

SEC FORM - I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended: December 31, 2017
2. SEC Identification Number: 42020
3. BIR Tax Identification No.: 047-000-526-765
4. Exact name of issuer as specified in its charter: LMG CHEMICALS CORP.
5. Province, Country or other jurisdiction of incorporation or organization: Philippines
6. Industry Classification Code: _____ (SEC Use Only)
7. Address of principal office: Chemphil Building, 851 Antonio Arnaiz Avenue, Makati City
Postal Code: 1229
8. Issuer's telephone number: (632) 631-1261
9. Former name, former address, and former fiscal year, if changed since last report: NA



INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT / NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors LMG Tender Offer Report under Form 17-16 submitted 12212017; Disclosure 17C ASM under PSE Form 4-24 submitted 12182017; DIS submitted 11242017 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance LMG 17C Disclosure of Organizational meeting under PSE Form 4-25 submitted 12152017; DIS submitted 11242017	
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		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	Identify or provide link/reference to a document identifying the directors and the type of their directorships	

		LMG DIS submitted 11242017; GIS submitted 01122018 and 04132018 respectively, and Certification of Independent Directors submitted with the DIS on 11242017.	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors. LMG Manual on CG submitted on May 31, 2017. Since LMG is still undergoing its organizational restructuring, its website has not yet been established and therefore, a link to LMH's Manual on CG cannot be provided as of yet.	
2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	Compliant	Certification of Independent Directors submitted with the DIS on 11242017 and Program under CG Manual.	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	Provide information on or link/reference to a document containing information on the company's board diversity policy. LMG Manual on CG submitted on May 31, 2017. Indicate gender composition of the board.	

		Per GIS submitted on January 12, 2018 and April 13, 2018, respectively, the gender composition of the Board is 10 male members 1 female member.	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives. LMG Update on ACGR submitted April 07, 2017	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Non-compliant	LMG GIS submitted 01122018 04132018, respectively, indicating separate individuals holding the positions of the Corporate Secretary and Compliance Officer; Disclosure on the change in Directors and Appointment of New Officers under PSE Form 4-8 submitted April 06 2018 and Material information under PSE Form 4-30 2018 disclosing new Compliance Officer.	The LMG board of directors undertakes to appoint in the next scheduled Board of Directors Meeting a new Corporate Secretary who is not a member of the board.
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	

		Certification of CG Training under ACGR submitted April 07, 2017	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting Information Statement and DIS submitted Nov 24, 2017; Tender Offer Report dated December 21, 2017; PSE Disclosure on ASM and Organizational Meeting dated Dec 15, 2017	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	LMG Definitive Information Statement submitted 11242017;	
3. Compliance Officer is not a member of the board.	Compliant	LMG GIS submitted 01122018 and 04132018, respectively indicating separate individuals holding the positions of the Corporate Secretary and Compliance Officer; Disclosure on change in Directors and Appointment of New Officers under PSE Form 4-8 submitted April 06 2018 and Material information under PSE Form 4-30 2018 disclosing new Compliance Officer.	
4. Compliance Officer attends training/s on corporate governance.	Compliant	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	

		Definitive Information Statement (DIS) with description and CV's of officers and directors; 2017 Annual Report submitted April 16 2018; and Disclosure on change in Directors and Appointment of New Officers under PSE Form 4-8 submitted April 06 2018.	
Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
Recommendation 2.1			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting) ACGR submitted April 07, 2017; Manual on Good Governance submitted on May 31, 2017.	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	Indicate frequency of review of business objectives and strategy Special board meeting held last April 6, 2018 organizing the committees which the Board of LMG oversees disclosed as Material information/transactions under PSE Form 4-30 submitted April 06 2018.	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission and core values.	

