



# SECURITIES AND EXCHANGE COMMISSION

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## Company Information

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**SEC Registration No.:** PW00000002

**Company Name:** A. SORIANO CORPORATION

**Industry Classification:** G51000

**Company Type:** Stock Corporation

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## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended .....December 31, 2023.....
2. SEC Identification Number .....PW-02..... 3. BIR Tax Identification No. ....002-103-216.....
4. Exact name of issuer as specified in its charter .....A. Soriano Corporation.....
5. ....Makati City, Philippines.....  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. 7<sup>th</sup> Floor, Pacific Star Building, Gil Puyat Avenue cor. Makati Avenue, Makati City .....1209.....  
Address of principal office Postal Code
8. ....632-8819-0251.....  
Issuer's telephone number, including area code
9. ....N.A. ....  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
<b>Recommendation 1.1</b>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	Compliant	<p>A. Soriano Corporation's (the "Company" or "Anscor") annual Information Statement ("IS") provides for the curriculum vitae of the Directors.</p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	Compliant	<p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<p>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.</p>	Compliant	<p>Likewise, the Company's website provides for the curriculum vitae of the Directors and Corporate Officers.</p> <p><a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a></p> <p>Also, Section 2.2 of the Company's Manual on Corporate Governance provides for qualifications of Directors.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors.</p>	Compliant	<p>As of December 31, 2023, of the 7 Directors of the Company, 4 or a majority, are non-executive</p>	

		<p>directors, namely, Eduardo J. Soriano, Oscar J. Hilado, Johnson Robert G. Go, Jr., and Alfonso S. Yuchengco III. The three other Directors are executive directors occupying executive positions in Anscor, namely, Andres Soriano III (CEO), Ernest K. Cuyegkeng (President and COO), and William H. Ottiger (Executive VP and Corporate Development Officer).</p> <p>Both the 2023 IS and 2023 General Information Sheet ("GIS") of the Company provide for the type of directorship of the Directors, and their respective positions in the Company, if any, are also indicated therein.</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<b>Recommendation 1.3</b>			
<p>1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.</p>	<p>Compliant</p>	<p>Section 2.2.4 of the Company's Manual on Corporate Governance specifically provides that "a Director shall, before assuming office, attend a seminar on Corporate Governance conducted by a duly recognized private or government institution. Thereafter, all directors and key officers of the Corporation shall attend, at least once a year, a relevant program on corporate governance conducted by training providers duly accredited by the</p>	

		<p>Securities and Exchange Commission."  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>The Company does not have a separate Board Charter apart from its By-laws and Manual on Corporate Governance, which both documents already provide for Board governance, roles, responsibilities, qualifications, among others.</p> <p>While the Company does not have a separate Board Charter, the Directors and Key Officers are in fact compliant with the aforementioned policy on training of Directors and Key Officers.</p>	
2. Company has an orientation program for first time directors.	Compliant	Section 2.2.4 of the Company's Manual on Corporate Governance specifically provides that "a Director shall, before assuming office, attend a seminar on Corporate	
3. Company has relevant annual continuing training for all directors.	Compliant	Governance conducted by a duly recognized private or government institution. Thereafter, all directors and key officers of the Corporation shall attend, at least once a year, a relevant program on corporate governance conducted by training providers duly accredited by the Securities and Exchange Commission."	

		<p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>The Directors' respective Certificates of Attendance on corporate governance training for the year 2023 are posted in the Company's website.</p> <p><a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a></p> <p>It is also posted at the PSE Edge Portal.</p> <p><a href="http://edge.pse.com.ph/company-disclosures/form.do?cmpy_id=14">http://edge.pse.com.ph/company-disclosures/form.do?cmpy_id=14</a> (filed under "Other SEC Forms, Reports and Requirements" dated August 7, 2023 and November 6, 2023 ).</p>	
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**Recommendation 1.4**

<p>1. Board has a policy on board diversity.</p>	<p>Compliant</p>	<p>The Board's diversity policy is focused on diversity in industry background of the Directors as reflected in Section 2.1.1 of the Company's Manual on Corporate Governance which provides that the Directors' "collective working knowledge, experience or expertise shall be relevant to the Corporation's industry sector or in other disciplines or industries which can provide other insights or diversity in the Board, to be elected by the Stockholders in accordance with the Corporation Code and the</p>	
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		by-laws. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Not compliant		Board diversity is focused on diversity in industry background which is relevant to a conglomerate like the Company.  The Directors continue to have diverse backgrounds in different industries.
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	The Company's Corporate Secretary is Atty. Lorna Patajo-Kapunan. She is a Senior Partner of the law firm, Kapunan & Castillo Law Offices. The Corporate Secretary is a separate individual from Anscor's Compliance Officer, Atty. Joshua L. Castro. Atty. Kapunan is also not a member of the Board of Directors.  The duties and functions of the Company's Corporate Secretary are found in Section 7, Article VI of its By-laws. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>  Other duties and responsibilities of the Corporate Secretary are also found in Sec. 3.3 of the Company's Manual on Corporate Governance. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		



		<p>Atty. Kapunan's curriculum vitae is found in the 2023 IS of the Company.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Likewise, the Company's website provides for the curriculum vitae of Atty. Kapunan.  <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	<p>Atty. Kapunan attended a seminar on Corporate Governance conducted by Institute of Corporate Directors (ICD) on July 26, 2023 via zoom. Her Certificate of Attendance is posted in the Company's website and at the PSE Edge portal.  <a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a></p> <p><a href="https://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=14">https://edge.pse.com.ph/company/Disclosures/form.do?cmpy_id=14</a>  (filed under "Other SEC Forms, Reports and Requirements" dated August 7, 2023)</p>	

Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Not compliant		Board materials are distributed prior to Board meetings but the number of days vary as this depends largely on the complexity and number of items or agenda to be discussed every meeting.
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Anscor's Compliance Officer is Atty. Joshua L. Castro, and holds the rank of Vice President and Assistant Corporate Secretary. He is also the Head of the Corporate Services Department of Anscor, which includes Legal, HR, Admin, and Security. He is not a member of the Board.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Not compliant	The duties and responsibilities of the Compliance Officer are found in Sec. 3.4 of the Company's Manual on Corporate Governance. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	While Atty. Castro does not hold the rank of SVP, his position as VP and Assistant Corporate Secretary and Head of Corporate Services Department, provides him with adequate stature and authority in the Corporation as to monitor and ensure compliance by Anscor, its Directors, Officers and Employees with pertinent laws, rules and regulations and other issuances of government agencies.
3. Compliance Officer is not a member of the Board.	Compliant	Atty. Castro's curriculum vitae is found in the 2023 IS of the Company. <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>  Likewise, Anscor's website provides for the curriculum vitae of Atty. Castro. <a href="https://www.anscor.com.ph/about/">https://www.anscor.com.ph/about/</a>	

		<a href="#">board-of-directors-corporate-officers/</a>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Atty. Castro attended a 3-hour seminar on Corporate Governance conducted by ICD on July 26, 2023. His Certificate of Attendance is posted in the Company's website and at the PSE Edge portal. <a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a>  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14</a> (filed under "Other SEC Forms, Reports and Requirements" dated August 7, 2023)	

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

**Recommendation 2.1**

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	The Directors are provided Board materials prior to Board meetings in order to fully inform them of matters to be discussed during the Board meetings.  Before deciding on any Board matter that requires Board decision, the matter is discussed by the Board taking into account the best interest of the Company.  Pages 30-34 of the Company's 2023 IS filed on March 21, 2024 contains	
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		<p>the resolutions passed by the Board for the period April 19, 2023 to February 28, 2024.</p> <p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=77aa3a59a78bbffa9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=77aa3a59a78bbffa9e4dc6f6c9b65995</a></p>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	The Board approves investments undertaken by the Company pursuant to its business objectives and strategies and as recommended by the Company's Investment Committee.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>The Board regularly monitors the progress of these investments through updates provided by Management during Board meetings. Updates on Investments is a regular part of the agenda for each Board meeting.</p> <p>Board resolutions approving the investments of the Company for the previous year are included in the resolutions approved by the Board for the period April 19, 2023 to February 28, 2024 as enumerated in pages 30-34 of the Company's 2023 IS filed on March 21, 2024.</p>	

		<a href="https://edge.pse.com.ph/openDiscVier.do?edge_no=77aa3a59a78bbffa9e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscVier.do?edge_no=77aa3a59a78bbffa9e4dc6f6c9b65995</a>  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>The Company's vision, mission and core values is posted in its website.  <a href="https://www.anscor.com.ph/about/mission-vision-values/">https://www.anscor.com.ph/about/mission-vision-values/</a></p> <p>The Board takes into account the Company's vision, mission and core values in its evaluation of potential investments.</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Not compliant		<p>While the Board does not have a formal strategy execution process, the Board evaluates and approves all major plans of action, mainly, investments of the Company as recommended by the Investment Committee.</p> <p>The implementation of these investments are monitored by the Board through regular updates during Board meetings.</p>
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Mr. Andres Soriano III is the Chairman of the Board of Directors. His curriculum vitae can be found at the Company's website.  <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a></p>	
<b>Recommendation 2.4</b>			

