. A Director should view each problem or situation objectively;</p> <p>4.5. Have a working knowledge of the statutory and regulatory requirements that affect the Corporation, including its Articles of Incorporation and By-Laws, the rules and regulations of the SEC and, where applicable, the requirements of relevant regulatory agencies;</p> <p>4.6. Observe confidentiality. A Director should keep secure and confidential all nonpublic information he may</p>	

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		<p>acquire or learn by reason of his position as Director; and</p> <p>4.7. Have a working knowledge of the Corporation’s control systems. A Director shall ensure the continuing soundness, effectiveness and adequacy of the Corporation’s control environment.</p> <p>4.8. Disclose to the Philippine Stock Exchange (PSE) and the SEC the trading of the Corporation’s shares by Directors, Officers (or persons performing similar functions) and controlling Shareholders. This shall also include the disclosure of the Corporation’s purchase of its shares from the market (e.g. share buy-back program).</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>												
Recommendation 5.3														
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>Compliant</p>	<p>Information on the years IDs have served as such is disclosed and can be found in:</p> <p>Definitive Information Statement Annex A Certification of Independent Director; pages 30-33 http://www2.urc.com.ph/DefinitiveInformationStatement</p> <table border="1" data-bbox="762 1122 1537 1362"> <thead> <tr> <th rowspan="2">Director’s Name</th> <th colspan="2">No. of years served as director as of 2018</th> </tr> <tr> <th>From first election</th> <th>Reckoning from 2012</th> </tr> </thead> <tbody> <tr> <td>1. Wilfrido E. Sanchez, 1995</td> <td align="center">23</td> <td align="center">6</td> </tr> <tr> <td>2. Cesar V. Purisima, May 30, 2018</td> <td align="center">7 mos.</td> <td align="center">7 mos.</td> </tr> </tbody> </table>	Director’s Name	No. of years served as director as of 2018		From first election	Reckoning from 2012	1. Wilfrido E. Sanchez, 1995	23	6	2. Cesar V. Purisima, May 30, 2018	7 mos.	7 mos.	
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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION				
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Information on the company’s policy on term limits for its independent director is disclosed and can be found in: Provide reference to the meritorious justification and proof of shareholders’ approval during the annual shareholders’ meeting.					
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	<p>Revised Corporate Governance Manual Article I Introduction and Definition of Terms 9. Independent Director, 9.12; page 10 9.12. As a rule, independent directors may serve for a maximum of nine (9) consecutive years starting from 2012, making sure however that the shareholders’ legal right to vote and be as directors remains inviolable. If the Corporation wants to retain an independent director who has served for nine consecutive years, the Board shall provide meritorious justifications and advise the shareholders of such justification during the annual shareholders meeting. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>					
Recommendation 5.4							
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Following are company’s Chairman of the Board and Chief Executive Officer (CEO): <table border="1" data-bbox="747 1230 1537 1344"> <tr> <td>Chairman</td> <td>Lance Y. Gokongwei</td> </tr> <tr> <td>Chief Executive Officer</td> <td>Irwin C. Lee</td> </tr> </table>	Chairman	Lance Y. Gokongwei	Chief Executive Officer	Irwin C. Lee	
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Chief Executive Officer	Irwin C. Lee						

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		<p>Definitive Information Statement Part III Control and Compensation, Item 9. Directors and Executive Officers of the Registrant Item 9. Directors And Executive Officers Of The Registrant; pages 62-64 https://www.jgsummit.com.ph/Definitive Information Statement for 2018</p> <p>Revised Corporate Governance Manual Article III Governance Structure C. Chairman; page 27 The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors and Shareholders. The Chairman shall also assist in ensuring compliance with and performance of the Corporate Governance policies and practices. As needed or in accordance with applicable regulations such as the Revised Code of Corporate Governance, the roles of Chairman and the CEO may be separated in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the roles of the Chairman and CEO. If the roles of Chairman and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives. The Board may consider designating a Lead Director among the Independent Directors if the Chairman of the Board is not an Independent Director and if the positions of the Chairman of the Board and CEO are held by one person. The Lead Director shall</p>	

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		<p>be the intermediary between the Chairman and the other Directors when necessary; convene and chair meetings of the Non-Executive Directors; and contribute to the performance evaluation of the Chairman, as</p> <ol style="list-style-type: none"> 1. The Chairman shall supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary and Management and make certain that such agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations; 2. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions; 3. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors; 4. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management; 5. Assure the availability of proper orientation for first-time Directors and continuing training opportunities and requirements for all Directors; and 6. Make sure that performance of the Board is evaluated at least once a year and discussed/ followed up on; <p>D. The CEO; page 28 Duties and Responsibilities of the CEO:</p>	

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		<ol style="list-style-type: none"> 1. Communicate and implement the Corporation’s vision, mission, values and overall strategy and promote any Corporation or Stakeholder change in relation to the same; 2. Build the corporate culture and motivate the employees of the Corporation. Direct, evaluate and guide the work of key Officers of the Corporation; 3. Oversee the operations of the Corporation and manages human and financial resources in accordance with the strategic plan; 4. Serve as the link between internal operations as well as internal and external Stakeholders; 5. Exercise general care, management and administration of the business operations of the Company. He shall ensure that: (a) the business and affairs of the Company are managed in a sound and prudent manner; and (b) operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts; 6. Provide leadership for Management in determining, developing and implementing business strategies, plans and budgets to the extent approved by the Board. He shall provide the Board with a balanced and understandable account of the Company’s performance, financial condition, results of operations and prospects on a regular basis; 7. Provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any Director or the Board, 	

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		<p>make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. The Directors shall have independent access to Management; and</p> <p>8. Formulate, under the oversight of the Audit Committee, financial reporting and internal control systems, rules and procedures.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.</p>	<p>Compliant</p>	<p>Information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Revised Corporate Governance Manual Article III Governance Structure C. Chairman; page 27</p> <p>The Chairman of the Board of Directors shall preside at all meetings of the Board of Directors and Shareholders. The Chairman shall also assist in ensuring compliance with and performance of the Corporate Governance policies and practices. As needed or in accordance with applicable regulations such as the Revised Code of Corporate Governance, the roles of Chairman and the CEO may be separated in order to foster an appropriate balance of power, increased accountability, and better capacity for independent decision-making by the Board. A clear delineation of functions shall be made between the roles of the Chairman and CEO.</p> <p>If the roles of Chairman and CEO are unified, the proper checks and balances shall be laid down to ensure that the Board gets the benefit of independent views and perspectives.</p>	

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		<p>The Board may consider designating a Lead Director among the Independent Directors if the Chairman of the Board is not an Independent Director and if the positions of the Chairman of the Board and CEO are held by one person. The Lead Director shall be the intermediary between the Chairman and the other Directors when necessary; convene and chair meetings of the Non-Executive Directors; and contribute to the performance evaluation of the Chairman, as required.</p> <p>The duties and responsibilities of the Chairman in relation to the Board may include, among others, the following:</p> <ol style="list-style-type: none"> 1. The Chairman shall supervise the preparation of the agenda of the meeting in coordination with the Corporate Secretary and Management and make certain that such agenda focuses on strategic matters, including the overall risk appetite of the Corporation, considering the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations; 2. Guarantee that the Board receives accurate, timely, relevant, insightful, concise, and clear information to enable it to make sound decisions; 3. Facilitate discussions on key issues by fostering an environment conducive for constructive debate and leveraging on the skills and expertise of individual Directors; 4. Ensure that the Board sufficiently challenges and inquires on reports submitted and representations made by Management; 5. Assure the availability of proper orientation for first-time Directors and continuing training opportunities and requirements for all Directors; and 	

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		<p>6. Make sure that performance of the Board is evaluated at least once a year and discussed/ followed up on;</p> <p>D. CEO; page 28 Duties and Responsibilities of the CEO:</p> <ol style="list-style-type: none"> 1. Communicate and implement the Corporation’s vision, mission, values and overall strategy and promote any Corporation or Stakeholder change in relation to the same; 2. Build the corporate culture and motivate the employees of the Corporation. Direct, evaluate and guide the work of key Officers of the Corporation; 3. Oversee the operations of the Corporation and manages human and financial resources in accordance with the strategic plan; 4. Serve as the link between internal operations as well as internal and external Stakeholders; Exercise general care, management and administration of the business operations of the Company. He shall ensure that: (a) the business and affairs of the Company are managed in a sound and prudent manner; and (b) operational, financial and internal controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts; 6. Provide leadership for Management in determining, developing and implementing business strategies, plans and budgets to the extent approved by the Board. He shall provide the Board with a balanced and understandable account of the 	

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		<p>Company’s performance, financial condition, results of operations and prospects on a regular basis;</p> <p>7. Provide the Directors/Board with adequate and timely information about the matters to be taken up in their Board meetings and, upon the request of any Director or the Board, make presentations on specific topics and respond to further inquiries in relation thereto during Board meetings. The Directors shall have independent access to Management; and</p> <p>8. Formulate, under the oversight of the Audit Committee, financial reporting and internal control systems, rules and procedures.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Identify the relationship of Chairman and CEO.</p> <p>The Chairman and CEO are not related to each other.</p>	
Recommendation 5.5			
<p>1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.</p>	<p>Non-Compliant</p>	<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>Chairman is a Non-Executive Director</p> <p>The Revised Corporate Governance Manual states that, “The Board <u>may</u> consider designating a Lead Director among the Independent Directors if the Chairman of the Board is not an Independent Director and if the position of the Chairman of the Board and CEO are held by one person. The Lead Director shall be the intermediary</p>