		<p>Indicate frequency of review of the vision, mission and core values.</p> <p>Tender Offer dated December 21, 2017 and DIS on the acquisition; Description of the Company's overview as indicated in the Annual Report submitted April 17 2018</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p>LMG Manual on Good Governance submitted on May 31, 2017.</p>	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p>LMG's Chairman of the Board, Mr. Dominic Sytin is an experienced businessman with more than 20-year experience. Full description of his CV is disclosed to the Commission and the Exchange during the acquisition.</p> <p>The Tender Offer, Definitive Information Statement and material disclosures include information on competency.</p>	
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-compliant	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	<p>The new management and board of directors of LMG shall adopt an effective succession planning program for directors, key officers and management in the next scheduled Board of Directors</p>

2. Board adopts a policy on the retirement for directors and key officers.	Non-compliant		Meeting and shall be endorsed in the next Annual Shareholders' Meeting for ratification.
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Non-compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	The new management and board of directors of LMG shall adopt an effective remuneration for directors, key officer and management aligned with the best long-term interest of the company in the next scheduled Board of Directors Meeting and shall be endorsed in the next Annual Shareholders' Meeting for ratification.
2. Board adopts a policy specifying the relationship between remuneration and performance.	Non-compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Non-compliant		
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Non-compliant	Provide proof of board approval	The new management and board of directors of LMG shall adopt an effective remuneration policy for directors, key officers and management aligned with the best long-term interest of the company in the next scheduled Board of Directors Meeting and shall be endorsed in the next Annual Shareholders' Meeting for ratification.
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.	Non-compliant	Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.	The new management and board of directors of LMG shall adopt an effective remuneration for directors, key officers and management aligned with the best long-term interest of the company in the next scheduled Board of Directors

			Meeting to discuss long-term interest and formulation of provisions for bonuses with endorsement of Committee members to be approved in the next Annual Shareholders' Meeting for ratification.
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	LMG submitted its ACGR and LMG Manual on Good Governance.	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant	Definitive Information Statement provides for the disclosure on dissenters rights of minority shareholders.	
6. Board has a process for identifying the quality of directors that is aligned	Compliant		

with the strategic direction of the company.			
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-compliant	Identify the professional search firm used or other external sources of candidates	LMG shall consider discussion on this item in the next Management and Committee meeting to be endorsed to the Board of Directors.
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Non-compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	LMG notes on this section and though the company has no concrete entity policy on RPT, LMG shall recommend the formulation of guidelines for related party transactions to safeguard our stakeholders and the public in the next ASM.
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Non-compliant	Identify transactions that were approved pursuant to the policy.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Non-compliant		
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be	Non-compliant	Provide information on a materiality threshold for RPT disclosure and approval, if any. Provide information on RPT categories	LMG notes on this section and though the company has no concrete entity policy on RPT, LMG shall recommend the formulation of guidelines for related party transactions to safeguard our

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.			stakeholders and the public in the next ASM.
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant	Provide information on voting system, if any.	LMG notes on this recommendation by both the Commission and the Exchange and shall take action on this on the next ASM.
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	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. For 2017, the previous management of LMG implemented the process of the Board approval for Management selection under ACGR report. Identify the Management team appointed For the fiscal year 2018, LMG appointed Mr. Ronald Ian W. Ching as its CRO and CCO as disclosed in form 17C and Management team as indicated in the GIS.	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the	Compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.	

heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).		Provide information on the assessment process and indicate frequency of assessment of performance. Indicated in the current CG Manual of LMG submitted on May 31, 2017.	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Non-compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	LMG shall take note of the recommendation and shall take the necessary steps to improve the management framework in the next ASM.
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.	Non-compliant		
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Non-compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	LMG shall take action for the appointment of a CRO to establish internal controls in the succeeding board meeting to be ratified in the next Annual Shareholders' Meeting.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Non-compliant		
3. Board approves the Internal Audit Charter.	Non-compliant	Provide reference or link to the company's Internal Audit Charter	The Board shall take necessary action for Compliance of an Internal Audit Charter.

Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Non-compliant	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	Similar to the section 2.9, LMG shall take note for the appointment of a CRO and the drafting of the IAC.
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.	Non-compliant	Provide proof of effectiveness of risk management strategies, if any.	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed. ACGR and LMG's Manual on CG	
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		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	Provide information on or link/reference to a document showing company's insider trading policy. LMG's 2017 ACGR, DIS and Annual Report for the year 2017.	
Optional: Principle 2			

1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Non-compliant	Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	LMG shall take note of this optional principle to consideration in the next board meeting.
2. Company discloses the types of decision requiring board of directors' approval.	Non-compliant	Indicate the types of decision requiring board of directors' approval and where there are disclosed.	LMG shall take note of this optional principle to consideration in the next board meeting.