<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	<p>Not compliant</p>		<p>While the Board does not have a specific succession planning program, the Company has adequate procedures in place to ensure that Directors nominated for the Board and key officers and Management appointed by Board are competent and qualified for their respective positions.</p> <p>Sections 2 – 4, Article IV of the Company's bylaws provides for the qualifications and procedures for nominating and electing Directors.  <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p>Section 2.2 of the Company's Manual on Corporate Governance further provides for the qualifications and disqualifications of Directors.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>Not compliant</p>		<p>Key officers and all other employees of the Company are covered by the Company's Retirement Plan. The Retirement Plan is administered by third party asset management company and is duly accredited with the Bureau of Internal Revenue (BIR).</p> <p>However, the Board does not have a policy on retirement for Directors since per Section 1, Article IV of the Company's Bylaws, Directors have a term of one (1) year and are elected annually by the stockholders. Thus, the election of Directors is dependent</p>

			on the shareholders. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	<p>The Company has a Compensation Committee that evaluates remuneration of key officers and employees. In performing their function, the Compensation Committee ensures that compensation is consistent with the Company's culture, strategy and the business environment in which it operates.</p> <p>The Compensation Committee is guided by the provisions of the Company's Manual on Corporate Governance, Section 2.8.1 of which provides that the levels of remuneration in the Company should be sufficient to attract and retain the services of qualified and competent Directors and officers and should be aligned with the long-term interests of the Company. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Not compliant		While the Company does not have a formal policy specifying the relationship between remuneration and performance, the Compensation Committee ensures that remunerations are fair and reasonable taking into account the long-term interest of the Company.

			For bonuses, the Company has specific policy limiting the maximum amount of bonuses that may be given to 1% of the preceding year's net income for Directors and for officers, limited to 3% of such net income subject to approval by the Board.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Not compliant.		The 2023 Compensation Committee is composed of two Independent Directors and one Executive Director.  Notwithstanding the presence of an Executive Director in the Compensation Committee, the Committee ensures that remuneration are fair and reasonable taking into account the long-term interest of the Company.
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Not compliant		The Compensation Committee approves remuneration of senior executives.  The Board has delegated to the The Compensation Committee the approval of remuneration for all employees.
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.	Not compliant		While the Company does not have a formal policy on remuneration of employees, the Compensation Committee in its evaluation of remuneration of employees, does in fact consider performance and takes into account the long-term interest of the Company.
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Section 3, Article IV of the Company's Bylaws provides for the	



		<p>formal procedure for nominating and electing Directors.</p> <p><a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p>	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	<p>Section 2.4 of the Company's Manual on Corporate Governance specifically provides for the nomination and election process of Directors.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>Both Section 3, Article IV of the Bylaws and Section 2.4 of the Manual on Corporate Governance provide that any shareholder entitled to vote for the election of Directors may nominate Directors. This covers all shareholders owning at least 1 common share in the Company.</p> <p><a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<p>Section 2.4.3 of the Manual on Corporate Governance provides that all nominations received including nominations from minority shareholders shall be reviewed and evaluated by the Nominations Committee.</p> <p>In addition to the review and evaluation of nominations by the Nominations Committee, Section</p>	

		<p>2.4.4 of the Manual provides that the Board by a majority vote may, in its discretion, determine and declare that a nomination was not made in accordance with the procedures or that a nominee is disqualified for election as Director. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>For the year 2023, only 7 nominations were received for the position of Directors. This is equivalent to the number of Directors to be elected.</p>	
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.	Not compliant		The Company believes that current procedures on nomination, election and replacement of Directors as provided in the By-laws and Manual on Corporate Governance are adequate and effective.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	<p>Section 3 (b), Article IV of the By-laws and Section 2.4.2 of the Company's Manual on Corporate Governance set forth the information necessary to be provided for nominating Directors. These serve as guide for the Nomination Committee for its review and evaluation of the nominations. Further, the Company may reasonably request other information that may be necessary. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p>	

		<a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Not compliant		The Company believes that its contacts or network is extensive enough for searching for candidates to the Board of Directors making the use of professional search firms unnecessary.
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	The Company has an existing Policy on Material Related Party Transactions duly approved by the Board pursuant to SEC Memorandum Circular No. 10-2019 <a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	Section 5 of the Company's Policy on Material Related Party Transactions provides for the review and approval process for material RPTs. <a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Section 1 of the Company's Policy on Material Related Party Transactions specifically provides that it covers all of the Company's subsidiaries and affiliates. <a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a>	
<b>Supplement to Recommendations 2.7</b>			

<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>Section 5 of the Company's Policy on Material Related Party Transactions clearly defines the threshold for disclosure and approval of RPTs and the threshold is applicable to the aggregate amount within any 12-month period. <a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></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>Not compliant</p>		<p>Since RPTs are infrequent and the same is submitted to the Board for evaluation and approval pursuant to the Company's Policy on Material Related Party Transactions, the Company believes that it is no longer necessary to put in place a voting system whereby a majority of non-related party shareholders approve specific types of RPTs during shareholders meeting.</p> <p>Moreover, as a matter of policy the Company submits for ratification by the shareholders all acts, contracts, investments and resolutions of the Board of Directors and Management since the last annual meeting. Please see Notice of Annual Meeting of Stockholders and Proxy Form which both include such ratification by shareholders as mentioned. <a href="https://www.anscor.com.ph/2023-annual-stockholders-meeting/">https://www.anscor.com.ph/2023-annual-stockholders-meeting/</a></p>

## Recommendation 2.8

1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).

Compliant

The Management Team of the Company is appointed annually by the Board during its Organizational Meeting.

SEC Form 17-C Results of the Organizational Meeting of the Board of Directors filed on April 19, 2023 documents the appointment of the Management Team for the year 2023.

<http://www.anscor.com.ph/disclosures/sec-filings/>

The above is in conformity with Section 1, Article VI of the Company's By-Laws which provides for officers to be chosen and appointed by the Board of Directors.

<https://www.anscor.com.ph/about/pdf-downloads/>

For the year 2023, the following were appointed by the Board as officers of the Company:

1. Andres Soriano III –CEO
2. Ernest K. Cuyegkeng – President and COO
3. William H. Ottiger – EVP and Corporate Development Officer
4. Narcisa M. Villaflor – VP and Comptroller
5. Lorna Patajo-Kapunan – Corporate Secretary

		6. Joshua Castro – VP, Assistant Corporate Secretary and Compliance Officer 7. Ma. Victoria L. Cruz – Assistant VP 8. Salome M. Buhion – Assistant VP	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Not compliant		<p>While the Board does not have a formal policy on assessment of performance of Management, the Board is in fact primarily responsible for assessing the performance of the CEO and Management since Management is appointed annually by the Board during Organizational Meetings of the Company.</p> <p>Further, updates on the Company's financials and operations are provided by Management to the Board during the quarterly Board meetings which provides for opportunity for the Board to assess Management's performance based on results of operations of the Company.</p>
<b>Recommendation 2.9</b>			
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.	Not compliant.		<p>While the Company does not have a formal management framework on Management's performance, the Board does in fact oversees the development and approves investments of the Company and monitor its implementation by Management through discussions during Board meetings. The Company believes that Board evaluation during Board meeting is sufficient to ensure that Management's performance in implementing approved investments is at par with standards set by the Board.</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>Not compliant</p>		<p>While the Company does not have a formal management framework on personnel's performance, all personnel performances are evaluated annually by Management. The annual evaluation of every employee of the Company forms as basis for salary adjustments and promotions. The Company believes that that annual evaluation of personnel is sufficient to ensure that personnel's performance is at par with standards set by Management.</p>
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**Recommendation 2.10**

<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Section 2.6.1 of the Manual on Corporate Governance of the Company provides for the internal control responsibilities of the Board and specifically indicates that the control environment of the Company consists of (a) the Board, (b) Management, (c) organizational and procedural controls, and (d) an independent audit mechanism.</p> <p>In addition, Section 2.9.1 of the Manual on Corporate Governance provides that the Board through the Audit Committee has oversight capability over the Company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>The conflict of interest policy of the Company is posted in its website.</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p><a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a></p> <p>Further, Section 2.5.1 (a) of the Manual on Corporate Governance mandates a Director to ensure that his personal interests do not conflict with the interests of the Company.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	



3. Board approves the Internal Audit Charter.	Not compliant		While the Company does not have a separate internal audit department, internal audit functions are performed from time to time by the accounting unit of a subsidiary. Further, the Company believes that internal control procedures of the Company are sufficient taking into consideration the size, risk profile, and complexity of operations of the Company.
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**Recommendation 2.11**

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>Section 2.9.1 (m) of the Company's Manual on Corporate Governance provides that the Board through the Audit Committee performs the functions of a Board Risk Oversight Committee, in the absence of the latter.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>The enterprise risk management framework of the Company is posted in its website.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/enterprise-risk-management/">https://www.anscor.com.ph/corporate-governance/enterprise-risk-management/</a></p>	
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2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>As specifically provided in the ERM framework, the Board reviews and approves the risk management policies of the Company.</p>	
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**Recommendation 2.12**

1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Not compliant		The Company does not have a Board Charter because the same would merely be a duplication or repetition of what is already clearly provided in the Company's
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			By-Laws and Manual on Corporate Governance.
2. Board Charter serves as a guide to the directors in the performance of their functions.	Not compliant		In lieu of a Board Charter, the Board, in the performance of their functions, is guided by the Company's By-Laws and Manual on Corporate Governance which both contain in clear terms the Board's roles, responsibilities and accountabilities in carrying out its fiduciary role.
3. Board Charter is publicly available and posted on the company's website.	Not compliant		Both the By-Laws and Manual on Corporate Governance are publicly available and are posted in the Company's website. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	The Company's insider trading policy is posted in its website. <a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a> .	