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			<p>between the Chairman and the other Directors when necessary; convene and chair meetings of the Non-Executive Directors; and contribute to the performance evaluation of the Chairman, as required.</p> <p>Revised Corporate Governance Manual Article III Governance Structure C. Chairman; page 27 D. CEO; page 28 http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>
Recommendation 5.6			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	Compliant	<p>Provide proof of abstention, if this was the case.</p> <p>No Director had a material interest in any transaction executed by the Company during the Financial Year.</p>	
Recommendation 5.7			
<p>1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and</p>	Non-Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	<p>The Revised Corporate Governance Manual states that, “The Audit Committee <u>may</u> opt to meet without the presence of the CEO or other</p>

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risk functions, without any executive present.			management team members, and periodically meet with the Internal Audit Head. For the past financial year, the Committee has not seen the need for this separate meeting.
2. The meetings are chaired by the lead independent director.	Non-Compliant		<p>Revised Corporate Governance Manual Article III Governance Structure B. Board Committees 2. Audit Committee; page 20 http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board’s effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The Company is conducting an informal assessment. A formal self-assessment process including its documentation is being established.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		

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3. The individual members conduct a self-assessment of their performance.	Non-Compliant		
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant	Identify the external facilitator and provide proof of use of an external facilitator.	This will be considered in future years.
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.	Non-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 Company is conducting an informal assessment. A formal self-assessment process including its documentation is being established.
2. The system allows for a feedback mechanism from the shareholders.	Compliant	Information on the feedback mechanism from shareholders is disclosed and can be found in: Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 A. Shareholders A.1. Shareholders’ Rights The Board is committed to treat all Shareholders fairly and equitably, and shall recognize, protect and facilitate the	

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		<p>exercise of their rights. These rights relate to the following among others:</p> <p>1. Right to vote on all matters that require their consent or approval</p> <p>Article VIII Disclosure and Transparency; page 42 B. The Board shall have in place a system that provides the criteria and process to determine the performance of the Board, the individual Directors, and Committees including feedback from Shareholders.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Minutes of Annual Stockholders’ Meeting http://www2.urc.com.ph/MinutesoftheAnnualStockholdersMeeting</p>	
<p>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p>Recommendation 7.1</p>			
<p>1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in</p>	<p>Compliant</p>	<p>Information on the company’s Code of Business Conduct and Ethics is disclosed and can be found in:</p> <p>Company Website Code of Business Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p>	

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internal and external dealings of the company.			
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Information on how the company disseminated the Code to its Board, senior management and employees is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article IX Communication, Education and Training; pages 43-44</p> <p>A. COMMUNICATION</p> <p>This Corporate Governance Manual shall be posted in the Company’s Website that can be readily accessed by any interested party.</p> <p>The Board shall oversee the dissemination of this Corporate Governance Manual to all employees and related third parties, and to likewise enjoin compliance.</p> <p>B. EDUCATION AND TRAINING</p> <p>Every Director shall receive appropriate orientation when he is first appointed to the Board of Directors, in order to ensure that incoming Directors are appropriately apprised of their duties and responsibilities before beginning their Directorships. The orientation program shall include SEC-mandated topics on Corporation Governance and an introduction to the Company’s business, Articles of Incorporation, and Code of Business Conduct and Ethics.</p> <p>Likewise, Management Officers shall receive appropriate orientation on his duties as a management executive and how to discharge these duties when he is first appointed to the</p>	

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		<p>Corporation. This will ensure that incoming Senior Management Officers are familiar with the Corporation’s business and governance processes. Each Director and key Officer shall be required to attend a training program on Corporate Governance and relevant topics every year. The training program shall ensure that Directors and key Officers are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Company as well as Corporate Governance matters including audit, internal controls, risk management, sustainability and strategy.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	<p>Compliant</p>	<p>The Code of Business Conduct and Ethics is posted/ disclosed at:</p> <p>Company Website Code of Business Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p>	
<p>Supplement to Recommendation 7.1</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Information on the company’s policy and procedure on curbing and penalizing bribery is disclosed and can be found in:</p> <p>Company Website Code of Business Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p> <p>Conflicts of Interest http://www2.urc.com.ph/corporate-governance/company-policies</p>	

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Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	<p>Proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies is found in.</p> <p>Company Website Code of Business Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Conflicts of Interest http://www2.urc.com.ph/corporate-governance/company-policies</p> <p>The Company has Annual Disclosure Activities where selected employees are required to provide disclosures on Conflicts of Interest and Gifts and Sponsorships Received to their respective HR Departments who summarize the same and provide exception report to the Conflicts of Interest Committee.</p> <p>The following are required to comply with the Code of Business Conduct and Ethics. There are no material findings on noncompliance.</p> <ul style="list-style-type: none"> • All employees in the managerial and executive levels • All employees with procurement, retail merchandising, CAPEX project management, and leasing functions • Technical specialists involved in CAPEX projects • All employees involved in engineering fabrications (whether OPEX or CAPEX) • All employees that will be required by their Immediate Heads. 	
Disclosure and Transparency			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			
<p>Recommendation 8.1</p>			
<p>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.</p>	<p>Compliant</p>	<p>Information on the company’s disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders are disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>A. Shareholders</p> <p>A.1. Shareholders’ Rights The Board is committed to treat all Shareholders fairly and equitably, and shall recognize, protect and facilitate the exercise of their rights. These rights relate to the following among others:</p> <p>2. Right to inspect corporate books and records Any stockholder who desires to exercise his right to inspect corporate books and records of the Company must make a written request addressed to the Corporate Secretary, and stating the specific reason(s) or purpose(s) for the inspection. The exercise of such right may be denied if:</p> <ul style="list-style-type: none"> (i) The requesting stockholder improperly used information obtained from prior examination; (ii) Is not acting in good faith; or (iii) There is a reasonable ground to safeguard the interests of the Company, such as when the subject of inspection contains confidential or proprietary information or covered by a 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>confidentiality or nondisclosure obligation which will be violated by the Company if inspection were allowed. In no case shall the stockholder be allowed to take corporate books and other records out of the principal office of the Company for the purpose of inspecting them. The Corporate Secretary may elevate the request for inspection for the information, approval, or other appropriate action by the Board. This Revised Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.</p> <p>3. Right to information</p> <p>Stockholders shall be provided, upon request, with periodic reports filed by the Company with the SEC (e.g., proxy statement/information statement and annual report) which disclose personal or professional information about the Directors and Officers such as their educational and business background, holdings of the Company's shares, material transactions with the Company, relationship with other Directors and Officers and the aggregate compensation of Directors and Officers.</p> <p>Article VIII Disclosure and Transparency; page 42</p> <p>The Board shall establish policies to ensure the comprehensive, accurate, reliable and timely report to the shareholders and other stakeholders that give a fair and complete picture of Company's financial condition, results and business operations in accordance with the disclosure and reporting requirements of SEC, PSE and other regulators. This shall include material and reportable non-financial and sustainability issues related to EESG concerns of its business. The Company may consider adopting globally</p>	

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		<p>recognized standards/framework in reporting sustainability and non-financial issues. It shall cause the filing of all required information through the appropriate PSE mechanisms for listed companies and submissions to the SEC for the interest of its Shareholders and other Stakeholders.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Non-Compliant</p>	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p>	<p>Annual and Quarterly Consolidated Financial Statements are submitted and published within <u>105 days</u> and <u>45 days</u>, respectively, compliant with Philippine regulatory requirements.</p>