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

Recommendation 3.1

1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Provide information or link/reference to a document containing information on all the board committees established by the company. Information on links - ACGR; LMG's Manual on Corporate Governance; GIS.	
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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	Provide information or link/reference to a document containing information on the Audit Committee, including its functions. ACGR submitted and indicated in LMG's Manual of CGR. Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor. Yes. It is expressly stated as one of the functions of the committee.	
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2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship. ACGR submitted and as indicated in the Manual of CGR.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee. ACGR, GIS and the disclosure on committees as Material information/transactions under PSE Form 4-30 submitted April 06 2018.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee. General Information Sheet filed on April 13, 2018.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor. ACGR and Annual Report.	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-compliant	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Board of Directors of LMG shall take note of this optional recommendation and shall discuss the improvements of the Committees' responsibilities in the next committee meeting.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Non-compliant	Indicate the number of Audit Committee meetings during the year and provide proof	The Board of Directors of LMG shall take note of this optional

			recommendation and shall discuss the improvements of the committees' responsibilities.
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor. Annual Report; DIS and ASM disclosure	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable. ACGR and Manual on CGR.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship. ACGR, Manual on CGR, GIS filed on April 13, 2018 and the disclosure on committees as Material information/transactions under PSE Form 4-30 submitted April 06 2018	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee. ACGR Manual on CGR, GIS filed on April 13, 2018 and the disclosure on committees as Material	

		information/transactions under PSE Form 4-30 submitted April 06 2018	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof. ACGR and Manual on CGR.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The new Board and Management of LMG takes note of this recommendation and shall endorse in the next board meeting.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship GIS filed on April 13, 2018 and the disclosure on committees as Material information/transactions under PSE Form 4-30 submitted April 06 2018	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROC GIS filed on April 13, 2018 and the disclosure on committees as Material information/transactions under PSE Form 4-30 submitted April 06 2018	
4. At least one member of the BROC has relevant thorough knowledge	Compliant	Provide information or link/reference to a document containing information on the	

and experience on risk and risk management.		background, skills, and/or experience of the members of the BROC. LMG's DIS.	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	The new Board and Management of LMG takes note of this recommendation and shall endorse in the next board meeting.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship. GIS filed on April 13, 2018 and the disclosure on committees as Material information/transactions under PSE Form 4-30 submitted April 06 2018	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Non-compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	The new Board and Management of LMG takes note of this recommendation and shall endorse in the next board meeting.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		The new Board and Management of LMG takes note of this recommendation and shall endorse in the next board meeting.
3. Committee Charters were fully disclosed on the company's website.	Non-compliant	Provide link to company's website where the Committee Charters are disclosed.	The new Board and Management of LMG takes note of this recommendation and shall endorse

			in the next board meeting. We note that LMG is still in the process of organizational restructuring and has not established its website as of yet.
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Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings. ACGR and Information Statement	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	ACGR and DIS; Material information as disclosed to the Commission and Exchange.	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors. ASM; Organizational Meeting disclosure to the PSE; Material information under 17C	

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	Compliant	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.	
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Management's proposals/views, and oversee the long-term strategy of the company.		As stated in the Manual on CG and as disclosed in the ACGR. Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies. Certification of Independent Directors submitted with the DIS on 23 November 2017.	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed. Disclosure on Beneficial nominal ownership under for SEC Form 23A and SEC Form 23B; Certification of Independent Directors submitted with the DIS on 23 November 2017.	
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	Disclosure on Beneficial nominal ownership under SEC Form 23A and SEC Form 23B; Certification of Independent Directors submitted with the DIS on 23 November 2017.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	AGCR and as stated in the mandate of the company's Manual on CG.	
3. Board of directors meet at least six times during the year.	Compliant	Indicate the number of board meetings during the year and provide proof ACGR	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	Indicate the required minimum quorum for board decisions	