**Optional: Principle 2**

<p>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.</p>	<p>Compliant</p>	<p>The granting of loans to directors falls under the coverage of the Company's Policy on Material Related Party Transactions.  <a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></p> <p>Please note that based on the matters disclosed in Item 5 (g), page 14-15 of the Company's IS for 2023 on Certain Relationship and Related Transactions, no related party transaction specifically involving a Director in his personal capacity was consummated or implemented during the year.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Not compliant</p>		<p>The Company does not have a formal document which discloses the types of decision requiring board of directors' approval considering that the Company believes that it would be best to leave to the discretion of Management and the Board which matter should require Board approval given the Directors stature and expertise.</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.

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>The Company has the following Board Committees:</p> <ol style="list-style-type: none"><li>1. Executive Committee</li><li>2. Audit Committee</li><li>3. Compensation Committee</li><li>4. Nomination Committee</li></ol> <p>Information on the above committees are posted in the Company's website. <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p> <p>Also, Section 2.9 of the Company's Manual on Corporate Governance provides information on the Board Committees of the Company. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
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**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>The Audit Committee Charter of the Company is posted in its website. <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p> <p>Section 2.9.1 of the Company's Manual on Corporate Governance also provides for the duties and responsibilities of the Audit Committee.</p> <p>In addition, Section 2.9.1 (I) of the Manual specifically provides that the Audit Committee as part of its functions, shall recommend to the</p>	
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		Board the appointment, reappointment removal and fees of the External Auditor. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The following are the members of the Audit Committee: 1. Oscar J. Hilado – Independent Director as Chairman 2. Eduardo J. Soriano –Non-Executive Director 3. William H. Ottiger – Executive Director 4. Johnson Robert G. Go, Jr. – Independent Director 5. Alfonso S. Yuchengco III – Independent Director <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The curriculum vitae of the members of the Audit Committee are posted in the Company's website. <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Not compliant		Mr. Hilado is both the Chairman of the Company's Audit and the Compensation Committees. The curriculum vitae of Mr. Hilado is posted in the Company's website. <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a>  Mr. Hilado's two chairmanships does not prevent him from performing his functions

			well in both capacities. On the contrary, he has shown devotion, in terms of his time and in the performance of his functions as an Independent Director of the Company over the years.
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**Supplement to Recommendation 3.2**

<p>1. Audit Committee approves all non-audit services conducted by the external auditor.</p>	<p>Compliant</p>	<p>Section IV (i) of the Audit Committee Charter of the Company specifically provides, as among the duties and responsibilities of the Audit Committee, to evaluate and determine the non-audit work, if any, of the external auditors and review periodically the non-audit fees paid to the external auditors. The Committee shall disallow any non-audit work that will conflict with the duties of external auditors or may pose a threat to the external auditors' independence. The non-audit work if allowed is required to be disclosed in the Company's SEC Form 17-A.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p> <p>For the year 2023, the Company paid an audit fee amounting to P1,320,000.00 to the external auditors. The Company did not pay any tax consultancy fee or other fees to the external auditors for the year 2023. Please see Item 7 (e) and (f) (pages 17-18) of the Company's 2023 IS filed on March 21, 2024 for</p>	
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		the appropriate disclosure. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Not compliant		The Audit Committee has the discretion whether or not they would like to have a meeting with the external auditors without the presence of Management.  In practice, the Audit Committee has not deemed it necessary to conduct a meeting with the external auditors without the presence of Management.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Not compliant		The Company believes that twice a year meeting of the Audit Committee is sufficient.  Further, the Audit Committee may conduct additional meetings as it may deem necessary.
2. Audit Committee approves the appointment and removal of the internal auditor.	Not compliant		Taking into consideration the size, risk profile, complexity of operations, and control procedures of the Company, the Company believes that the appointment of an internal auditor is not necessary.
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Not compliant		The Company does not have a separate Corporate Governance Committee since the entire Board is tasked with corporate governance responsibilities in line with Article II of the Company's Manual on Corporate Governance that the Board shall primarily be responsible for the

2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Not compliant		governance of the Company to foster its long-term success and sustain its competitiveness and profitability in a manner consistent with the Company's objectives and the long-term best interests of its shareholders and stakeholders. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>
3. Chairman of the Corporate Governance Committee is an independent director.	Not compliant		
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Not compliant		The Company does not have a separate Corporate Governance Committee.  Same explanation in Recommendation 3.3.
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Not compliant		Taking into account the Company's size, risk profile and complexity of operations, the Company believes that a separate BROC is not necessary. The functions of a BROC are instead performed by the Audit Committee pursuant to Section 2.9.1 (m) of



2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Not compliant		the Company's Manual on Corporate Governance. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Not compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Not compliant		Same reason as above.
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Not compliant		Taking into account the Company's size, risk profile and complexity of operations, the Company believes that a separate RPT Committee is not necessary and the functions of an RPT Committee are instead performed by the Audit Committee pursuant to Section 2.9.1 (m) of the Company's Manual on Corporate Governance. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Not compliant		
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Not compliant		Among the Board Committees, only the Audit Committee has a separate Charter. The Nominations and Compensation Committees are governed by the By-laws and the Manual on Corporate Governance.  The Company believes that separate charters for the Nomination and Compensation Committees would merely be a duplication of what the By-laws and the Manual on Corporate Governance

			<p>already provide insofar as these Committees are concerned.</p> <p><a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p>The Audit Committee Charter provides for standards for assessing the performance of the Committee.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>The Audit Committee Charter is fully disclosed in the Company's website</p> <p><a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	

**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>Sections 6-8, Article IV of the Company's By-laws and Section 2.7 of the Company's Manual on Corporate Governance deals with meetings of the Board of Directors.</p> <p><a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p>Likewise, Section 2.7.1 of the Manual on Corporate Governance specifically allows attendance by a Director through telephone or videoconferencing in accordance with SEC rules and regulations. The</p>	
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		<p>Director requesting for attendance via telephone shall notify the Company or the Office of the Chairman of his request to attend by telephone prior to the meeting. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p> <p>For the year 2023, except for one director who missed one Board meeting, all the other directors have complete attendance for all the Board meetings held.</p> <p>Please note that the minutes of Board meetings of the Company are confidential.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>The Directors are provided with Board materials prior to the meetings.</p> <p>Please note that Board materials and minutes of Board meetings of the Company contain confidential information hence cannot be posted in the website.</p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>The Directors freely ask any questions or seek clarifications on any matter during Board meetings. In addition, prior to resolving any matter that may arise during Board meetings, Directors evaluate and discuss the matter. Meetings of the Board are documented by minutes of meetings.</p>	

		<p>Annex A (pages 30-34) of the IS for 2023 provides for the summary of Board resolutions discussed and approved by the Board.</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Please note that minutes of Board meetings of the Company contain confidential information hence cannot be posted in the website.</p>	
<b>Recommendation 4.2</b>			
<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>Not compliant</p>		<p>The Company does not have a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Given the stature and professionalism of the Company's Directors, the Company prefers to let the Directors have the discretion to accept more than 5 Board seats in other publicly listed companies as they will be the best judge on whether they have sufficient time to prepare for the meetings of the Company and oversee the long-term strategy of the Company.</p> <p>Further, with respect to Mr. Oscar J. Hilado, one of the Independent Directors of the Company, he has consistently attended and is well prepared for meetings of the Board and the Board Committees of which he is a part of.</p> <p>Item 5 (a) of the Information Statement for 2023 (pages 8-10) provides for the</p>

			Directors' directorship in both listed and non-listed companies. <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Not compliant		The Company does not have a formal policy requiring Directors to notify the Board prior to accepting a directorship in another company.  Given the stature and professionalism of the Company's Directors, the Company prefers to let the Directors have the discretion to provide such notification in whatever manner they so prefer taking into consideration always any possible conflict of interest issues that may arise because of such directorship in another company.
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	For the year 2023, out of the 7 Directors, 3 are Independent Directors, namely, Oscar J. Hilado, Alfonso S. Yuchengco III, and Johnson Robert G. Go, Jr.	
<b>Recommendation 5.2</b>			