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<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>Annual Report SEC Form17A Part I. Business and General Information, Risk; pages 5-14 Notes to Financial Statements, 4. Financial Risk Management Objectives and Policies; pages 109-119 http://www2.urc.com.ph/Annual Report 17A</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>	<p>Compliant</p>	<p>Information on the company’s policy requiring directors and officers to disclose their dealings in the company’s share is disclosed and found in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure</p>	
<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company’s shares within three business days.</p>	<p>Compliant</p>	<p>4. Specific Duties and Responsibilities of a Director, page 17 4.8. Disclose to the Philippine Stock Exchange (PSE) and the SEC the trading of the Corporation’s shares by Directors, Officers (or persons performing similar functions) and controlling Shareholders. This shall also include the disclosure of the Corporation’s purchase of its shares from the market (e.g. share buy-back program).</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Article VIII. Disclosure and Transparency; page 43 The Company shall have a policy requiring all directors and officers to disclose/report to the Company through the Compliance Officer any dealings in the Company’s shares within three business days. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Insider Trading Policy The Company shall abide with the provisions of law set forth in the Securities Regulation Code and shall implement policies and procedures to prevent the unauthorized disclosure or misuse of material, non-public information in securities trading to preserve the reputation and integrity of the Company. http://www2.urc.com.ph/docs/Insider Trading Policy</p> <p>Indicate actual dealings of directors involving the corporation’s shares including their nature, number/percentage and date of transaction.</p> <p>Statement of Beneficial Ownership SEC Form 23A and 23B http://www2.urc.com.ph/disclosures/sec-filings#SEC23AB</p>	
Supplement to Recommendation 8.2			
<p>1. Company discloses the trading of the corporation’s shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its</p>	<p>Compliant</p>	<p>Information on the shareholdings of directors, management and top 100 shareholders are disclosed in:</p> <p>Revised Corporate Governance Manual Article III Governance Structure 4. Specific Duties and Responsibilities of a Director; page 17 4.8. Disclose to the Philippine Stock Exchange (PSE) and the SEC the trading of the Corporation’s shares by Directors, Officers</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>shares from the market (e.g. share buy-back program).</p>		<p>(or persons performing similar functions) and controlling Shareholders. This shall also include the disclosure of the Corporation’s purchase of its shares from the market (e.g. share buy-back program).</p> <p>Article VIII. Disclosure and Transparency; page 43 http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Definitive Information Statement http://www2.urc.com.ph/DefinitiveInformationStatement</p> <p>Statement of Beneficial Ownership SEC Form 23A and 23B http://www2.urc.com.ph/disclosures/sec-filings#SEC23AB</p> <p>Link or reference to the company’s Conglomerate Map.</p> <p>Company Website http://www2.urc.com.ph/about-us/company-structure</p> <p>Annual Report SEC Form17A Map of the Relationships of the Companies within the Group; page 184 http://www2.urc.com.ph/Annual Report 17A</p>	
<p>Recommendation 8.3</p>			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
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	Information on the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are disclosed in: Information the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Definitive Information Statement Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 62-64 http://www2.urc.com.ph/DefinitiveInformationStatement Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; pages 32-34 http://www2.urc.com.ph/Annual Report 17A	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Company policy and practice for setting board remuneration is disclosed and can be found in: Information on the company policy and practice for determining executive remuneration is disclosed and can be found in:	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>Revised Corporate Governance Manual Article III Governance Structure 7. Remuneration of Directors and Officers; page 19 Remuneration of Directors and Officers Formal procedures for the development of a policy on the levels of remuneration for Directors and Officers shall be established by the Corporation. The levels of remuneration shall be sufficient to be able to attract and retain the services of qualified and competent Directors and Officers. No Director shall participate in deciding on his remuneration http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Succession Planning and Remuneration Policy 14. The Corporate Governance Committee shall recommend and the Board of Directors shall approve the remuneration of Executive and Non-Executive Directors.</p> <p>14.1. Fixed remuneration for Non-Executive directors (including Independent Directors) shall reflect the time commitment and responsibilities of the role.</p> <p>14.2. The remuneration of Executive Directors may be a combination of fixed monthly salary in terms of their appointment as approved by the Board and variable pay based on the Company’s and individual performance. The Corporate Governance Committee shall determine and decide the performance parameters and/or measurable standards applicable to the Executive Directors that will serve as the basis for the variable pay.</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>14.3. The Corporate Governance Committee may consider aligning Key Executives and Board remuneration with the longer-term interests of the company and its shareholders.</p> <p>15. The compensation structure for Key Management Personnel and Senior Management Team members may consist of fixed salary component and variable performance-based compensation. The compensation structure shall be devised to help the Company attract and retain top talents to efficiently run the Company with a long-term perspective.</p> <p>http://www2.urc.com.ph/SuccessionPlanningandRemunerationPolicy</p>	
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Non-Compliant</p>	<p>Breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO is disclosed in:</p>	<p>The Company discloses the remuneration of directors and executives in aggregate amount and can be found in:</p> <p>Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 11. Executive Compensation; page 38 http://www2.urc.com.ph/AnnualReport17A</p>

Recommendation 8.5

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Information of the company’s RPT policies is disclosed and can be found in:</p> <p>Revised Corporate Governance Manual Article VIII Disclosure and Transparency; page 43 The Company shall disclose its policies governing RPTs and other unusual or infrequently occurring transactions. The material or significant RPTs reviewed and approved during the year shall be disclosed in its Annual Corporate Governance Report. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Related Party Transaction Policy The Company shall conduct all Related Party Transactions (RPT) on an arm’s length basis with consideration paid or received and on terms no less favorable than any such terms available to unrelated third parties under the same or similar circumstances. http://www2.urc.com.ph/Related Party Transactions Policy</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>For the past financial year, there was no transaction decided by the board involving conflict of interest with any director.</p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<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; 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>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> <p>All material RPTs are disclosed in the: Annual Report SEC Form 17A Audited Financial Statements, Notes to Financial Statements Note 34 Related Party Transactions; pages 157-161 http://www2.urc.com.ph/Annual Report 17A</p>	
Supplement to Recommendation 8.5			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>Revised Corporate Governance Manual Article III Governance Structure 4. Specific Duties and Responsibilities of a Director, page 17 A Director shall endeavor to act in the best interest of the Corporation its shareholders and stakeholders in a manner characterized by fairness, accountability, and transparency. A Director shall observe the following norms of conduct:</p>	

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		<p>4.1. Conduct fair and impartial business transactions with the Corporation, and ensure that his personal interest does not conflict with the interests of the Corporation;</p> <p>Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 Shareholders</p> <p>A.1. Shareholders’ Rights The Board is committed to treat all Shareholders fairly and equitably, and shall recognize, protect and facilitate the exercise of their rights. These rights relate to the following among others:</p> <ol style="list-style-type: none"> 1. Right to vote on all matters that require their consent or approval 2. Right to inspect corporate books and records Any stockholder who desires to exercise his right to inspect corporate books and records of the Company must make a written request addressed to the Corporate Secretary, and stating the specific reason(s) or purpose(s) for the inspection. The exercise of such right may be denied if: <ol style="list-style-type: none"> (i) The requesting stockholder improperly used information obtained from prior examination; (ii) Is not acting in good faith; or (iii) There is a reasonable ground to safeguard the interests of the Company, such as when the subject of inspection contains confidential or proprietary information or covered by a confidentiality or nondisclosure obligation which will be violated by the Company if inspection were allowed. In no case shall the stockholder be allowed to take corporate books and other records out of the 	

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		<p>principal office of the Company for the purpose of inspecting them. The Corporate Secretary may elevate the request for inspection for the information, approval, or other appropriate action by the Board. This Revised Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.</p> <p>3. Right to information Stockholders shall be provided, upon request, with periodic reports filed by the Company with the SEC (e.g., proxy statement/information statement and annual report) which disclose personal or professional information about the Directors and Officers such as their educational and business background, holdings of the Company's shares, material transactions with the Company, relationship with other Directors and Officers and the aggregate compensation of Directors and Officers.</p> <p>4. Right to dividends Stockholders shall have the right to receive declared dividends subject to the procedures prescribed by the Board.</p> <p>5. Appraisal right The stockholders shall have appraisal right under any of the following circumstances:</p> <p>5.1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of extending or reducing the term of corporate existence;</p>	

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		<p>5.2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company;</p> <p>5.3. In case of merger or consolidation; and</p> <p>5.4. Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.</p> <p>A.2. Promotion of Shareholders’ Rights</p> <p>1. The Board shall be transparent and fair in the conduct of the annual and special Shareholders’ meetings of the Corporation. The Board shall encourage active Shareholders participation by sending the Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting in accordance with the Securities Regulation Code. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder’s favor.</p> <p>2. The Board shall encourage active Shareholders participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders’ Meeting shall be made available on the</p>	

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		<p>Company Website within [five] business days from the end of the meeting.</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p> <p>4. The Board shall appoint an Investor Relations Officer (IRO) who shall ensure constant engagement with its Shareholders. The IRO shall create an Investor Relations Program to which shall aim to communicate to the shareholders all material information on the activities of the Company.</p> <p>B. Other Stakeholders The Company shall identify the various Stakeholders and promote cooperation between them and the Company in creating wealth, growth and sustainability.</p> <p>1. The Company shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders.</p> <p>2. The Board shall adopt a transparent framework and process that allows Stakeholders to communicate with the Company and to obtain redress for the violation of their rights. Stakeholders may communicate with the Company through the various Stakeholders touchpoints such as the Investor Relations Office, Office of the Corporate Secretary, Customer Relations Office, the Corporate Communications Group and the Company’s Website.</p> <p>3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and its governance including but not limited to:</p> <p>3.1. Health, safety and welfare;</p>	

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		<p>3.2. Training and development; and 3.3. Reward and compensation.</p> <p>4. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The same shall be disseminated to all employees across the Corporation through trainings to embed them in the Company’s culture.</p> <p>5. The Board shall establish a suitable framework for whistleblowing and ensure its enforcement to allow 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 or a unit created to handle whistleblowing concerns.</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>7. The Company shall employ value chain processes that takes into consideration EESG issues and concerns.</p> <p>Article VIII Disclosure and Transparency; page 42 The Company shall 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. This includes directors and key officer’s qualifications, share ownership in the Company, membership in other boards, other executive positions, and corporate governance trainings attended.</p>	

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		http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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	<p>Link or reference where this is disclosed:</p> <p>Revised Corporate Governance Manual Article III Governance Structure 3.2. Duties and Functions of the Board; page 16 3.2.5. Oversee the implementation of a policy and system on RPTs which shall include the review and approval of material or significant RPTs and ensure fairness and transparency of the transactions; http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Annual Report SEC Form 17A Audited Financial Statements, Notes to Financial Statements Note 34 Related Party Transactions; pages 157-161 http://www2.urc.com.ph/Annual Report 17A</p>	
Recommendation 8.6			
<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect</p>	Compliant	<p>Link or reference where this is disclosed:</p> <p>Company Website SEC Form 17C http://www2.urc.com.ph/disclosures/sec-filings#SEC17C</p>	

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the viability or the interest of its shareholders and other stakeholders.			
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Identify independent party appointed to evaluate the fairness of the transaction price Disclose the rules and procedures for evaluating the fairness of the transaction price, if any. For the financial year, the company did not have any transaction requiring the appointment of an independent party.	
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. Company Website SEC Form 17C http://www2.urc.com.ph/disclosures/sec-filings#SEC17C	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained	Compliant		

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in its Manual on Corporate Governance (MCG).		The Revised Corporate Governance Manual (RCGM) with SEC stamp of proof of acceptance is posted in the company website. Further, the RCGM is reported in PSE EDGE on May 31, 2017. Revised Corporate Governance Manual http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
2. Company’s MCG is submitted to the SEC and PSE.	Compliant		
3. Company’s MCG is posted on its company website.	Compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission. The Revised Corporate Governance Manual (RCGM) with SEC stamp of proof of acceptance is posted in the company website. Further, the RCGM is reported in PSE EDGE on May 31, 2017. Revised Corporate Governance Manual http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
Optional: Principle 8			
1. Does the company’s Annual Report disclose the following information:	Compliant	The company’s Annual Report containing the said information are: Annual Report SEC Form 17A http://www2.urc.com.ph/Annual Report 17A	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy			

