

# COVER SHEET

0	0	0	0	0	0	3	5	8	4	1
---	---	---	---	---	---	---	---	---	---	---

S.E.C. Registration Number

F	I	L	S	Y	N	C	O	R	P	O	R	A	T	I	O	N

(Company's Full Name)

U	8	5	B	T	h	e	P	e	a	r	l	b	a	n	k	C	e	n	t	r	e	1	4	6	
V	a	l	e	r	o	S	t.	S	a	l	c	e	d	o	V	i	l	l	a	g	e				
M	a	k	a	t	i	C	i	t	y																

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

Emmanuel C. Paras
-------------------

Contact Person

982-3500
----------

Company Telephone Number

Integrated Annual Corporate  
Governance Report 2019

--	--	--	--	--	--	--	--

Month    Day        Year  
Fiscal Year

--	--	--	--	--

FORM TYPE

--	--	--	--	--	--	--	--

Month    Day        Year  
Annual Meeting

--

Secondary License Type, If Applicable

--	--	--

Dept. Requiring this Doc.

--

Amended Articles Number/Section

--

Total no. of Stockholders

Total Amount of Borrowings

--

Domestic

--

Foreign

To be accomplished by SEC Personnel concerned

--	--	--	--	--	--	--	--	--	--

File Number

\_\_\_\_\_ LCU

--	--	--	--	--	--	--	--	--	--

Document I.D.

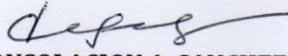
\_\_\_\_\_ Cashier

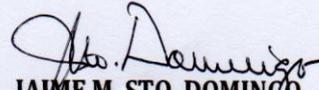
STAMPS
--------

Remarks = please use **black ink** for scanning purposes

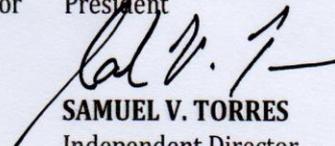
Pursuant to the requirements of the Securities and Exchange Commission, the Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of Makati on AUG 19 2020 20 20.

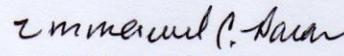
**Signatures**

  
**CONSOLACION A. SANCHEZ**  
Chairman of the Board/Independent Director

  
**JAIME M. STO. DOMINGO**  
President

  
**RENATO V. DIAZ**  
Independent Director

  
**SAMUEL V. TORRES**  
Independent Director

  
**EMMANUEL C. PARAS**  
Corporate Secretary

  
**APOLINARIO L. POSIO**  
Compliance Officer

REPUBLIC OF THE PHILIPPINES )  
CITY OF MAKATI ) S.S.

**MAKATI CITY**

**AUG 19 2020**

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_, affiants exhibiting to me their competent evidence of identity to be the same persons, as follows:

Consolacion A. Sanchez	106-973735
Jaime M. Sto. Domingo	108-772-644
Renato V. Diaz	108-762-984
Samuel V. Torres	133-734-895
Emmanuel C. Paras	106-109-170
Apolinario L. Posio	108-734-589

Doc. No. 365 ;

Page No. 76 ;

Book No. XI ;

Series of 2020

  
**ATTY. GERVACIO B. ORTIZ, JR.**  
NOTARY PUBLIC FOR MAKATI CITY  
(UNTIL DECEMBER 31, 2020)  
PTR NO. 7333104/01-03-2019 MAKATI  
IBP NO 656155 LIFETIME MEMBER  
APPT. NO. M104/2017/ROLL NO. 4009  
MCLE COMPLIANCE NO. V-0006934  
GROUND FLOOR 8747 PASEO DI  
ROXAS, LEPANTO BLDG



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended December 31, 2019
2. SEC Identification Number MA-045 3. BIR Tax Identification No. 158-664-000
4. Exact name of issuer as specified in its charter FILSYN CORPORATION
5. MAKATI CITY  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (Use Only)  
Industry Classification Code:
7. Unit 8, 5B Pearlbank Centre, 146 Valero St.  
Salcedo Village, Makati City  
Address of principal office 1227  
Postal Code
8. 752-3133 / 752-3611  
Issuer's telephone number, including area code
9. NOT APPLICABLE  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<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>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Company has an orientation program for first time directors.	Compliant	Please refer to the Company's	

3. Company has relevant annual continuing training for all directors.	Compliant	Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018 and Manual of Corp. Gov. filed with SEC 5/19/2017.	
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		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	The Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant		

2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018.	
3. Compliance Officer is not a member of the board.	Compliant		
4. Compliance Officer attends training/s on corporate governance.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

**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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
--	-----------	--	--

**Recommendation 2.2**

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		

**Supplement to Recommendation 2.2**

1. Board has a clearly defined and updated vision, mission and core values.	Compliant	The Board has a clearly defined and updated vision, mission and core values.	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	The Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	

<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018.	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant		
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	Compliant	The Board approves the remuneration of senior executives.	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	The Company has measurable standards to align the performance-based remuneration of the executive directors and senior executive with long-term interest such as claw back provision and deferred bonuses	
<b>Recommendation 2.6</b>			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<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.	Compliant	The company uses the services of professional search firms or other external sources of candidates when searching for candidates to the board of directors.	
<b>Recommendation 2.7</b>			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

**Supplement to Recommendations 2.7**

<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>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>The Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	
<b>Recommendation 2.8</b>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.</p>	

2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	Compliant		
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		
<b>Recommendation 2.11</b>			

1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
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		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	The Company's Manual on Corporate Governance serves as the Company's Board Charter.  Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Optional: Principle 2</b>			
1. Board has a clear insider trading policy.	Compliant	The Board has a clear insider trading policy. The Company's directors and officers are strictly enjoined not to engage in any conduct or activity that violates the law, rules or regulations.	