		AS stated in the DIS.	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board. General Information Sheet submitted on January 12, 2018 and April 13, 2018.	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Provide information or link/reference to a document containing information on the qualifications of the independent directors. Certificate of Independent Directors submitted with the DIS on 23 November 2017.	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently. Articles and Bylaws of LMG	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such. Summary in ACGR and Certificate of Independent Directors submitted with the Definitive Information Statement ("DIS") on 23 November 2017.	
2. The company bars an independent director from serving in such	Compliant	Provide information or link/reference to a document containing information on the	

capacity after the term limit of nine years.		company's policy on term limits for its independent director. Manual on Corporate Good Governance.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Non-compliant	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	The Company has not experienced any instance of any independent director holding board membership for 9 years. LMG takes note of the recommendation and shall take the necessary steps to implement a policy applying the requisites of the Code of Governance to undertake the guidelines set by both the Honorable Commission and the Exchange.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant	Identify the company's Chairman of the Board and Chief Executive Officer	Dominic Sytin is both the Chairman of the Board and the CEO. The Company takes note of this recommendation.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO. Mr. Dominic Sytin is the Chairman and CEO. Though it is held by the same person, the company has established the roles and responsibilities as defined in the company's Manual on Good Governance and as expressly indicated in the revised Articles and By-laws of the Corporation.	
Recommendation 5.5			

1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Non-compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any. Indicate if Chairman is independent.	LMG undertakes to designate a lead director among the independent directors in the next board meeting.
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Non-compliant	Provide proof of abstention, if this was the case	There are no previous transactions to warrant such application of the aforementioned recommendation. The Management and Board of LMG takes note of this and shall make the necessary changes in incorporating such policy in line with Corporate Governance and the protection of its stakeholders.
Recommendation 5.7			
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.	Non-compliant	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	LMG takes note of this section and shall be discussed in the next BOD.
2. The meetings are chaired by the lead independent director.	Non-compliant		LMG takes note of this section and shall be discussed in the next BOD.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	Provide name/s of company CEO for the past 2 years Antonio M. Garcia – 2016-2017 Dominic L. Sytin – 2017- 2018	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	LMG takes note of the assessment process and the Board shall recommend improvements in implementing measures to ensure performance appraisals are done in the next BOD.
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		
3. The individual members conduct a self-assessment of their performance.	Non-compliant		
4. Each committee conducts a self-assessment of its performance.	Non-compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	LMG takes note of the assessment process and the Board shall recommend improvements in implementing measures to ensure performance appraisals are done in the next BOD.

Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	LMG takes note of this recommendation and shall take necessary steps to improve its criteria and system in the process of determining the performance of the Board.
2. The system allows for a feedback mechanism from the shareholders.	Non-compliant		

Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics. Company Code of Conduct.	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees. Company Code of Conduct.	
3. The Code is disclosed and made available to the public through the company website.	Non-compliant	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	The company shall upload this to its website, once a website has been established.
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery ACGR and Manual on Good Governance	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	The system for code of conduct is implemented by Management and all employees regardless of rank, designation and employment are required to	

		acknowledge company internal policies and adhere to the requisites of the code.	
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.	Non-compliant	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	The new Board and Management of LMG shall undertake to establish its corporate disclosure policies and procedures to be discussed in the next BOD.
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	Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively. Annual report with audited FS submitted on April 16, 2018; Interim reports as disclosed 45 days from cut-off period.	
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	Compliant	Provide link or reference to the company's annual report where the following are disclosed: <ul style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 	

power and overall equity position in the company.		<p>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> <p>All the aforementioned items are disclosed in the 2017 Annual Report with Audited FS as submitted on April 16, 2018.</p>	
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	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p>Change in Control report under PSE Form 4-5; disclosing acquisition dated December 20, 2017</p> <p>Initial Statement of Beneficial Ownership under form 17-6; SEC form 23A for incoming Board members</p> <p>Statement of Changes in Beneficial Ownership of Securities under form 17-7; SEC form 23B for outgoing Board members</p> <p>Disclosure of Resignation of Atty. Payos as Compliance officer and appointment of Ronald Ian W. Ching as replacement under form 4-8; material disclosure dated April 06, 2018.</p>	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar	Compliant	Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.	