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.	(Compliant	<p>The Company does not have Executive Directors who serve in more than two boards of listed companies outside of the group.</p> <p>The curriculum vitae of the Executive Directors, namely, Mr. Andres Soriano III, Mr. Ernest K. Cuyegkeng and Mr. William H. Ottiger are posted in the Company's website.  <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Not compliant		<p>As far as practicable, dates of Board meetings are set in advance.</p> <p>However, the schedule of Board meetings is dependent on availability of majority of Directors for quorum purposes.</p>
3. Board of directors meet at least six times during the year.	Not compliant		<p>Pursuant to Section 6, Article IV of the By-laws of the Company, regular Board meetings should be held quarterly.  <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p>In practice, the Board regularly meets 5 times a year. The Company believes that this number of meetings is sufficient to conduct the business of the Company.</p>

			Further, the Board may call for a special meeting at any time when necessary.
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Not compliant		The Company does not require a minimum quorum of at least 2/3 for Board decisions considering that pursuant to Section 8, Article IV of the By-laws of the Company, quorum shall be a majority of the entire membership of the Board. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>Compliant</p>	<p>Item 5 (a) of the IS for 2023 (pages 9-10) provide for the qualifications of the Independent Directors.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Further, all the Independent Directors have submitted to the SEC their respective Certifications that they possess all the qualifications and none of the disqualifications to be Independent Directors of the Company. Said 2023 Certifications were filed on March 1, 2024 and are posted in the Company's website.  <a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a></p>	
<b>Supplement to Recommendation 5.2</b>			
<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>The Company does not have shareholders agreements, By-laws provisions, or other arrangements that constrain the Directors' ability to vote independently.</p> <p>As disclosed in Item 4 (d) (iii) of the IS for 2023 (page 5), the Company does not have any voting trust agreement with any stockholder. The Directors are included in the reference to "stockholder" as they are required by law and the By-laws to own shares in the Company.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	



		On the contrary, Section 2.5.1 (d) of the Company's Manual on Corporate Governance enjoin Directors to exercise independent judgment. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
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**Recommendation 5.3**

1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Not Compliant		<p>One of the independent directors, Mr. Hilado has serve for a cumulative term of more than 9 years reckoned from 2012.</p> <p>The Company is allowed to retain an independent Director who has served for more than nine years to continue as long as meritorious justifications is provided and shareholders' approval is secured.</p> <p>The Company believes that there are meritorious justifications to retain Mr. Hilado as an independent Director. He has been an essential member of the Board of Directors, serving at the same time as the Chairman of the Audit and Compensation Committees of the Company. He is highly qualified and well respected in the business community and sits as independent director in the Boards of other companies. He has performed his role as independent Director with dedication and commitment. His insights, wisdom, and knowledge of the Company gained from his experience over the years will help the</p>
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			<p>Company navigate new challenges in the years ahead. The retention of Mr. Hilado as independent Director will also preserve a well-balanced Board composition in terms of tenure. Mr. Go, the other nominee for Independent Director was first elected as Director in 2019 while Mr. Ottiger, another nominee as Director was first elected in 2022, thus, ensuring that the Board has fresh perspective from relatively new members. Because of the invaluable contribution of Mr. Hilado, the Company is unable to find a suitable replacement for him.</p> <p>Mr. Yuchengco is an Independent Director since 2019 (his term is up to April 17, 2024 only) while Mr. Go, although a Director of the Company since 2019, was first elected as an Independent Director in 2022.</p> <p>Item 5(a) of the IS for 2023 (pages 7-8) provide for the years that Messrs. Hilado and Go have served as independent director.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>Not compliant</p>		<p>The Company does not have a policy of setting term limits for its Independent Directors as shareholders may freely nominate and elect Directors, including Independent Directors, every Annual Stockholders Meeting for a term of 1 year.</p>

			Please see explanation under Recommendation 5.3 (1).
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>One of the Independent Directors, Mr. Hilado has serve for a cumulative term of more than 9 years reckoned from 2012.</p> <p>The Company provides meritorious justification and seek shareholders' approval during the annual shareholders' meeting.</p> <p>Please see Agenda items listed in the Notice of Annual Stockholders Meeting and pages 7-8 of the Company's 2023 IS.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Not compliant		<p>Mr. Andres Soriano III is both the Chairman of the Board and the Chief Executive Officer of the Company.</p> <p>Section 1, Article VI of the Company's By-laws specifically provide that the Chairman of the Board shall be the Chief Executive Officer  <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p>
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The duties and responsibilities of the Chairman and CEO are clearly defined in Section 2, Article VI of the Company's By-Laws and Section 3.1.1 and 3.1.2 of the Company's Manual on Corporate Governance.	

		<a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Not compliant		<p>The Chairman of the Board is not an Independent Director as he also serves as CEO concurrently.</p> <p>The Board does not have a Lead Director as the Company's By-laws does not provide for the position of a Lead Director.</p> <p>Further, the Chairman of the Board maintains an open communication with all members of the Board hence the Company believes that the position of a Lead Director will be unnecessary.</p>
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Per Conflict of Interest Policy of the Company, any Director having a material interest shall not participate in the decision-making process. The Company's Conflict of Interest Policy is posted in the Company's website.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a></p>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal	Not compliant		The Company's NEDs do not meet separately without any executive present.

audit, compliance and risk functions, without any executive present.			The Company's By-laws and/or Manual on Corporate Governance do not provide for meetings between NEDs and the external auditors or heads of internal audits, compliance and risk functions.  Further, the Board does not find it necessary for the NEDs to have separate periodic meetings.
2. The meetings are chaired by the lead independent director.	Not compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	Not compliant		Mr. Andres Soriano III is the Company's CEO for the past 2 years.  The curriculum vitae of Mr. Soriano III is posted in the Company's website. <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a>
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1 self</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	On July 2023, the Company engaged the Institute of Corporate Directors (ICD) to conduct a Third-Party Board Evaluation. Based on the evaluation undertaken by ICD, the Board of Directors of Anscor is a well-functioning Board, garnering an over-all rating of 89%.  The evaluation also found the Board composition and structure of A. Soriano Corporation to be competent with the appropriate mix of knowledge, skills, and	

		<p>experience for optimum performance. Further, the Board has a good understanding of their role to carry out their responsibilities.</p> <p>The ICD also mentioned that the dynamics of the Board is supportive and open to important business discussions. For the Board processes, the Board of Anscor is well-informed, and receives timely information from prepared materials to be used for boardroom discussions.</p>	
2. The Chairman conducts a self-assessment of his performance.	Compliant	The Third Party Board Evaluation Survey conducted by ICD included a Chairperson evaluation. The rating garnered for the Chairperson evaluation is 90%.	
3. The individual members conduct a self-assessment of their performance.	Compliant	The Third Party Board Evaluation Survey conducted by ICD included a Self-Evaluation. The rating garnered for the self-evaluation is 91%.	
4. Each committee conducts a self-assessment of its performance.	Compliant	<p>The Third Party Board Evaluation Survey conducted by ICD included a Committee Evaluation for each Board Committee. The ratings garnered by the Committees are as follows:</p> <p>Executive Committee- 89%;  Audit Committee – 95%;  Compensation Committee – 84%;  and  Nominations Committee – 82%.</p>	

5. Every three years, the assessments are supported by an external facilitator.	Compliant	ICD is the external facilitator for the Third Party Board Evaluation.	
<b>Recommendation 6.2</b>			
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.	Not compliant		<p>The Company does not have procedure for determining performance of its Board nor its Committees or Directors considering that Directors may be nominated and elected freely by the shareholders as long as the nominated Directors have all the qualifications and none of the disqualifications for Directors provided for in the Company's By-laws and Manual on Corporate Governance. Further, the Directors elected only serve for a term of one (1) year.</p> <p>The Company believes that the annual election of Directors is in itself a mechanism for the assessment of the performance of the Board and the Directors.</p>
2. The system allows for a feedback mechanism from the shareholders.	Not compliant		<p>With respect to feedback mechanism, any shareholder may freely write on any matter concerning the Company directly to the Chairman of the Board or any of the Management of the Company.</p>
<p><b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			