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e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.		Provide link or reference to where this is contained in the Annual Report	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance	Compliant	Link or reference to where this is contained in the Annual Report Annual Report SEC Form 17A Statement of Management's Responsibility for Consolidated Financial Statements; page 48 http://www2.urc.com.ph/Annual Report 17A	

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controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Non-Compliant	Link or reference to where this is contained in the Annual Report	<p>Annual Report SEC Form 17A Statement of Management's Responsibility for Consolidated Financial Statements; page 48 http://www2.urc.com.ph/Annual Report 17A</p> <p>The Company's Chief Executive Officer and Chief Audit Executive issue an annual attestation that the Company has an internal audit, controls and compliance system in place and working effectively in all material respects, compliant with the standards set out in the Corporate Audit Manual. These processes provide an assurance that enables the senior management of the company to understand, manage and satisfactorily control risk exposures.</p> <p>Annex 1 Chief Auditor's Attestation</p>
5. The company discloses in the Annual Report the key risks to which the company is	Compliant	Link or reference to where these are contained in the Annual Report Annual Report SEC Form17A	

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materially exposed to (i.e. financial, operational including IT, environmental, social, economic).		Part I. Business and General Information, Risk; pages 5-14 Notes to Financial Statements, 4. Financial Risk Management Objectives and Policies; pages 109-119 http://www2.urc.com.ph/Annual Report 17A	
<p>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.</p>			
<p>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.	Compliant	Information on the process for approving and recommending the appointment, reappointment, removal and fees of the company’s external auditor is disclosed and can be found in: Revised Corporate Governance Manual Article III Governance Structure A.3. Responsibilities, Duties and Functions of the Board; page 15 2.3.11. Recommend the appointment, re-appointment, removal and fees of the External Auditor; http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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	78.92% of shareholders ratified the appointment and fees of the external auditor. Minutes of Annual Stockholders’ Meeting http://www2.urc.com.ph/MinutesoftheAnnualStockholdersMeeting	

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<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>Information on or link/reference to a document containing the company's reason for removal or change of external auditor:</p> <p>For the past financial year, there was no removal of external auditor.</p>	
<p>Supplement to Recommendation 9.1</p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Information on or link/reference to a document containing the policy of rotating the lead audit partner every five years:</p> <p>Revised Corporate Governance Manual Article V Accountability and Audit; page 37</p> <p>5. The External Auditor 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.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>Recommendation 9.2</p>			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <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 	<p>Compliant</p>	<p>Link/reference to the company's Audit Committee Charter:</p> <p>Company Website Audit Committee Charter http://www2.urc.com.ph/AuditCommitteeCharter</p>	

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<p>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.</p>			
<p>2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability and effectiveness on an annual basis.</p>	Compliant		
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>Link/reference to the company’s Audit Committee Charter</p> <p>Company Website Audit Committee Charter http://www2.urc.com.ph/AuditCommitteeCharter</p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant		

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Recommendation 9.3																															
<p>1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.</p>	<p align="center">Non-Compliant</p>	<p>Nature of non-audit services performed by the external auditor.</p>	<p>Annual Report SEC Form17A Part II. Operational and Financial Information Independent Public Accountants and Audit Related Fees; page 33 http://www2.urc.com.ph/Annual Report 17A The following Audit and Non-Audit related fees were disclosed in the Annual Report SEC 17-A:</p> <table border="1" data-bbox="1583 857 2032 1114"> <thead> <tr> <th></th> <th align="right">FY 2016</th> <th align="right">CY 2017</th> <th align="right">CY 2018</th> </tr> </thead> <tbody> <tr> <td>Audit and Audit-Related Fees</td> <td align="right">P9,740,000</td> <td align="right">P9,954,000</td> <td align="right">P11,206,000</td> </tr> <tr> <td>Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements</td> <td align="center">none</td> <td align="center">none</td> <td align="right">1,100,000</td> </tr> <tr> <td>Professional fees for due diligence review for bond/shares offering</td> <td align="center">none</td> <td align="center">none</td> <td align="center">none</td> </tr> <tr> <td>Tax Fees</td> <td align="center">none</td> <td align="center">none</td> <td align="center">none</td> </tr> <tr> <td>Other Fees</td> <td align="center">none</td> <td align="center">none</td> <td align="center">none</td> </tr> <tr> <td>Total</td> <td align="right">P9,740,000</td> <td align="right">P9,954,000</td> <td align="right">P12,306,000</td> </tr> </tbody> </table> <p>The Non-Audit Fee represents the Conversion Project covering the Company to comply with the Philippine Financial Reporting Standards (PFRS) reporting requirement which will not in any way influence the External Auditor's</p>		FY 2016	CY 2017	CY 2018	Audit and Audit-Related Fees	P9,740,000	P9,954,000	P11,206,000	Fees for services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements	none	none	1,100,000	Professional fees for due diligence review for bond/shares offering	none	none	none	Tax Fees	none	none	none	Other Fees	none	none	none	Total	P9,740,000	P9,954,000	P12,306,000
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			independence in the performance of their regular annual financial audit.
<p>2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on nonaudit services, which could be viewed as impairing the external auditor’s objectivity.</p>	<p>Compliant</p>	<p>Link or reference to guidelines or policies on non-audit services</p> <p>Revised Corporate Governance Manual Article III Governance Structure B.2. Audit Committee; page 20 2.3.7. Evaluate and determine the non-audit work, if any, of the External Auditor, and periodically review the proportion of non-audit fees paid to the External Auditor to the Corporation’s overall consultancy expenses.</p> <p>The Committee shall evaluate if the non-audit work will create a potential conflict of interest and shall disallow any non-audit work that will conflict with his duties as an External Auditor or may pose a threat to his independence. If the non-audit work is allowed, this shall be disclosed in the Corporation’s Annual Corporate Governance Report;</p> <p>Article V Accountability and Audit; pages 37 B. The Board, after consultations with the Audit Committee, shall recommend to the Shareholders an External Auditor duly accredited by the SEC who shall undertake an independent audit of the Corporation, and shall provide an objective assurance on the matter by which the financial statements shall be prepared and presented to the Shareholders. The External Auditor shall not, at the same time, provide Internal Audit services to the Corporation. Non-audit work may be given to the External</p>	

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		Auditor, provided it does not conflict with his duties as an independent External Auditor, or does not pose a threat to his independence. http://www2.urc.com.ph/RevisedCorporateGovernanceManual							
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. Annual Report SEC Form17A Part II. Operational and Financial Information Independent Public Accountants and Audit Related Fees; page 31 <table border="1" data-bbox="747 776 1562 862"> <thead> <tr> <th data-bbox="747 776 1094 824">Name of Auditor</th> <th data-bbox="1094 776 1325 824">Audit Fee</th> <th data-bbox="1325 776 1562 824">Non-Audit Fee*</th> </tr> </thead> <tbody> <tr> <td data-bbox="747 824 1094 862">Sycip, Gorres, Velayo & Co.</td> <td data-bbox="1094 824 1325 862">Php11,206,000</td> <td data-bbox="1325 824 1562 862">Php1,100,000</td> </tr> </tbody> </table> *Non-Audit Fee is for the services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements http://www2.urc.com.ph/Annual Report 17A	Name of Auditor	Audit Fee	Non-Audit Fee*	Sycip, Gorres, Velayo & Co.	Php11,206,000	Php1,100,000	
Name of Auditor	Audit Fee	Non-Audit Fee*							
Sycip, Gorres, Velayo & Co.	Php11,206,000	Php1,100,000							
Additional Recommendation to Principle 9									
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Information on company's external auditor, such as: 1. Name of the audit engagement partner: Miguel U. Ballelos, Jr. 2. Accreditation number: 3. Date Accredited: April 3, 2019 4. Expiry date of accreditation: April 2, 2022 5. Name, address, contact number of the audit firm: SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City Philippines, (632) 891 0307							

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<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).</p>	<p>Compliant</p>	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; November 12-23, 2018 2. Name of the Audit firm; Sycip, Gorres, Velayo & Co. 3. Members of the engagement team inspected by the SEC. <p>The names of the members of the engagement team were provided to the SEC during the SOAR inspection.</p>	

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>Link on the company’s policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p>Revised Corporate Governance Manual Article VIII Disclosure and Transparency; page 42</p> <p>The Board shall establish policies to ensure the comprehensive, accurate, reliable and timely report to the shareholders and other stakeholders that give a fair and complete picture of Company’s financial condition, results and business operations in accordance with the disclosure and reporting requirements of SEC, PSE and other regulators. This shall include material and reportable non-financial and sustainability issues related to EESG concerns of its business. The Company may consider adopting globally recognized standards/framework in reporting sustainability and non-financial issues. It shall cause the filing of all required information through the appropriate PSE mechanisms for listed companies and submissions</p>	
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		to the SEC for the interest of its Shareholders and other Stakeholders. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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. The Company adopted the Global Reporting Initiative (GRI) and released its first Sustainability Report “our purposeful transformation” for 2016. Company Website Sustainability http://www2.urc.com.ph/sustainability	

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	The Company uses various communication channels like website, Analyst’s briefing, Media briefings /press conferences, Quarterly reporting, Annual reporting, etc.) Annual Report SEC Form17A List of Corporate Disclosures/Replies to SEC Letters; page 43 http://www2.urc.com.ph/Annual Report 17A Company Website http://www2.urc.com.ph/news	
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Supplemental to Principle 11