<p>functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>		<p>Provide link or reference to the company's Conglomerate Map.</p> <p>List of top 100 shareholders submitted to the PSE on January 12, 2018</p> <p>Material Information under PSE Form 4-30 dated December 13, 2017 – Acquisition of shareholdings of LMG by Mr. Dominic L. Syfin and Mr. Benson Siao</p> <p>Final Tender Offer Report under form 17-16 disclosing the closing of the share offer to minority stakeholders</p> <p>Change in Control report under PSE Form 4-5; disclosing acquisition dated December 20, 2017.</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	<p>Compliant</p>	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>LMG submitted CV's as part of the requirements of the Tender offer and DIS on directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</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</p>	<p>Compliant</p>	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p>	

interest that might affect their judgment.		ACGR; GIS and Definitive Information Statement Initial and Final Tender Offer.	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration ACGR and Manual on Corporate Good Governance	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for determining executive remuneration ACGR and Manual on Corporate Good Governance	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO. ACGR and Annual Report	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Disclose or provide reference/link to company's RPT policies Indicated in Annual Report and FS. Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction. None. No transaction.	

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>Compliant</p>	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p>Above items are fully disclosed in the Annual Report with Audited FS.</p>	
Supplement to Recommendation 8.5			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p>LMG's Information Statement and AFS disclosed material information regarding interests in transactions and any other conflict of interest disclosure.</p>	
Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed, if any</p> <p>LMG Info Statement and AFS disclosed material information regarding RPT's.</p>	
Recommendation 8.6			

<p>1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed</p> <p>Per 8.6 of LMG's Manual of Corporate Governance, the Company shall make a full, fair, accurate and timely disclosure to the public of every material fact or event that occurs, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders. LMG shall appoint an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p> <p>Tender Offer Report dated December, 11 2017</p> <p>Material Information and Transactions under PSE Form 4-30 disclosing acquisition of LMG shares by the group of Dominic Sytin and Benson Siao dated December 13, 2017</p> <p>PSE Disclosure on the Annual Stockholders' Meeting dated Dec 15, 2017</p> <p>Definitive Information Statement dated November 24, 2017</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>Non-compliant</p>	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	<p>On 20 October 2017, Chemical Industries of the Philippines, Inc. ("CIP") entered into a Share Purchase Agreement with Dominic L. Sytin and Robinson W. Siao (the "Buyers"). CIP sold its common shares in LMG Chemicals Corp. amounting to 65.92% of the outstanding shares of the Company to the Buyers (the "Shares"). The sale</p>

			<p>effectively transferred control of the Company to the Buyers. The Shares were sold at the price of Php3.1749 per share which is within the range of the high and low sales prices for the LMG shares for each quarterly period during the past two (2) years prior the sale (2015 and 2016) and last three (3) quarters of 2017. Required reports were appropriately and timely filed with the SEC and PSE disclosing the sale.</p> <p>Apart from the foregoing, LMG has no transaction/s to date that requires any third party appointment. However, should the need arise for the acquisition or disposition of any substantive assets or shareholdings, LMG shall take the necessary steps in the compliance for good governance under the dictum of the Exchange and the honorable Commission.</p>
Supplement to Recommendation 8.6			
<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>Provide link or reference where these are disclosed.</p> <p>Material Information Transaction under PSE form 3-30 dated December 13, 2017 http://edge.pse.com.ph/openDiscViewer.do?edg_e_no=01777ef521b855ef3318251c9257320d#sthash.1P1E9NK5.dpbs</p>	

		Change in Control of Issuer under PSE form 4-5 dated December 18, 2017 http://edge.pse.com.ph/openDiscViewer.do?edge_no=7a84222e800d0a143318251c9257320d#sthas.h.1NnZLLrH.dpbs	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Provide link to the company's website where the Manual on Corporate Governance is posted.	As previously explained, LMG is still working on the website.
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Non-compliant		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission. Update on ACGR under form ACGR-2 submitted on April 07, 2017	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information: a. Corporate Objectives b. Financial performance indicators c. Non-financial performance indicators d. Dividend Policy e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other	Compliant	Provide link or reference to the company's Annual Report containing the said information. Annual Report filed on April 16, 2018 http://edge.pse.com.ph/openDiscViewer.do?edge_no=c696b37a35fb228243ca035510b6ec2b#sthas.h.LleVHuGn.dpbs .	