<b>Recommendation 7.1</b>			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>The Company has a long standing Code of Business Conduct and Ethics / Employee Handbook applicable to all employees of the Company.</p> <p>The Code of Business Conduct and Ethics / Employee Handbook provides for rules governing aspects of employment such as work period, pay period, attendance, office decorum, employee activities and Code of Discipline.</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Hard copies have been distributed to the employees and are available with the Corporate Services Department of the Company.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/code-of-business-ethics-anscor-employee-handbook/">https://www.anscor.com.ph/corporate-governance/code-of-business-ethics-anscor-employee-handbook/</a></p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>The Code of Business Conduct and Ethics / Employee Handbook is posted in the Company's website.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/code-of-business-ethics-anscor-employee-handbook/">https://www.anscor.com.ph/corporate-governance/code-of-business-ethics-anscor-employee-handbook/</a></p>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Not compliant		<p>While the Company does not have a specific policy on bribery, the same fall under major offenses pursuant to the Company's Code of Discipline which includes conduct of a criminal, dishonest, or immoral nature and reflects unfavorably towards the Company whether done within</p>



			or outside work. Commission of major offenses is penalized by dismissal after due process.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Not compliant	.	<p>While the Board does not have a formal procedure for ensuring the proper and efficient monitoring of compliance with the Code of Business Conduct and Ethics/Employee Handbook and internal policies of the Company, in practice, the Board does ensure the same through Management, specifically, through the Personnel Administration under the Corporate Services Department of the Company.</p> <p>In the event that an infraction is material enough, Management will update the Board on such infraction.</p> <p>All employees are required to comply with the Company's Code of Business Conduct and Ethics/Employee Handbook and in the event of findings of non-compliance after due process had been observed, the Personnel Administration in consultation with the Head of Department concerned may impose disciplinary action.</p>
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Not compliant		
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and	Compliant	The Company strictly complies with the Revised Disclosure Rules issued by the SEC, effective October 17,	

<p>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>2003 and its amendments, found in the Philippine Stock Exchange website  <a href="https://www.pse.com.ph/disclosure_rules/article-vii-disclosure-rules-3/">https://www.pse.com.ph/disclosure_rules/article-vii-disclosure-rules-3/</a></p> <p>All SEC and PSE disclosures of the Company are posted in the Company's website.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p><a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a></p> <p>Likewise, the disclosures of the Company are also posted at the PSE Edge portal.  <a href="https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14">https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14</a></p>	
<b>Supplement to Recommendations 8.1</b>			
<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>Compliant</p>	<p>The Company's 2023 Annual Report is an Annex to or is included in the Information Statement filed with the SEC on March 21, 2024 or 81 days from the end of the year.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>On the other hand, the quarterly reports for 2023 were filed within the 45-day deadline for filing quarterly reports (May 11, 2023 for the first quarter, August 09, 2023 for the second quarter, and November 14,</p>	

		2023 for the third quarter). <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	
<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>	Not compliant		<p>While the Company's Annual Report does not mention the principal risks to minority shareholders associated with the identity of the Company's controlling shareholders, the identity of the Company's controlling shareholders are fully disclosed in its SEC Form 17-A (Annual Report for 2023), page 39, on Security Ownership of Certain Beneficial Owners and Management, with Andres Soriano III and Eduardo J. Soriano as controlling shareholders with their respective percentage of shareholdings in the Company.</p> <p>Further, the Company also discloses cross-holdings among company affiliates, specifically, page 38 on Security Ownership of Certain Record and Beneficial Owners, of said Form 17-A indicates that Anscor Consolidated Corporation, a subsidiary of the Company owns 42.411% of the Company.</p> <p>Finally, there is no imbalance between the controlling shareholders' voting power and overall equity position in the company considering that the Company does not have any voting trust agreement with any stockholders as disclosed on page 40 on Voting Trust Agreement, of said SEC Form 17-A.</p>

			SEC Form 17-A – Annual Report for 2023 filed on April 15, 2024 is at <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Not compliant		Any dealings in shares of the Company by Directors and Officers is required to be disclosed within 5 trading days.
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.	Not compliant		The Company adopts and follows the Revised Disclosure Rules of the SEC, Section 13.1 of which requires Directors and Officers to disclose within 5 trading days any acquisition, disposal, or change in the shareholdings of the Directors and Officers. Said Disclosure Rules is posted in the PSE website. <a href="http://www.pse.com.ph/stockMarket/listedCompaniesRules.html?tab=0">http://www.pse.com.ph/stockMarket/listedCompaniesRules.html?tab=0</a>
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	Item 4 (d)(ii) of the Company's IS for 2023 (page 5) filed on March 21, 2024 provides for the Security Ownership of Directors and Management. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	The Company discloses the trading of its shares by Directors, Officers, and controlling shareholders. Also, the Company discloses all acquisition, if any, made by its subsidiary, Anscor Consolidated Corporation of the Company shares. For the year 2023, no

		<p>buyback of shares were made by Anscor Consolidated Corporation.</p> <p>The total shareholding of Anscor Consolidated Corporation in the Company's shares is also disclosed in Item 4 (d)(i) of the Company's Information Statement for 2023 (page 3) on Security Ownership of Certain Record and Beneficial Owners.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Further, the Conglomerate Map or the Company's Group Corporate Structure and Shareholding Structure is posted in the Company's website.  <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p>Also, all the subsidiaries and associates of the Company with respective ownership of the Company are listed in the Company's IS for 2023 (pages 35-36)  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any</p>	<p>Compliant</p>	<p>The curriculum vitae of all members of the Board of Directors are posted in the Company's website.  <a href="https://www.anscor.com.ph/about/">https://www.anscor.com.ph/about/</a></p>	

<p>potential conflicts of interest that might affect their judgment.</p>		<p><a href="#">board-of-directors-corporate-officers/</a></p> <p>Further, the above information on Directors is also included in Item 5 (a), pages 8-10, of the 2023 IS of the Company distributed to all stockholders prior to the annual stockholders meeting.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>The curriculum vitae of all key executives are posted in the Company's website.  <a href="https://www.anscor.com.ph/about/board-of-directors-corporate-officers/">https://www.anscor.com.ph/about/board-of-directors-corporate-officers/</a></p> <p>Further, the above information on key executives is also included in Item 5 (a), pages 11-13, of the 2023 Information Statement of the Company distributed to all stockholders prior to the annual stockholders meeting.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<p><b>Recommendation 8.4</b></p>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>Compliant</p>	<p>The policy for Board remuneration is disclosed in Item 6 (a), page 16, of the 2023 IS of the Company.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting</p>	<p>Not compliant</p>		<p>Only the policy for executive officers' bonus as approved by the Compensation Committee and the Board of Directors is</p>

<p>executive remuneration, including the level and mix of the same.</p>			<p>disclosed in Item 6 (a), page 16, of the 2023 IS of the Company.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>The Company discloses the total salaries, benefits, and bonuses paid to executive officers as a group in the aforementioned Item 6 (a), page 16, of the 2023 IS of the Company as required by the SEC.</p> <p>The Company believes that the above is sufficient disclosure in compliance with relevant SEC rules and provides material information to stockholders while at the same maintaining the privacy of the individual officers.</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>Not compliant</p>		<p>The Company discloses the total salaries, benefits, and bonuses paid to executive officers as a group in Item 6 (a), page 16, of the 2023 IS of the Company.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>The Company believes that the disclosure of the total salaries, benefits and bonuses of executive officers as a group is sufficient compliance with relevant SEC rules and provides material information to stockholders while at the same maintaining the privacy of the individual officers.</p>
<p><b>Recommendation 8.5</b></p>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring</p>	<p>Compliant</p>	<p>The Company has a specific Policy on Material Related Party Transactions.</p>	

<p>transactions in their Manual on Corporate Governance.</p>		<p><a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></p> <p>If a related party transaction is brought to the Board for approval, the Director concerned abstains from participating in the discussion and decision-making on matter. This is in line with Section 2.5.1 (a), last paragraph, of the Company's Manual on Corporate Governance which requires a Director with a material interest in any transaction affecting the Company to abstain from taking part in the deliberations for the same.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>The Company's Policy on Material Related Party Transactions contains disclosure requirements for material RPTs in accordance with SEC Memorandum Circular No. 10-2019.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></p>	
<p><b>Supplement to Recommendation 8.5</b></p>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Section 7 of the Company's Policy on Material Related Party Transactions contains disclosure requirements for Directors in case of RPTs.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></p>	



<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>The Company has a specific Policy on Material Related Party Transactions.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/">https://www.anscor.com.ph/corporate-governance/anscor-policy-on-material-related-party-transactions/</a></p> <p>In a previous instance that an RPT was brought to the Board for evaluation and approval, an independent third party was engaged to ensure that the transaction is fair and at arm's length</p>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>The Company complies with the disclosure rules of the SEC and the PSE. All disclosures of the Company, including acquisition or disposal of significant assets, are posted in the Company's website under SEC Form 17-C (Current Report). Specifically, these pertains to disclosures with heading of "acquisition or disposition of shares by subsidiary or affiliates"</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Likewise, all the above disclosures of the Company are posted in the PSE Edge portal.</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14</a></p>	