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1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website Company Website Http://www2.urc.com.ph/	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	Company Website Http://www2.urc.com.ph/	
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			

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<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions.</p> <p>Frequency of review of the internal control system</p> <p>The Company’s Chief Executive Officer and Chief Audit Executive issue an annual attestation that the Company has an internal audit, controls and compliance system in place and working effectively in all material respects, compliant with the standards set out in the Corporate Audit Manual. These processes provide an assurance that enables the senior management of the company to understand, manage and satisfactorily control risk exposures.</p> <p>Annex 1 Chief Auditor’s Attestation</p> <p>Annual Report SEC Form 17A Statement of Management’s Responsibility for Consolidated Financial Statements; page 48 http://www2.urc.com.ph/Annual Report 17A</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>International framework used for Enterprise Risk Management</p> <p>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 the key risks <p>Frequency of review of the enterprise risk management framework.</p>	

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		<p>The above information are found in:</p> <p>Annual Report SEC Form17A Part I. Business and General Information, Risk; pages 11-13 Notes to Financial Statements, 4. Financial Risk Management Objectives and Policies; pages 109-119 http://www2.urc.com.ph/Annual Report 17A</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>	<p>Compliant</p>	<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>The Company ensures compliance with the regulatory mandates of SEC, PSE, Philippine Dealing and other regulatory agencies. The Company has consistently keeps itself abreast of the regulatory developments in the industry.</p> <p>PSE EDGE http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=124</p> <p>Company Website Disclosures http://www2.urc.com.ph/disclosures#SEC17A Indicate frequency of review.</p>	

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		In addition, the Company’s General Counsel Group-Compliance, Corporate Secretary’s Office and Corporate Governance and Management Systems Group who periodically reviews compliance with applicable laws, rules and regulations.	
Optional: Recommendation 12.1			
<p>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.</p>	Compliant	<p>Provide information on IT governance process</p> <p>As of to date, the Data Privacy Policy and Information Security (InfoSec) Policies are in place.</p> <p>The Company established the Information Security Management Systems (ISMS) Policies which institutionalized information security as part of the Conglomerate’s enterprise risk management, protect the Company’s information assets and reputation, and comply with relevant laws and regulations.</p> <p>The ISMS consists of the following:</p> <ol style="list-style-type: none"> 1. Core Information Security Policies – drive primary objectives of the ISMS: establish, maintain, and improve information security <ol style="list-style-type: none"> 1.1. Information Security Policy - is to establish, maintain, and continuously improve the ISMS to protect information assets, maintaining competitive advantage and increasing stakeholders’ confidence. 1.2. Information Asset Management Policy - is to define and classify information assets in both physical and electronic 	

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		<p>formats and provide guidance on how to appropriately handle information assets according to classification.</p> <p>1.3. Information Security Incident Management Policy - is to mandate a structured approach in managing incidents that compromise corporate information and personal data of the business units' customers.</p> <p>1.4. Compliance Policy - is to ensure that Business Units comply with applicable legal, regulatory requirements and contractual obligations, when conducting business activities.</p> <p>2. Organizational Policies – establish Information Security organization, roles and responsibilities as well as accountability of those who have access to corporate information</p> <p>2.1. Information Security Internal Organization Policy - is to establish the appropriate internal organization to ensure security of information assets</p> <p>2.2. Human Resource Security Policy - is to protect the company's business interests by ensuring that employees and contractors understand and fulfill their roles and responsibilities to preserve information security before, during, and after employment</p>	

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		<p>2.1. Supplier Relations Policy – this is to mandate controls which protect information assets that will be exposed to suppliers and preserve the integrity of supplier selection activities</p> <p>3. Access and Use Policies – enforce controls for access and authorization, as well as acceptable use of information assets</p> <p>3.1. Access Control Policies – this is to Implement adequate measures to regulate access to different information assets and facilities, ensuring that facilities and equipment may only be accessed by authorized personnel</p> <p>3.2. Acceptable Use of Assets - Ensure that employees understand how corporate assets should and should not be used, ensuring that the BU gets the most value out of its corporate assets and networks, and avoids unintended security breaches.</p> <p>3.3. Physical and Environmental Security Policy - Protect corporate assets and information by mandating controls that prevent unauthorized physical access to company premises, as well as equipment that support business operations</p> <p>3.4. Mobile Device and Teleworking Policy - Establish rules for the use, management and security of all mobile devices that process company information and establish rules for conducting official business outside the work premises</p>	

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		<p>4. Operational Security Policies – implementation of technical controls to maintain target level of security</p> <p>4.1. Cryptographic Controls Policy - Apply cryptographic controls (i.e. encryption) on confidential electronic information (e.g. files, databases), to add another layer of protection and prevent unauthorized use or disclosure.</p> <p>4.2. Operations Security Policy - Apply appropriate controls to ensure that day to day operations are carried out in a controlled and a secure manner.</p> <p>4.3. Communications Security Policy - Implement measures that will protect information as it moves both within the corporate network and outward.</p> <p>4.4. Data Security Policy - Implement measures to protect corporate information from possible loss and leakage, avoiding breaches in legal, statutory or contractual obligations.</p> <p>4.5. Secure Development Policy - Protect corporate information and minimize breaches by ensuring that information security concerns are taken into consideration when developing or acquiring systems and services.</p>	

Recommendation 12.2

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<p>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.</p>	<p>Compliant</p>	<p>The Company's Internal Audit is in-house. The Internal Audit focuses on delivering its mandate of determining whether the governance, risk management and control processes, as designed and represented by management, are adequate and functioning in a manner that provides reasonable level of confidence that:</p> <ul style="list-style-type: none"> ▪ Employees' actions are compliant with policies, standards, procedures, and applicable laws and regulations; ▪ Quality and continuous improvement are fostered in the control processes; ▪ Programs, plans, and objectives are achieved; ▪ Resources are acquired economically, used efficiently, and protected adequately; ▪ Significant financial, managerial, and operating information is accurate, reliable, and timely; ▪ Significant key risks are appropriately identified and managed; ▪ Significant legislative or regulatory issues impacting the Company are recognized and properly addressed. <p>Opportunities for improving management control, profitability and the Company's reputation may be identified during audits.</p> <p>Revised Corporate Governance Manual Article III Governance Structure F. Internal Audit; page 32 Role of Internal Audit</p> <p>The role of Internal Audit is to provide independent objective and risk based assurance within the Corporation, designed to add value and improve the Corporation's operations. This will help the</p>	

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		Corporation accomplish its objectives by providing a systematic, disciplined approach for the evaluation and improvement of the effectiveness of risk management, control and governance processes. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The company’s Chief Audit Executive (CAE) is Mr. Emmanuel B. De Pano and information containing his/her responsibilities is found in: Revised Corporate Governance Manual Article III Governance Structure F. Internal Audit; page 30 2.1. The Board shall appoint an Internal Audit Head, a Chief Audit Executive or its equivalent position, who shall oversee and be responsible for the Internal Audit activity of the Corporation. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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	There is no outsourced internal audit activity.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is	Compliant	Identify qualified independent executive or senior management personnel, if applicable. The internal audit is in-house.	

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assigned the responsibility for managing the fully outsourced internal audit activity.			
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	Information on company’s risk management function is found in: Revised Corporate Governance Manual Article III Governance Structure G. Enterprise Risk Management; page 33 1. Role of ERM The role of ERM is to oversee that a sound ERM framework is in place to effectively identify, monitor, assess and manage key business risks. The risk management framework shall guide the Board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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 Company did not see a need for external technical support for its ERM.	
Recommendation 12.5			

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<p>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).</p>	<p align="center">Non-Compliant</p>		<p>Under the controls function and as part of the budgeting process, the Chief Financial Officer (CFO) is the steward of risk management specifically those that have financial impact and affect company value. Information on his/her responsibilities and qualifications/background are disclosed in:</p> <p>Annual Report SEC Form 17A Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 36 http://www2.urc.com.ph/Annual Report 17A</p>
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p align="center">Non-Compliant</p>		<p>Under the controls function and as part of the budgeting process, the Chief Financial Officer (CFO) is the steward of risk management specifically those that have financial impact and affect company value. Information on his/her responsibilities and qualifications/background are disclosed in:</p> <p>Annual Report SEC Form 17A</p>

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			Part 3 Control and Compensation Information, Item 7. Directors and Executive Officers of the Registrant; page 36 http://www2.urc.com.ph/Annual Report 17A
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 The Company’s Chief Executive Officer and Chief Audit Executive issue an annual attestation that the Company has an internal audit, controls and compliance system in place and working effectively in all material respects, compliant with the standards set out in the Corporate Audit Manual. These processes provide an assurance that enables the senior management of the company to understand, manage and satisfactorily control risk exposures. Annex 1 Chief Auditor’s Attestation Annual Report SEC Form 17A Statement of Management’s Responsibility for Consolidated Financial Statements; page 48 http://www2.urc.com.ph/Annual Report 17A	
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.			