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	The Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	The Company discloses the types of decision requiring board of directors' approval	

**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
---	-----------	--	--

**Recommendation 3.2**

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Please refer to to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Please refer to the Company's Audit Committee charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	Please refer to the Company's Audit Committee charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Compliant	Please refer to the Company's Audit Committee charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
2. Audit Committee approves the appointment and removal of the internal auditor	Compliant	Please refer to the Company's Audit Committee charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Please refer to the Company's Corporate Governance Committee charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

**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	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. The directors ask the necessary questions or refer to clarifications and explanations during the Board and Committee meetings.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

**Recommendation 4.2**

1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversees to the long-term strategy of the company.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The Company does not have any executive director who serves in more than two boards of listed companies outside of the group.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
3. Board of directors meet at least six times during the year.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and shareholders' approval during the annual shareholders' meeting.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The meetings are chaired by the lead independent director.	Compliant		
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	None of the directors is a former CEO of the company in the past 2 years.	
<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</b>			

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant		
4. Each committee conducts a self-assessment of its performance.	Compliant		
5. Every three years, the assessments are supported by an external facilitator.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. The system allows for a feedback mechanism from the shareholders.	Compliant		
<b>Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</b>			
<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	The Company's Rules and Regulation serve as the Company's Code of Business Conduct and Ethics which provides standards of conduct for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the Company.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Please refer to the Company's Rules and Regulation which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	Please refer to the Company's Rules and Regulation which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<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.	Compliant	Employees are strictly enjoined not to engage in any conduct or activity that violates common standards of decency and morality.	
<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.	Compliant	Please refer to the Company's Rules and Regulation which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	Please refer to the Company's Rules and Regulation which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	

## Disclosure and Transparency

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

### Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
--	-----------	--	--

### Supplement to Recommendations 8.1

1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	Compliant	Please refer to the Company's annual report filed with SEC on April 16, 2018.	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	Compliant	Please refer to the Company's Rules and Regulation which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	

### Recommendation 8.2

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
<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	The Company complies with the SEC and PSE disclosure rules.	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The Company requires directors to disclose their interests in transactions or any other conflict of interests.	
<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	The Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	

<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	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	The Company complies with the SEC and PSE disclosure rules.	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		

Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	Please refer to the Company's annual report filed with SEC on 04/16/2018.	
a. Corporate Objectives	Compliant		
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators.	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors.	Compliant		
f. Attendance details of each director in all directors meetings held during the year.	Compliant		

g. Total remuneration of each member of the board of directors.	Compliant		
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	Please refer to the Company's Annual Report filed with SEC on April 16, 2018.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	Please refer to the Company's Annual Report filed with SEC on April 16, 2018.	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	Please refer to the Company's Annual Report filed with SEC on April 16, 2018.	

<p>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).</p>	<p>Compliant</p>	<p>Please refer to the Company's Annual Report filed with SEC on April 16, 2018.</p>	
---	------------------	--	--

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

**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>Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.</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>Compliant</p>	<p>Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.</p>	

<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.</p>	
<p><b>Supplement to Recommendation 9.1</b></p>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>Compliant</p>	<p>Please refer to Manual on Corporate Governance filed with SEC on 05/19/2017.</p>	
<p><b>Recommendation 9.2</b></p>			

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<p>Compliant</p>	<p>Please refer to the Company's Audit Committee Charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a></p>	
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>Compliant</p>	<p>Please refer to the Company's Audit Committee Charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a></p>	
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>Compliant</p>	<p>Please refer to the Company's Audit Committee Charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a></p>	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Please refer to the Company's Audit Committee Charter which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<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	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Fees paid for non-audit services do not outweigh the fees paid for the audit services	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Name of Audit Partner: Eleanor A. Layug Accreditation No. 1250-AR-2 (Group A) Date Accredited: February 28, 2019 Expiry Date: February 27, 2022 Sycip Gorres Velayo & Co. 6760 Ayala Avenue, Makati City Tel No. (632)8910307.	