<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Not compliant</p>		<p>The appointment of an independent party is made on a case by case basis.</p> <p>The Company appoints an independent third party to evaluate the fairness of the transaction price depending on the nature, complexity, or amount of the transaction. The third party valuation report serves as a guide to the Board in its decision-making for the transaction.</p> <p>The Company's engagement of an independent third party is customarily covered by a Non-Disclosure Agreement.</p>
<p><b>Supplement to Recommendation 8.6</b></p>			
<p>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.</p>	<p>Compliant</p>	<p>As disclosed in Item 4 (d) (iii) of the Company's 2023 IS (page 5), the Company does not have any voting trust agreement with any stockholder.</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>In addition, the Company does not have any shareholder agreement, confidentiality agreement or any agreement that may impact on the control, ownership, and strategic direction of the Company.</p>	
<p><b>Recommendation 8.7</b></p>			
<p>1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).</p>	<p>Compliant</p>	<p>The Company's Manual on Corporate Governance is posted in its website.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	

2. Company's MCG is submitted to the SEC and PSE.	Compliant	The said Manual was filed and submitted to the SEC and PSE on May 31, 2017. The Manual is also posted at the PSE Edge portal.	
3. Company's MCG is posted on its company website.	Compliant	<a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=67d21cb8720d304a3318251c9257320d#sthash.lfkNss89.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=67d21cb8720d304a3318251c9257320d#sthash.lfkNss89.dpbs</a>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The current Manual on Corporate Governance is an updated or a revised Manual from the previous Manual filed with the SEC and PSE on July 2, 2014. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	

Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	Compliant	The Corporate objective is to grow the businesses of the Company as mentioned in Item 1, Part I of the Company's SEC Form 17-A (Annual Report) (page 1) for 2023 filed with the SEC on April 15, 2024. Item 1, Part I also discusses the objectives of the Company's subsidiaries and affiliates other investments. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	
b. Financial performance indicators	Compliant	Key financial performance indicators of the Company and major subsidiaries are disclosed on pages 18-19 and pages 150-151 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	
c. Non-financial performance indicators	Not compliant		By the nature of its business as a holding company, the performance indicators of the Company are primarily financial in nature.  However, the operating subsidiaries and affiliates of the Company have their own respective performance indicators which includes both financial and non-financial indicators.

d. Dividend Policy	Not compliant		<p>The Company does not have a specific dividend policy considering that the declaration of dividend is subject to the discretion of the Board and depends on the availability of retained earnings and future cash flow requirement of the Company.</p> <p>Information on dividends declared by the Company is disclosed in page 16 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant	<p>Biographical details of the Directors are disclosed on pages 33-34 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024.  <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
f. Attendance details of each director in all directors meetings held during the year	Not compliant		<p>The SEC does not require the attendance details of Directors in the Annual Report.</p> <p>Please note that the SEC discontinued the submission of the Certificate of Attendance of Directors.</p>
g. Total remuneration of each member of the board of directors	Not compliant		<p>Only the total remuneration of the Directors and Officers of the Company as a group is disclosed in the Annual Report.</p> <p>The SEC does not require disclosure of the total remuneration of each Director in the Annual Report.</p>

			<p>Information on the compensation of Directors and Executive Officers is disclosed on page 37 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024.</p> <p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>
<p>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.</p>	Not compliant		<p>The Company have not adopted all the provisions of the Code of Corporate Governance considering that the Company follows the provisions of its By-laws in accordance with the Corporation Code. In case of conflict between the By-laws and the Code of Corporate Governance, the Company follows the former.</p> <p>Information on the Company's compliance with leading practice on corporate governance is disclosed on pages 41-42 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024.</p> <p>Said Annual Report also discloses that for 2023, there were no deviations from the Company's Manual on Corporate Governance.</p> <p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>
<p>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</p>	Not compliant		<p>The SEC does not require a disclosure in the Annual Report that the Board conducted a review of the Company's material controls.</p>

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.	Not compliant		The SEC does not require a disclosure in the Annual Report of a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Complaint	The key risks to which the Company is materially exposed to are disclosed on pages 116-123 of the Company's SEC Form 17-A (Annual Report) for 2023 filed with the SEC on April 15, 2024. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>	

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

**Recommendation 9.1**

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>Compliant</p>	<p>Section 2.9.1 (l) of the Company's Manual on Corporate Governance provides for the duty and responsibility of the Audit Committee to recommend to the Board the appointment, reappointment, removal and fees of the external auditor.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p> <p>Likewise, the Section IV (h)(k) Company's Audit Committee Charter provides that the Committee shall, as part of its duties and responsibilities, recommend the fees to be paid to the external auditors for audit services, and to recommend to the Board either to replace the engagement partner from the same auditing firm as prescribed on a rotation basis by the SEC or to replace the external auditors, as necessary.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>Not compliant</p>		<p>Only the appointment of external auditors is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p> <p>The fees of the external auditors are determined by Management and</p>



			evaluated and approved by the Audit Committee. The fees are also not subject to shareholders' ratification.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	The disclosure rules of the SEC require the disclosure of any change in its auditors and the corresponding reason for such change.  The Company has not removed or replaced its external auditors, SGV.	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	As disclosed in page 55 of the Company's IS for 2023, the Company complies with SRC Rule 68, paragraph 3(b)(IV) on rotation of the lead partner every five years. As of 2023, the lead partner, Dhonabee B. Seneres, of SGV, is on her 5 <sup>th</sup> year of audit engagement. <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant	Compliant	The Audit Committee Charter is posted in the Company's website. <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a>	

Philippine professional and regulatory requirements.			
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	<p>The Audit Committee Charter is posted in the Company's website.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p> <p>Under Section 2.9.1 (I) of the Company's Manual on Corporate Governance, it is the responsibility of the Audit Committee to assess the suitability, effectiveness and performance of the external auditors on an annual basis.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	<p>Section I of the Audit Committee Charter is posted in the Company's website.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	<p>Section I of the Audit Committee Charter is posted in the Company's website.  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	<p>As disclosed in the 2023 IS of the Company (page 55), there are no consultancy, tax and other fees paid by the Company to SGV for the year 2023.</p>	

		<a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>  Item IV (i) of the Company's Audit Committee Charter also specifically provides that non-audit work of the external auditors, if allowed by the Audit Committee should be disclosed in the Company's SEC Form 17-A (Annual Report). <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Item IV (i) of the Company's Audit Committee Charter is posted in its website. <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a>	
<b>Additional Recommendation to Principle 9</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	As disclosed in the 2023 IS of the Company (page 55), audit fees paid to SGV amounted to P1,320,000.00. The Company did not pay any tax consultancy fee or other fees to the external auditors for the year 2023. <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>	
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Dhonabee B. Seneres is the lead engagement partner with:  CPA Certificate No. 97133 Tax Identification No. 201-959-816 BOA/PRC Reg. No. 0001, August 25, 2021 valid until April 15, 2024	

		<p>BIR Accreditation No. 08-001998-098-2023, September 12, 2023 valid until September 11, 2026</p> <p>PTR No. 10082016, January 6, 2024, Makati City</p> <p>SyCip Gorres Velayo &amp; Co. 6760 Ayala Avenue, Makati City Tel No. 8891-0307 (Page 59, 2023 IS)</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	<p>SGV&amp;Co. was subjected to SOAR Inspection Program on November 12 - 23, 2018.</p> <p>The names of the members of the engagement team were provided to the SEC during the inspection.</p>	
<b>Principle 10:</b> The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
<b>Recommendation 10.1</b>			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	<p>The Company filed its 2023 Sustainability Report with the SEC as an attachment to its Annual Report (SEC Form No. 17-A) pages 582-655 on April 15, 2024.</p> <p><a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>The Company adopted the Global Reporting Initiative, the most widely used globally recognized standard for sustainability reporting for its 2023 Sustainability Report.</p>	

<https://www.anscor.com.ph/corporate-governance/sustainability-reports/>

**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**

<p>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.</p>	<p>Not compliant</p>		<p>The Company does not conduct media and analysts' briefings but the Company believes that the quarterly and annual reports are sufficient to provide relevant information to the stockholders and other investors.</p> <p>The Company posts all its quarterly reports and annual report in its website in a timely manner to provide relevant information to its shareholders and other investors in compliance with the pertinent requirements of the SEC and PSE.</p> <p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>Likewise, the annual and quarterly reports of the Company may also be seen at the PSE Edge portal.</p> <p><a href="http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14">http://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=14</a></p>
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**Supplemental to Principle 11**

<p>1. Company has a website disclosing up-to-date information on the following:</p>			
<p>a. Financial statements/reports (latest quarterly)</p>	<p>Compliant</p>	<p><a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a></p>	

		Alternatively, stand-alone financial statements (annual and quarterly) are also posted. <a href="https://www.anscor.com.ph/financials/">https://www.anscor.com.ph/financials/</a>	
b. Materials provided in briefings to analysts and media	Not compliant		The Company believes that the quarterly and annual reports are sufficient to provide relevant information to the stockholders and other investors. Thus, the Company does not conduct analyst or media briefings.
c. Downloadable annual report	Compliant	<a href="https://www.anscor.com.ph/financials/">https://www.anscor.com.ph/financials/</a>	
d. Notice of ASM and/or SSM	Compliant	<a href="https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/">https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/</a>	
e. Minutes of ASM and/or SSM	Compliant	<a href="https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/">https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/</a>	
f. Company's Articles of Incorporation and By-Laws	Compliant	<a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a>	
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="https://www.anscor.com.ph/">https://www.anscor.com.ph/</a>	
<b>Internal Control System and Risk Management Framework</b>			
<b>Principle 12:</b> 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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	The Company has its own internal control procedures that it has developed over the years. These internal control procedures are	