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Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Link or reference to the company’s Manual on Corporate Governance where shareholders’ rights are disclosed. Provide link to company’s website	
2. Board ensures that basic shareholder rights are disclosed on the company’s website.	Compliant	<p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>A. Shareholders</p> <p>A.1. Shareholders’ Rights</p> <p>The Board is committed to treat all Shareholders fairly and equitably, and shall recognize, protect and facilitate the exercise of their rights. These rights relate to the following among others:</p> <p>1. Right to vote on all matters that require their consent or approval</p> <p>2. Right to inspect corporate books and records</p> <p>Any stockholder who desires to exercise his right to inspect corporate books and records of the Company must make a written request addressed to the Corporate Secretary, and stating the specific reason(s) or purpose(s) for the inspection. The exercise of such right may be denied if:</p> <ul style="list-style-type: none"> (i) The requesting stockholder improperly used information obtained from prior examination; (ii) Is not acting in good faith; or (iii) There is a reasonable ground to safeguard the interests of the Company, such as when the subject 	

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		<p>of inspection contains confidential or proprietary information or covered by a confidentiality or nondisclosure obligation which will be violated by the Company if inspection were allowed. In no case shall the stockholder be allowed to take corporate books and other records out of the principal office of the Company for the purpose of inspecting them. The Corporate Secretary may elevate the request for inspection for the information, approval, or other appropriate action by the Board. This Revised Manual shall be available for inspection by any stockholder of the Company at reasonable hours on business days.</p> <p>3. Right to information Stockholders shall be provided, upon request, with periodic reports filed by the Company with the SEC (e.g., proxy statement/information statement and annual report) which disclose personal or professional information about the Directors and Officers such as their educational and business background, holdings of the Company's shares, material transactions with the Company, relationship with other Directors and Officers and the aggregate compensation of Directors and Officers.</p> <p>4. Right to dividends Stockholders shall have the right to receive declared dividends subject to the procedures prescribed by the Board.</p> <p>5. Appraisal right The stockholders shall have appraisal right under any of the following circumstances:</p>	

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		<p>5.1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of extending or reducing the term of corporate existence;</p> <p>5.2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company;</p> <p>5.3. In case of merger or consolidation; and</p> <p>5.4. Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.</p> <p>A.2. Promotion of Shareholders' Rights</p> <p>1. The Board shall be transparent and fair in the conduct of the annual and special Shareholders' meetings of the Corporation. The Board shall encourage active Shareholders participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting in accordance with the Securities Regulation Code. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor.</p>	

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		<p>2. The Board shall encourage active Shareholders participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders’ Meeting shall be made available on the Company Website within [five] business days from the end of the meeting.</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p> <p>4. The Board shall appoint an Investor Relations Officer (IRO) who shall ensure constant engagement with its Shareholders. The IRO shall create an Investor Relations Program to which shall aim to communicate to the shareholders all material information on the activities of the Company.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Supplement to Recommendation 13.1			
<p>1. Company’s common share has one vote for one share.</p>	<p>Compliant</p>	<p>Amended By-Laws Article II Meeting of Stockholders, Sections 7 and 8, page 10 Http://www.universalrobina.com/Amended By-Laws</p>	
<p>2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.</p>	<p>Compliant</p>	<p>Information on classes of shares, including their voting rights are found in:</p> <p>Articles of Incorporation http://www.universalrobina.com/Articles of Incorporation</p> <p>Amended By-Laws Article II Meeting of Stockholders, Sections 7 and 8, page 10</p>	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		Http://www.universalrobina.com/Amended By-Laws	
3. Board has an effective, secure, and efficient voting system.	Compliant	Voting procedure is by viva voce or show of hands. Shareholder voting mechanisms are found in:	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Amended By-Laws Article II Meeting of Stockholders, Sections 7 and 8, page 10 Http://www.universalrobina.com/wp-content/uploads/2015/02/PSE-Disclosure-Form-4-4-Amended-2-Amendments-to-By-Laws-of-URC-SEC-approval.pdf	
5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution) For the past financial year, no special shareholders’ meeting was held. Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 http://www2.urb.com.ph/RevisedCorporateGovernanceManual	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Information or link/reference to the policies on treatment of minority shareholders: Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 A. Shareholders	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>A.1. Shareholders’ Rights The Board is committed to treat all Shareholders fairly and equitably, and shall recognize, protect and facilitate the exercise of their rights. These rights relate to the following among others:</p> <p>1. Right to vote on all matters that require their consent or approval</p> <p>2. Right to inspect corporate books and records Any stockholder who desires to exercise his right to inspect corporate books and records of the Company must make a written request addressed to the Corporate Secretary, and stating the specific reason(s) or purpose(s) for the inspection. The exercise of such right may be denied if:</p> <ul style="list-style-type: none"> (i) The requesting stockholder improperly used information obtained from prior examination; (ii) Is not acting in good faith; or (iii) There is a reasonable ground to safeguard the interests of the Company, such as when the subject of inspection contains confidential or proprietary information or covered by a confidentiality or nondisclosure obligation which will be violated by the Company if inspection were allowed. In no case shall the stockholder be allowed to take corporate books and other records out of the principal office of the Company for the purpose of inspecting them. The Corporate Secretary may elevate the request for inspection for the information, approval, or other appropriate action by the Board. This Revised Manual 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>shall be available for inspection by any stockholder of the Company at reasonable hours on business days.</p> <p>3. Right to information Stockholders shall be provided, upon request, with periodic reports filed by the Company with the SEC (e.g., proxy statement/information statement and annual report) which disclose personal or professional information about the Directors and Officers such as their educational and business background, holdings of the Company's shares, material transactions with the Company, relationship with other Directors and Officers and the aggregate compensation of Directors and Officers.</p> <p>4. Right to dividends Stockholders shall have the right to receive declared dividends subject to the procedures prescribed by the Board.</p> <p>5. Appraisal right The stockholders shall have appraisal right under any of the following circumstances:</p> <ul style="list-style-type: none"> 5.1. In case any amendment to the Articles of Incorporation has the effect of changing or restricting the rights of any stockholders or class of shares, or of authorizing preferences in any aspect superior to those of outstanding shares of any class, or of extending or reducing the term of corporate existence; 5.2. In case of sale, lease, exchange, transfer, mortgage, pledge or other disposition of all or substantially all of the property and assets of the Company; 5.3. In case of merger or consolidation; and 	

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		<p>5.4. Investment of funds in any other corporation or business or for any purpose other than the primary purpose for which the Company was organized.</p> <p>A.2. Promotion of Shareholders’ Rights</p> <p>1. The Board shall be transparent and fair in the conduct of the annual and special Shareholders’ meetings of the Corporation. The Board shall encourage active Shareholders participation by sending the Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting in accordance with the Securities Regulation Code. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder’s favor.</p> <p>2. The Board shall encourage active Shareholders participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders’ Meeting shall be made available on the Company Website within [five] business days from the end of the meeting.</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p>	

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		<p>4. The Board shall appoint an Investor Relations Officer (IRO) who shall ensure constant engagement with its Shareholders. The IRO shall create an Investor Relations Program to which shall aim to communicate to the shareholders all material information on the activities of the Company.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>7. Company has a transparent and specific dividend policy.</p>	<p>Non-Compliant</p>	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If Compliant, indicate the number of days within which the dividends were paid after declaration. In case the company has offered dividends, indicate if the company paid the dividends within 60 days from declaration</p>	<p>Dividends payable out of the unrestricted retained earnings of the Company shall be declared at such time, manner and in such amounts as the Board of Directors shall determine. Stock dividends shall be subject to the approval of the stockholders in a meeting called for the purpose.</p> <p>Amended By-Laws Article VI - Fiscal Year, Dividends & Finances Section 3. Dividends, page 18 Http://www.universalrobina.com/Amended By-Laws</p>
Optional: Recommendation 13.1			
<p>1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.</p>	<p>Compliant</p>	<p>Sycip, Gorres, Velayo & Co. counted/validated the votes at the ASM.</p>	

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		In accordance with the Engagement Letter with SGV, the Validation Report maybe provided upon request after obtaining a written consent from SGV.	
Recommendation 13.2			
<p>1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.</p>	<p align="center">Non-Compliant</p>	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p>The Company is compliant with Securities Regulation Code Rule 20.3.3 Filing Requirements, 20.3.3.4. The information statement, proxy form and management report referred to in SRC Rule 20.4, if applicable, shall be distributed to security holders at least fifteen (15) business days prior to the date of the stockholders' meeting.</p> <p>Posted to PSE EDGE: May 26, 2017 Actual sending the stockholders: June 6, 2017 (15 business days) ASM Schedule: June 28, 2017</p> <p>Notice of Annual Stockholders' Meeting http://www2.urc.com.ph/uploads/Notice of Annual Stockholders' Meeting</p> <p>http://www2.urc.com.ph/DefinitiveInformationStatement</p>
Supplemental to Recommendation 13.2			

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Notice of Annual Stockholders' Meeting http://www2.urc.com.ph/uploads/Notice of Annual Stockholders' Meeting	
b. Auditors seeking appointment/reappointment	Compliant		
c. Proxy documents	Compliant		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Rationale for the agenda items is contained in the: Notice of Annual Stockholders' Meeting http://www2.urc.com.ph/uploads/Notice of Annual Stockholders' Meeting	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM were documented on: Minutes of Annual Stockholders' Meeting http://www2.urc.com.ph/Minutes of the Annual Stockholders' Meeting	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>2. Minutes of the Annual and Special Shareholders’ Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Compliant</p>	<p>Link to minutes of meeting in the company website.</p> <p>Minutes of Annual Stockholders’ Meeting http://www2.urc.com.ph/Minutes of Annual Stockholders' Meeting</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>SGV Report on Validation of Stockholders (will be provided upon request of SEC)</p> <p>Minutes of Annual Stockholders’ Meeting http://www2.urc.com.ph/Minutes of the Annual Stockholders' Meeting</p>	
<p>Supplement to Recommendation 13.3</p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>External auditor and other relevant individuals were present during the ASM and/or special meeting:</p> <p>Minutes of Annual Stockholders’ Meeting http://www2.urc.com.ph/Minutes of the Annual Stockholders' Meeting</p>	
<p>Recommendation 13.4</p>			