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	The External Auditor has not yet been subjected to SOAR.	
<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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Principle 11:</b> 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.			
<b>Recommendation 11.1</b>			

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.	Non-Compliant		The Company has no commercial operations. Once the Company has commercial operations, it will have media and analyst's briefings to disseminate information to its shareholders and other investors.
---	---------------	--	--

**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:	Compliant	Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Compliant		
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Compliant		
f. Company's Articles of Incorporation and By-Laws	Compliant		

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.	Compliant	The Company complies with SEC-prescribed website template.	
---	-----------	--	--

**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	

**Supplement to Recommendations 12.1**

1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	The Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations, including training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	
--	-----------	--	--

**Optional: Recommendation 12.1**

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	The Company has a governance process on IT issues including disruption, cyber security, and disaster recovery that all key risks are identified, managed and reported to the board.	
---	-----------	---	--

**Recommendation 12.2**

<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017</p>	
---	------------------	--	--

**Recommendation 12.3**

<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.</p>	
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.</p>	
<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.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017</p>	

**Recommendation 12.4**

<p>1. Company has a separate risk management function to identify, assess and monitor key risk exposures.</p>	<p>Compliant</p>	<p>Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.</p>	
---	------------------	---	--

**Supplement to Recommendation 12.4**

1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company seeks external technical support in risk management when such competence is not available internally.	
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Non-Compliant		The Company's board of directors confirms, through the Audit Committee, that a sound internal audit, control and compliance system is in place and working effectively.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017. Please see Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
<b>Supplement to Recommendation 13.1</b>			

1. Company's common share has one vote for one share.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	
7. Company has a transparent and specific dividend policy.	Compliant	Please refer to the Company's By-laws which can be found in the link below: Website: <a href="http://www.filsyncorp.com">www.filsyncorp.com</a>	

**Optional: Recommendation 13.1**

1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	The Company appoints an independent party to validate the votes at the Annual Shareholders' Meeting.	
<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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018.	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018.	
b. Auditors refer to appointment/re-appointment	Compliant	Please refer to the Company's Definitive Information Statement filed with SEC on August 29, 2018.	
c. Proxy documents	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The Company encourages its stockholders to participate in the annual stockholders' meetings and to raise their concerns on the agenda items for the annual stockholders' meeting.	
<b>Recommendation 13.3</b>			

1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The Board ensures the attendance of the external auditor and other relevant individuals 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.	Compliant	Please refer to Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	

2. IRO is present at every shareholder's meeting.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<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 Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	The Company has at least 30% public ownership to increase liquidity in the market.	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	The Company encourages its shareholders to participate in the annual stockholders' meeting. The Company requires 2/3 vote of stockholders in amending its Articles of Incorporation	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-Compliant		The Company encourages its stockholders to participate in the annual stockholder's meeting. In case of their absence, the stockholders may vote through a proxy.
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			

1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<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	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	The Company establishes an alternative dispute resolution system to settle differences among key stakeholders.	

**Additional Recommendations to Principle 14**

1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	None.	
2. Company respects intellectual property rights.	Compliant	The Company respects intellectual property rights.	

**Optional: Principle 14**

1. Company discloses its policies and practices that address customers' welfare	Compliant	The Company discloses its policies and practices that address customers' welfare.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	The Company discloses its policies and practices that address supplier/contractor selection procedures.	

**Principle 15:** A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

**Recommendation 15.1**

1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
--	-----------	--	--

**Supplement to Recommendation 15.1**

1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	The Company shall provide benefits to qualified employee upon separation from the service or retirement as a means of attracting and keeping honest, devoted and competent personnel in the service of the company and in recognition of the fact that such employees are necessary for the successful operations of the Company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company is proud of its record for cleanliness and safety which is recognized by the public and government agencies concerned. This record, however, could not be maintained unless the cooperation of every single individual in the Company is obtained. The Company is very much concerned with the health and safety of its employees. It provides them with a professionally staffed medical clinic and requires employees to undergo annual physical examination. The Company expects each of the employees to keep himself and his surroundings safe, clean and sanitary. Stiff penalties are imposed for those who fail to comply with the rules.	

3. Company has policies and practices on training and development of its employees.	Compliant	All employees are selected on the basis of merit and efficiency, as determined by their experiences, training, educational attainment, character, age and physical condition among others. Every employee should put his full effort and ability in to the performance of the task assigned to him by the Company and should observe all relevant instructions, as well as applicable laws.	
<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.	Compliant	Please refer to the Company's Manual on Corporate Governance filed with SEC on 05/19/2017.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
<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.	Compliant	It is a basic Company policy that penalties imposed for offenses committed should be based on equity, fairness and justice. No individual shall be given any penalty without proper investigation by duly constituted Company authority. Due process shall at all times be observed. Employees are strictly enjoined not to engage in any conduct or activity that violates common standards of decency and morality.	

**Recommendation 15.3**

1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
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	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	Please refer to the Company's Manual of Corporate Governance filed with SEC on 05/19/2017.	

**Principle 16:** The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.

**Recommendation 16.1**

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 recognizes that business is a part of society and that together, they form an interactive, interdependent and inseparable system in which the actions of each profoundly influence the other. This mutually beneficial relationship results in the growth and success of the Company, while contributing to the advancement of the society where it operates.	
--	-----------	---	--

**Optional: Principle 16**

1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	The company, as a socially responsible entity, takes care of its environmental surroundings and ensures that all of its business activities, its waste disposal and water treatment facilities comply with environmental laws, rules and regulations and standards.	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	The Company interacts positively with the communities in which it operates and responds to community problems such as employment, environmental protection and safety.	