		<p>followed by each Department in the Company.</p> <p>Internal control procedures especially those relating to accounting, purchasing, investments are reviewed annually as part of the audit process with the external auditors in coordination with the Audit Committee in line with the Audit Committee's oversight of financial reporting and disclosures which include identification of material errors and fraud, and sufficiency of risk controls, among others (Item IV [b], Audit Committee Charter).  <a href="https://www.anscor.com.ph/corporate-governance/board-committee/">https://www.anscor.com.ph/corporate-governance/board-committee/</a></p>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<p>The Company's ERM policies are posted in its website.  <a href="https://www.anscor.com.ph/corporate-governance/enterprise-risk-management/">https://www.anscor.com.ph/corporate-governance/enterprise-risk-management/</a></p> <p>The Company's Investment Committee which manages the enterprise risks meets quarterly and from time to time reviews the ERM framework of the Company.</p>	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness	Not compliant		<p>The Company does not have a formal comprehensive enterprise-wide compliance program.</p> <p>However, the compliance program of the Company is built-in into the different</p>

<p>initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>			<p>departments of the Company. The Corporate Services Department which includes Legal ensures that the Company is in compliance with laws and relevant regulations. For tax laws and regulations, the Corporate Services Department in coordination with the Finance/Accounting Department ensures that the Company complies with tax laws and regulations.</p> <p>Officers and employees tasked with ensuring compliance regularly attends trainings and seminars to update the Company with new laws and rules and regulations affecting the Company.</p> <p>The Company's Compliance Officer regularly and on as-need basis ensures that the Company's compliance procedures are adequate and effective.</p>
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<b>Optional: Recommendation 12.1</b>			
<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>	<p>Compliant</p>	<p>The Company has the following processes for IT issues:</p> <ol style="list-style-type: none"> <li>1. Disruption – in-house UPS in the server room securing 5 minute back-up time in case of power disruption;</li> <li>2. Cyber security – in-house firewall router is in place with capability for virus protection. Each computer in the Company has anti-virus protection; and</li> <li>3. Disaster recovery – online via Google drive and on-site storage.</li> </ol>	



<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Not compliant		<p>Given the size, complexity of operations, and risk profile of the Company as a holding company with limited employees the Company believes that an independent internal audit function is not necessary.</p> <p>Instead, the control procedures in the Company provides for adequate checks and balances within the Company to ensure that errors whether by fraud or negligence are not committed.</p>
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Not compliant		The Company does not have a CAE.
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.	Not compliant		<p>Given the size, complexity of operations, and risk profile of the Company as a holding company, the Company believes that an independent internal audit function is not necessary.</p> <p>Instead, the control procedures in the Company provides for adequate checks and balances within the Company to ensure that errors whether by fraud or negligence are not committed.</p>
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not compliant		
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Not compliant		<p>Given the size, complexity of operations, and risk profile of the Company as a holding company with limited employees the Company believes that a separate risk management function is not necessary.</p>

			Risk management function is performed by the Finance Department headed by the CFO, the Investment Committee, and the Audit Committee.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Not compliant		The Company on as needed basis engages independent third parties to validate valuations, and perform due diligence reviews in cases of substantial investments by the Company.  The engagement of a third party is usually covered by a Non-Disclosure Agreement.
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).	Not compliant		Given the size, complexity of operations, and risk profile of the Company as a holding company, the Company believes that appointment of a separate CRO is not necessary. Instead, the functions of a CRO is subsumed in other capacities in the Company.  Further, risk management function is performed by the Finance Department headed by the CFO, the Investment Committee, and the Audit Committee.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Not compliant		
<b>Additional Recommendation to Principle 12</b>			
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.	Not compliant		Notwithstanding that the Company does not have a CAE, a sound internal control and compliance system is in place and working effectively.
<b>Cultivating a Synergic Relationship with Shareholders</b>			

**Principle 13:** The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.

**Recommendation 13.1**

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>Compliant</p>	<p>Article VI of the Company's Manual on Corporate Governance specifically deals with stockholders' rights and protection of minority stockholders' interests. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>Compliant</p>	<p>Stockholders' rights and protection of minority stockholders' interests are disclosed in the Company's website. <a href="https://www.anscor.com.ph/corporate-governance/stockholders-rights-and-protection-of-minority-stockholders-interests/">https://www.anscor.com.ph/corporate-governance/stockholders-rights-and-protection-of-minority-stockholders-interests/</a></p>	

**Supplement to Recommendation 13.1**

<p>1. Company's common share has one vote for one share.</p>	<p>Compliant</p>	<p>Section 7 of the Company's By-laws specifically provides that each share of stock is entitled to one vote. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p> <p>The Company has two types of shares – common shares and preferred shares.</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>Per Article IX, of its Articles of Incorporation, the Company has two types of shares – common shares and preferred shares, and all shareholders of the same class are treated equally in all aspects. <a href="https://www.anscor.com.ph/about/pdf-downloads/">https://www.anscor.com.ph/about/pdf-downloads/</a></p>	

<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>Compliant</p>	<p>Item 4 of the 2023 IS of the Company provides for the voting procedure during annual stockholders meeting of the Company.  <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a></p> <p>The voting is primarily done by tabulating votes through proxies submitted by the stockholders.</p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.</p>	<p>Not compliant</p>		<p>The "majority of minority" requirement is not provided by law. Hence, the Company does not follow it.</p>
<p>5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>Compliant</p>	<p>Section 6.6 of the Company's Manual on Corporate Governance enjoins the Board to give the minority stockholders an avenue to propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Company.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	
<p>6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p>	<p>Compliant</p>	<p>Article VI of the Company's Manual on Corporate Governance specifically deals with stockholders' rights and protection of minority stockholders' interests.  <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a></p>	

		<p>Also, these stockholders' rights and protection of minority stockholders' interests are disclosed in the Company's website.</p> <p><a href="https://www.anscor.com.ph/corporate-governance/stockholders-rights-and-protection-of-minority-stockholders-interests/">https://www.anscor.com.ph/corporate-governance/stockholders-rights-and-protection-of-minority-stockholders-interests/</a></p>	
7. Company has a transparent and specific dividend policy.	Not compliant		<p>The Company does not have a specific dividend policy.</p> <p>The declaration of dividends is left to the discretion of the Board and is subject to availability of retained earnings and forecast of future cash flow.</p> <p>Information regarding historical dividends of the Company is posted in its website.</p> <p><a href="https://www.anscor.com.ph/investor-relations/historical-dividends/">https://www.anscor.com.ph/investor-relations/historical-dividends/</a></p> <p>For 2023 results of operations, dividends were declared by the Board on (1) March 1, 2023 and paid on April 10, 2023 or 40 calendar days from declaration date, and (2) on November 15, 2023 and paid on December 12, 2023 or 27 calendar days from declaration date.</p>

<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Not compliant		The Company believes that the appointment of a third party is not necessary given that the Company is able to secure proxies from majority of the stockholders. The number of stockholders who attend stockholders' meetings are also manageable.
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	The Company sends to Stockholders the Notice of Annual Stockholders Meeting and, in addition, said Notice is also posted in the Company's website and published in two newspapers of general circulation. <a href="https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/">https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/</a>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	The curriculum vitae of Directors nominated are included in the 2023 IS of the Company (Item 5, pages 8-10). <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>	
b. Auditors seeking appointment/re-appointment	Compliant	Information on the external auditors seeking appointment/reappointment are included in the 2023 IS (Item 7, pages 17-18). <a href="http://www.anscor.com.ph/disclosures/sec-filings/">http://www.anscor.com.ph/disclosures/sec-filings/</a>	

c. Proxy documents	Compliant	Proxy document is posted in the Company's website. <a href="https://www.anscor.com.ph/disclosures/proxy/">https://www.anscor.com.ph/disclosures/proxy/</a>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The Notice of Annual Meeting of Stockholders contains an explanation for each agenda item for the Annual Meeting. <a href="https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/">https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/</a>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	The results of the Annual Stockholders Meeting are immediately filed with the SEC and PSE on the same day as the meeting. <a href="https://www.anscor.com.ph/disclosures/sec-filings/">https://www.anscor.com.ph/disclosures/sec-filings/</a>  Based on Company practice, the Results of the Annual Stockholders Meeting is posted in the Company's website within the next working day. <a href="https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/">https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<a href="https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/">https://www.anscor.com.ph/disclosures/minutes-of-all-general-or-special-meetings/</a>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant	Compliant	The External Auditors, SGV, are present during the Annual Meetings.	