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<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p>Revised Corporate Governance Manual Article III Governance Structure 3.Responsibility, Duties and Functions of the Board; page 17</p> <p>3.2.15. Consider the implementation of an alternative dispute resolution system for the amicable settlement of conflicts or differences between the Corporation and its Shareholders, if applicable.</p> <p>Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>2. The alternative dispute mechanism is included in the company’s Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Link/reference to where it is found in the Manual on Corporate Governance:</p> <p>Revised Corporate Governance Manual Article III Governance Structure 3.Responsibility, Duties and Functions of the Board; page 17</p> <p>3.2.15. Consider the implementation of an alternative dispute resolution system for the amicable settlement of conflicts or differences between the Corporation and its Shareholders, if applicable.</p>	

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		Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 3. The Company may consider adopting an Alternative Dispute Resolution procedure. http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: Mr. Michael P. Liwanag T +632.6337631 loc. 396 / +632.4703919 IR@urc.com.ph	
2. IRO is present at every shareholder’s meeting.	Compliant	Indicate if the IRO was present during the ASM. Yes, the IRO was present in the last ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how antitakeover measures or similar devices were avoided by the board, if any. Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; pages 38-40 A.2. Promotion of Shareholders’ Rights 1. The Board shall be transparent and fair in the conduct of the annual and special Shareholders’ meetings of the Corporation. The Board shall encourage active Shareholders participation by sending the	

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		<p>Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting in accordance with the Securities Regulation Code. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder’s favor.</p> <p>2. The Board shall encourage active Shareholders participation by making the result of the votes taken during the most recent Annual or Special Shareholders’ Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders’ Meeting shall be made available on the Company Website within [five] business days from the end of the meeting.</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p> <p>4. The Board shall appoint an Investor Relations Officer (IRO) who shall ensure constant engagement with its Shareholders. The IRO shall create an Investor Relations Program to which shall aim to communicate to the shareholders all material information on the activities of the Company.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	

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<p>2. Company has at least thirty percent (30%) public float to increase liquidity in the market.</p>	<p>Compliant</p>	<p>Indicate the company’s public float.</p> <p>Public Ownership Percentage: 43.28%</p> <p>Annual Report SEC Form 17A</p> <p>Part II Operational and Financial Information</p> <p>List of Top 20 Stockholders of Record; page 16</p> <p>http://www2.urb.com.ph/Annual Report 17A</p>	
<p>Optional: Principle 13</p>			
<p>1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders’ Meeting</p>	<p>Compliant</p>	<p>Disclose or provide link/reference to policies and practices to encourage shareholders’ participation beyond ASM.</p> <p>Revised Corporate Governance Manual</p> <p>Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; pages 38-40</p> <p>A.2. Promotion of Shareholders’ Rights</p> <p>1. The Board shall be transparent and fair in the conduct of the annual and special Shareholders’ meetings of the Corporation. The Board shall encourage active Shareholders participation by sending the Notice of Annual and Special Shareholders’ Meeting with sufficient and relevant information at least fifteen (15) business days before the meeting in accordance with the Securities Regulation Code. The Shareholders shall be encouraged to personally attend such meetings. If they cannot attend, they shall be apprised ahead of time of their right to appoint a proxy. Subject to the requirements of law, rules and regulations and the By-Laws, the exercise of that</p>	

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		<p>right shall not be unduly restricted and any doubt about the validity of a proxy shall be resolved in the stockholder's favor.</p> <p>2. The Board shall encourage active Shareholders participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day. In addition, the Minutes of the Annual and Special Shareholders' Meeting shall be made available on the Company Website within [five] business days from the end of the meeting.</p> <p>3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p> <p>4. The Board shall appoint an Investor Relations Officer (IRO) who shall ensure constant engagement with its Shareholders. The IRO shall create an Investor Relations Program to which shall aim to communicate to the shareholders all material information on the activities of the Company.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
<p>3. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.</p>		<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</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.

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 14.1			
<p>1. Board identifies the company’s various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>	<p>Compliant</p>	<p>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> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>B. Other Stakeholders</p> <p>The Company shall identify the various Stakeholders and promote cooperation between them and the Company in creating wealth, growth and sustainability.</p> <ol style="list-style-type: none"> 1. The Company shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders. 2. The Board shall adopt a transparent framework and process that allows Stakeholders to communicate with the Company and to obtain redress for the violation of their rights. Stakeholders may communicate with the Company through the various Stakeholders touchpoints such as the Investor Relations Office, Office of the Corporate Secretary, Customer Relations Office, the Corporate Communications Group and the Company’s Website. 3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and its governance including but not limited to: <ol style="list-style-type: none"> 3.1. Health, safety and welfare; 3.2. Training and development; and 	

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	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>3.3. Reward and compensation.</p> <p>4. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The same shall be disseminated to all employees across the Corporation through trainings to embed them in the Company’s culture.</p> <p>5. The Board shall establish a suitable framework for whistleblowing and ensure its enforcement to allow 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 or a unit created to handle whistleblowing concerns.</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>7. The Company shall employ value chain processes that takes into consideration EESG issues and concerns.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Recommendation 14.2			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>Compliant</p>	<p>Policies and programs for the protection and fair treatment of company’s stakeholders:</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>B. Other Stakeholders</p>	

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		<p>The Company shall identify the various Stakeholders and promote cooperation between them and the Company in creating wealth, growth and sustainability.</p> <ol style="list-style-type: none"> 1. The Company shall establish clear policies and programs to provide a mechanism on the fair treatment and protection of Stakeholders. 2. The Board shall adopt a transparent framework and process that allows Stakeholders to communicate with the Company and to obtain redress for the violation of their rights. Stakeholders may communicate with the Company through the various Stakeholders touchpoints such as the Investor Relations Office, Office of the Corporate Secretary, Customer Relations Office, the Corporate Communications Group and the Company’s Website. 3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and its governance including but not limited to: <ol style="list-style-type: none"> 3.1. Health, safety and welfare; 3.2. Training and development; and 3.3. Reward and compensation. 4. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The same shall be disseminated to all employees across the Corporation through trainings to embed them in the Company’s culture. 5. The Board shall establish a suitable framework for whistleblowing and ensure its enforcement to allow 	

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		<p>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 or a unit created to handle whistleblowing concerns.</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>7. The Company shall employ value chain processes that takes into consideration EESG issues and concerns.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p>	
Recommendation 14.3			
<p>1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.</p>	<p>Compliant</p>	<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>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 41</p> <p>B. Other Stakeholders</p> <p>2. The Board shall adopt a transparent framework and process that allows Stakeholders to communicate with the Company and to obtain redress for the violation of their rights. Stakeholders may communicate with the Company through the various Stakeholders touchpoints such as the Investor Relations Office, Office of the Corporate Secretary, Customer</p>	

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		<p align="center">Relations Office, the Corporate Communications Group and the Company's Website.</p> <p>Company Website Email Address: CICOM@jgsummit.com.ph Fax No.: 395-2890 Mailing Address: Must be sent in a sealed envelope clearly marked "Strictly Private and Confidential-To Be Opened by Addressee Only". CICOM, JG Summit Holdings, Inc., 44th Flr. Robinsons Equitable Tower, ADB Ave. Cor., Poveda Road, Pasig City http://www2.urb.com.ph/corporate-governance/company-policies</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 align="center">Compliant</p>	<p>Information on the alternative dispute resolution system established by the company:</p> <p>Revised Corporate Governance Manual Article III Governance Structure 3.Responsibility, Duties and Functions of the Board; page 17 3.2.15. Consider the implementation of an alternative dispute resolution system for the amicable settlement of conflicts or differences between the Corporation and its Shareholders, if applicable.</p> <p>Article VI Stakeholders' Rights and Protection of Minority Shareholders' Interest, page 38 3. The Company may consider adopting an Alternative Dispute Resolution procedure.</p>	

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		http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
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>	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>For the past financial year, the company did not request any exemption.</p>	
<p>2. Company respects intellectual property rights.</p>	Compliant	<p>Provide specific instances, if any.</p> <p>The Company has developed confidential business and technical information over many years at considerable expense. Because of this effort, the Company now owns or otherwise possesses valuable confidential business and technical information; hence, everyone is expected to protect it as carefully similar to the protection of tangible property.</p> <p>Company Website Code of Business Conduct, No. 9 Confidential Information; page7 http://www2.urc.com.ph/corporate-governance/business-ethics-code</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Optional: Principle 14			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>Compliant</p>	<p>Policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same:</p> <p>Revised Corporate Governance Manual Article VI Stakeholders' Rights and Protection of Minority Shareholders' Interest; page 38</p> <p>3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company's goals and its governance including but not limited to:</p> <p>3.1. Health, safety and welfare; http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Stakeholders' Health, Safety and Welfare The Company is committed to undertake all reasonable steps to ensure the health, safety and welfare for the best interest of our stakeholders and the communities where we live and work by complying with the provisions of law, industry rules and regulations, standards of independent accreditation bodies where the Company obtained accreditation, and contractual obligations. http://www2.urc.com.ph/corporate-governance/company-policies</p>	
<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>Compliant</p>	<p>Policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p>Annual Report (Colored) Corporate Governance Section</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www2.urc.com.ph/Annual Report (Colored) Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 http://www2.urc.com.ph/RevisedCorporateGovernanceManual	
<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>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and its governance including but not limited to:</p> <p>3.1. Health, safety and welfare; 3.2. Training and development; and 3.3. Reward and compensation.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Stakeholders’ Health, Safety and Welfare, Employees JG ILED, JG CARES and other employee engagement</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www2.urc.com.ph/corporate-governance/company-policies	
Supplement to Recommendation 15.1			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>The 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.</p> <p>Company Website Succession Planning and Remuneration Policy</p> <p>12. The Corporate Governance Committee shall recommend and the Board of Directors shall approve the remuneration of Executive and Non-Executive Directors.</p> <p>12.1. Fixed remuneration for Non-Executive directors (including Independent Directors) shall reflect the time commitment and responsibilities of the role.</p> <p>12.2. The remuneration of Executive Directors may be a combination of fixed monthly salary in terms of their appointment as approved by the Board and variable pay based on the Company's and individual performance. The Corporate Governance Committee shall determine and decide the performance parameters and/or measurable standards applicable to the Executive Directors that will serve as the basis for the variable pay.</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>12.3. The Corporate Governance Committee may consider aligning Key Executives and Board remuneration with the longer-term interests of the company and its shareholders.</p> <p>13. The compensation structure for Key Management Personnel and Senior Management Team members may consist of fixed salary component and variable performance-based compensation. The compensation structure shall be devised to help the Company attract and retain top talents to efficiently run the Company with a long-term perspective.</p> <p>http://www2.urc.com.ph/SuccessionPlanningandRemunerationPolicy</p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>Compliant</p>	<p>Information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>3. The Board shall establish policies, programs and procedures that encourage employees to actively participate in the realization of the Company’s goals and its governance including but not limited to:</p> <p>3.1. Health, safety and welfare; 3.2. Training and development; and 3.3. Reward and compensation.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Revised Corporate Governance Manual, Company Policies, Stakeholders Health, Safety and Welfare, Employees JG ILED, JG CARES and other employee engagement</p> <p>The Company is committed to undertake all reasonable steps to ensure the health, safety and welfare for the best interest of our stakeholders and the communities where we live and work by complying with the provisions of law, industry rules and regulations, standards of independent accreditation bodies where the Company obtained accreditation, and contractual obligations. This policy aims to:</p> <ol style="list-style-type: none"> 1. Provide a guiding principle to ensure health, safety and welfare of the Company's stakeholder. 2. Identify responsibility and accountability of every personnel and department in the organization to ensure the health, safety and welfare of stakeholders. 3. Integrate health and safety practices in all activities to ensure efficiency and quality of products and services. 4. This policy shall define the guiding principles and responsibilities for managing health, safety and welfare of the stakeholders of JG Summit Holdings, Inc. (JGSHI), its subsidiaries and affiliates. <p>http://www2.urc.com.ph/HealthSafetyandWelfarePolicy</p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>Compliant</p>	<p>Information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>Company Website Stakeholders' Health, Safety and Welfare, Employees JG ILED, JG CARES and other employee engagement http://www2.urc.com.ph/corporate-governance/company-policies</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Recommendation 15.2			
<p>1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.</p>	<p>Compliant</p>	<p>Link/reference to the company’s policies, programs and practices on anti-corruption</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>4. The Board shall set the tone and make a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct. The same shall be disseminated to all employees across the Corporation through trainings to embed them in the Company’s culture.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Code of Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p> <p>Whistleblowing Policy The Company is committed to conduct business according to the highest ethical and legal standards. In line with this commitment, we encourage employees and business partners to raise concerns about any aspect of the business operation.</p> <p>The objectives of this policy are the following:</p> <ol style="list-style-type: none"> To encourage employees, business partners and other stakeholders to report concerns involving actual or suspected violations of Company policies, its code of conduct, criminal or 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>unlawful acts or omissions, and instances when an act or omission endangers the health and safety of the employees.</p> <p>2. To provide clear procedures for reporting any actual or suspected violation of Company policies, misconduct, malpractice, irregularities or risks against the Company.</p> <p>3. To protect the Whistleblower against any form of retaliation.</p> <p>http://www2.urc.com.ph/docs/Whistleblowing Policy</p>	
<p>2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company’s culture.</p>	<p>Compliant</p>	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p>All employees undergo an onboarding program where they are informed and oriented about company policies including the Code of Business Conduct and Ethics that is also available in the Company Website</p> <p>Company Website Code of Conduct and Ethics http://www2.urc.com.ph/corporate-governance/business-ethics-code</p>	
<p>Supplement to Recommendation 15.2</p>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	<p>Compliant</p>	<p>Link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.</p> <p>Company Website Code of Conduct and Ethics</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www2.urc.com.ph/corporate-governance/business-ethics-code	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Company Website Whistleblowing Policy</p> <p>The Company is committed to conduct business according to the highest ethical and legal standards. In line with this commitment, we encourage employees and business partners to raise concerns about any aspect of the business operation.</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>The objectives of this policy are the following:</p> <ol style="list-style-type: none"> 1. To encourage employees, business partners and other stakeholders to report concerns involving actual or suspected violations of Company policies, its code of conduct, criminal or unlawful acts or omissions, and instances when an act or omission endangers the health and safety of the employees. 2. To provide clear procedures for reporting any actual or suspected violation of Company policies, misconduct, malpractice, irregularities or risks against the Company. 3. To protect the Whistleblower against any form of retaliation. <p>http://www2.urc.com.ph/docs/Whistleblowing Policy</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38 5. The Board shall establish a suitable framework for whistleblowing and ensure its enforcement to allow 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 or a unit created to handle whistleblowing concerns. http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Whistleblowing Policy The Company is committed to conduct business according to the highest ethical and legal standards. In line with this commitment, we encourage employees and business partners to raise concerns about any aspect of the business operation.</p> <p>The objectives of this policy are the following:</p> <ol style="list-style-type: none"> 1. To encourage employees, business partners and other stakeholders to report concerns involving actual or suspected violations of Company policies, its code of conduct, criminal or unlawful acts or omissions, and instances when an act or omission endangers the health and safety of the employees. 2. To provide clear procedures for reporting any actual or suspected violation of Company policies, misconduct, malpractice, irregularities or risks against the Company. 3. To protect the Whistleblower against any form of retaliation. 	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		http://www2.urc.com.ph/docs/Whistleblowing Policy	
<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>Information or reference to a document containing information on the company’s community involvement and environment related programs.</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>Company Website Corporate Social Responsibility http://www2.urc.com.ph/about-us/csr</p> <p>Annual Report (Colored) Corporate Social Responsibility http://www2.urc.com.ph/Annual Report (Colored)</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Optional: Principle 16			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Compliant</p>	<p>Link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The Company adopted the Global Reporting Initiative (GRI) and released its first Sustainability Report “our purposeful transformation” for 2016.</p> <p>Company Website Sustainability http://www2.urc.com.ph/sustainability</p>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Compliant</p>	<p>Link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p>Revised Corporate Governance Manual Article VI Stakeholders’ Rights and Protection of Minority Shareholders’ Interest; page 38</p> <p>6. The Company shall recognize and place importance on the interdependence between business and society, and promote a mutually beneficial relationship that allows the Company</p>	

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
		<p>sustainable growth, while contributing to the advancement of the society where it operates.</p> <p>http://www2.urc.com.ph/RevisedCorporateGovernanceManual</p> <p>The Company adopted the Global Reporting Initiative (GRI) and released its first Sustainability Report “our purposeful transformation” for 2016.</p> <p>Company Website Sustainability http://www2.urc.com.ph/sustainability</p>	

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

SIGNATURES


LANCE Y. GOKONGWEI
 Chairman of the Board


IRWIN C. LEE
 President and Chief Executive Officer


WILFRIDO E. SANCHEZ
 Independent Director


CESAR V. PURISIMA
 Independent Director


ARLENE S. DENZON
 Compliance Officer


ROSALINDA F. RIVERA
 Corporate Secretary

MAY 27 2019

SUBSCRIBED AND SWORN to before me this _____ day of PASIG CITY, 2019, affiant(s) exhibiting to me their identification cards, as follows:

NAME	TAX IDENTIFICATION NO.
LANCE Y. GOKONGWEI	116-312-586
IRWIN C. LEE	120-147-718
WILFRIDO E. SANCHEZ	102-096-694
CESAR V. PURISIMA	123-305-102
ARLENE S. DENZON	102-097-863
ROSALINDA F. RIVERA	185-543-392

Doc No.: _____
 Page No.: _____
 Book No.: _____
 Series of: _____


ATTY. ANTONIO B. BETITO
 Notary Public – Pasig City
 Commission No. 152 (2019-2020)
 09 Mega Plaza Condo, ADB Ave, Pasig City
 Attorney's Roll No. 27614
 IBP #069369/01-15-19/Rizal
 PTR#5284597/01-15-19/Pasig City
 MCLE Compliance No. VI March 9, 2019

MEMORANDUM

DATE : January 8, 2019

TO : **AUDIT COMMITTEE**

FROM : CORPORATE AUDIT

SUBJECT : **Internal Audit, Controls and Compliance System Attestation for the Year**

I, **Emmanuel B. De Pano, Vice President and Chief Audit Executive (CAE)**, am of the opinion that Universal Robina Corp. (the Company) has internal audit, controls, and compliance system in place and working effectively; in all material respects, compliant with the standards set out in the *Corporate Audit Policy Manual* (the Manual). These processes provide an assurance that enables the senior management of the company to understand, manage and satisfactorily control risk exposures.

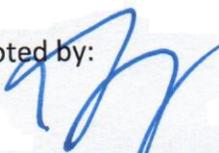
I, as CAE of URC, further state that in my opinion the Audit Committee for the company is constituted and operates in accordance with the independence and governance requirements of the Manual. The Chairman and Members of the Audit Committee are:

		Elected Date
Chairman	<ul style="list-style-type: none"> • Wilfrido E. Sanchez 	May 30, 2018
Independent Member	<ul style="list-style-type: none"> • Cesar V. Purisima 	
Non-independent Members	<ul style="list-style-type: none"> • James L. Go • Lance Y. Gokongwei • Johnson Robert G. Go, Jr • Irwin C. Lee 	



EMMANUEL B. DE PANO
VP, Chief Audit Executive –URC

Noted by:



LANCE Y. GOKONGWEI
Chairman – URC