individuals to answer shareholders questions during the ASM and SSM.			
<b>Recommendation 13.4</b>			
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.	Not compliant		Section 6.4 of the Manual on Corporate Governance provides for alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. The Manual on Corporate Governance is posted in the Company's website. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>  For the year 2023, no intra-corporate dispute was brought to the attention of the Company to put this provision into effect.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Section 6.4 of the Manual on Corporate Governance provides for alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Investor or Stock Relations Office of the Company is handled by:  Rosalina Reyes Telephone No. 8819-0251 Fax No. 8811-5068 Email address – rose.reyes@anscor.com.ph	



2. IRO is present at every shareholder's meeting.	Compliant	The SRO is present in every shareholders meeting of the Company to address stockholders concerns during the meeting. Further, stockholders may go to the Company's office at any time during business hours for their inquiries or concerns.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Company does not have anti-take-over measures or devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Not compliant		As of December 31, 2023, the public float of the Company is 16.38%.  Please see Public Ownership Report dated January 8, 2024. <a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a>

<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Not compliant		The shareholders of the Company are free to communicate to Management at any time their concerns.  In practice, the Company receives letters from shareholders beyond the Annual Stockholders' Meeting.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	The Company provided for Online Stockholders Voting System in accordance with its Procedure for the Annual Meeting. The said Procedure was attached to the Notice of Meeting. <a href="https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/">https://www.anscor.com.ph/disclosures/notice-of-annual-or-special-meetings/</a>	

#### **Duties to Stakeholders**

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

#### **Recommendation 14.1**

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	The Company monitors its stockholders. In particular, the List of Top 100 Stockholders of the Company is submitted to the SEC and PSE as required and is posted in the Company's website. <a href="https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/">https://www.anscor.com.ph/disclosures/other-disclosures-to-pertinent-agencies/</a>  On its stakeholders, Section X of the Company's Manual on Corporate Governance deals with the duties of	
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		the Company or its Board to stakeholders. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Section X of the Company's Manual on Corporate Governance deals with the duties of the Company or its Board to stakeholders. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Contact details for stakeholders to voice their concerns may also be directed to the Stock Relations Office with the following details: Rosalina Reyes Telephone No. 8819-0251 Fax No. 8811-5068 Email address – rose.reyes@anscor.com.ph  Alternatively, contact form in the Company's website can be filled up by stakeholders at <a href="https://www.anscor.com.ph/contact/">https://www.anscor.com.ph/contact/</a>  The whistleblowing policy of the Company is posted in its website. <a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a>  Concerns may be addressed likewise to the SRO contact at: Rosalina Reyes Telephone No. 8819-0251	

		<p>Fax No. 8811-5068  Email address –  rose.reyes@anscor.com.ph</p> <p>Alternatively, contact form in the Company's website can be filled up by stakeholders at  <a href="https://www.anscor.com.ph/contact/">https://www.anscor.com.ph/contact/</a></p>	
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Not compliant		No dispute has arisen which will trigger the establishment of an ad hoc alternative dispute resolution with parties to the dispute.
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company does not seek exemption from the application of law, rule or regulation relating to corporate governance issues.	
2. Company respects intellectual property rights.	Compliant	The Company does not have any case filed against it for violation of intellectual property rights.	

<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Not compliant		The Company is a holding company. It does not have customers. So this principle does not apply to the Company.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Not compliant		The Company does not have a formal policy on supplier or contractor selection.  In practice, the Company obtains three quotations from suppliers or contractors depending on the materiality of the amount involved in the transaction.
<b>Principle 15:</b> 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.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	The Company has a Labor-Management Council that meets regularly to provide for venue for employees to actively participate in the realization of the Company's goals and objectives.	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The remuneration of all employees are reviewed annually and merit increases are provided depending on evaluation by Management and/or the Compensation Committee.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Company policies on health, safety and welfare of employees are posted in the Company website. <a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a>	

3. Company has policies and practices on training and development of its employees.	Compliant	Company policies on training and development of employees are posted in the Company website. <a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a>	
<b>Recommendation 15.2</b>			
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.	Not compliant		The Company has a Code of Business Conduct and Ethics / Employee Handbook applicable to all employees. There is no specific reference to corruption but the Code covers criminal acts which will apply to corruption.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Copies of the Code of Business Conduct and Ethics / Employee Handbook are distributed to employees and is available at the Personnel Department of the Company.	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Not compliant		Bribery can be considered as falling under major offenses pursuant to the Company's Code of Discipline which includes conduct of a criminal, dishonest, or immoral nature, or conduct which would reflect unfavorably towards the Company whether done within or outside work. Commission of major offenses is penalized by dismissal after due process.
<b>Recommendation 15.3</b>			
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	The whistleblowing policy of the Company is found at its website at <a href="https://www.anscor.com.ph/corporate-governance/companys-policies/">https://www.anscor.com.ph/corporate-governance/companys-policies/</a>	

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	Further, any employee may directly contact any officer including the Chairman of the Board for any complaint or concerns. Contact details for the Office of the Chairman:	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Ma. Victoria L. Cruz Telephone No. 8819-0251.  Section 10.4 of the Company's Manual on Corporate Governance provides for the duty of the Board to ensure the enforcement of the whistleblowing framework. <a href="https://www.anscor.com.ph/corporate-governance/">https://www.anscor.com.ph/corporate-governance/</a>	
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	The Company has a corporate social responsibility unit – The Andres Soriano Foundation. The Foundation has its own website at <a href="http://www.asorianofoundation.org">www.asorianofoundation.org</a> or the link to the Foundation website is also available at the Company's website at <a href="https://www.anscor.com.ph/">https://www.anscor.com.ph/</a>	

Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Not compliant		The Company is a holding company. Environmentally friendly value chain is practiced at the level of its operating subsidiaries.
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	The Company has a corporate social responsibility unit – The Andres Soriano Foundation. The Foundation has its own website at <a href="http://www.asorianofoundation.org">www.asorianofoundation.org</a> or the link to the Foundation website is also available at the Company's website at <a href="https://www.anscor.com.ph/">https://www.anscor.com.ph/</a>	




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, on 17<sup>th</sup> day of April, 2024.

**SIGNATURES**



**ANDRES SORIANO III**  
Chairman of the Board &  
Chief Executive Officer



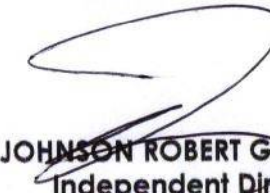
**ALFONSO S. YUCHENGCO III**  
Independent Director  
(April 19, 2023 – April 17, 2024)




**ATTY. LORNA PATAJO KAPUNAN**  
Corporate Secretary



**OSCAR J. HILADO**  
Independent Director

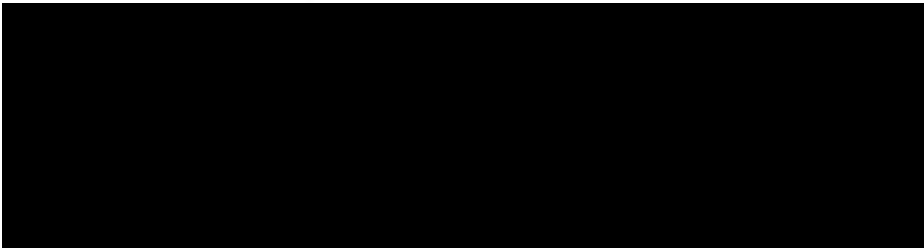


**JOHNSON ROBERT G. GO, JR.**  
Independent Director

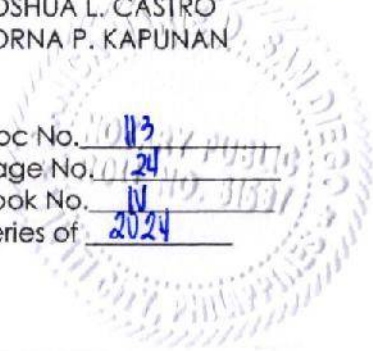


**ATTY. JOSHUA L. CASTRO**  
Compliance Officer

**SUBSCRIBED AND SWORN** to before me this    day of   **APR 17**   2024, affiants exhibiting to me their passport details, as follows:

NAME	PASSPORT NO.	DATE OF ISSUE	PLACE OF ISSUE
ANDRES SORIANO III OSCAR J. HILADO ALFONSO S. YUCHENGCO III JOHNSON ROBERT G. GO, JR. JOSHUA L. CASTRO LORNA P. KAPUNAN			

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Series of   2024  



*San Diego*  
**DANICA MARIE D. SAN DIEGO**  
Appointment No. M-036  
Notary Public for Makati City  
Until December 31, 2024  
Liberty Center-Picazo Law  
104 H.V. Dela Costa Street, Makati City  
Roll of Attorney's No. 81587  
PTR No. 10081166/Makati City/01-09-2024  
IBP No. 301901/Makati City/01-05-2024  
Admitted to the bar in 2022