<p>directorships in listed companies) of all directors</p> <p>f. Attendance details of each director in all directors meetings held during the year</p> <p>g. Total remuneration of each member of the board of directors</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>	Non-compliant	Provide link or reference to where this is contained in the Annual Report	The Board of Directors and Management of LMG shall implement the inclusion of the company's full compliance with the Code of CG and which will also include the identification and explanation for issues of non-compliance.
<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 controls) and risk management systems.</p>	Non-compliant	Provide link or reference to where this is contained in the Annual Report	The Board of Directors and Management of LMG shall implement the inclusion of the company's full compliance with the Code of CG and which will also include the identification and explanation for issues of non-compliance.
<p>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.</p>	Non-compliant	Provide link or reference to where this is contained in the Annual Report	The Board of Directors and Management of LMG shall implement the inclusion of the company's full compliance with the Code of CG and which will also include the identification and explanation for issues of non-compliance.
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to</p>	Compliant	Provide link or reference to where these are contained in the Annual Report	

(i.e. financial, operational including IT, environmental, social, economic).		Under Corporate Information on Risks	
Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.			
Recommendation 9.1			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Non-compliant	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	LMG notes the need to establish a system process of the Audit Committee and shall notify both the Commission and the Exchange once the Board has resolved the issue subject to ratification by the Shareholders of LMG.
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.	Non-compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	LMG notes the need to establish a system process of the Audit Committee and shall notify both the Commission and the Exchange once the Board has resolved the issue subject to ratification by the Shareholders of LMG.
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.	Non-compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	LMG notes the need to establish a system process of the Audit Committee and shall notify both the Commission and the Exchange once the Board has resolved the issue subject to ratification by the Shareholders of LMG.
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years. Under the LMG Manual for CG, it is indicated that the Company shall rotate lead audit partner every 5 years.	

Recommendation 9.2			
<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Non-compliant	Provide link/reference to the company's Audit Committee Charter	LMG notes the need to establish a system process of the Audit Committee and shall notify both the Commission and the Exchange once the Board has resolved the issue subject to ratification by the Shareholders of LMG.
<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>	Non-compliant	Provide link/reference to the company's Audit Committee Charter	LMG notes the need to establish a system process of the Audit Committee and shall notify both the Commission and the Exchange once the Board has resolved the issue subject to ratification by the Shareholders of LMG.
Supplement to Recommendations 9.2			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Non-compliant	Provide link/reference to the company's Audit Committee Charter	LMG notes the need to establish a system both the Commission and the Exchange once the Board has resolved the non-compliance subject to ratification by the Shareholders of LMG.

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Non-compliant	Provide link/reference to the company's Audit Committee Charter	LMG notes the need to establish a system both the Commission and the Exchange once the Board has resolved the non-compliance subject to ratification by the Shareholders of LMG.
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Non-compliant	Disclose the nature of non-audit services performed by the external auditor, if any.	LMG notes the need to establish a system both the Commission and the Exchange once the Board has resolved the non-compliance subject to ratification by the Shareholders of LMG.
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.	Non-compliant	Provide link or reference to guidelines or policies on non-audit services	LMG notes the need to establish a system both the Commission and the Exchange once the Board has resolved the non-compliance subject to ratification by the Shareholders of LMG.
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Provide information on audit and non-audit fees paid. Annual Report under Audit and Audit Fees	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and	

		<p>5. Name, address, contact number of the audit firm.</p> <p>External auditor: Reyes Tacandong & Co.</p> <p>Engagement partner: Joseph Bilangbilin</p> <p>Accreditation number: SEC Accreditation Number - 1541-A</p> <p>Date Accredited: May 1, 2016</p> <p>Expiry of Accreditation: May 1, 2019</p> <p>Address and contact details: Citibank Tower 8741 Paseo de Roxas, Makati City 1226 Tel. No.: (02) 982-9100</p>	
<p>2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).</p>	<p>Compliant</p>	<p>Provide information on the following:</p> <ol style="list-style-type: none"> 1. Date it was subjected to SOAR inspection, if subjected; <p>None</p> <ol style="list-style-type: none"> 2. Name of the Audit firm; and <p>Reyes Tacandong & Co.</p> <ol style="list-style-type: none"> 3. Members of the engagement team inspected by the SEC. 	

		None	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Non-compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	The Board of LMG shall undertake to discuss and formulate a policy for EESG in the next Board meeting subject to ratification in the ASM.
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-compliant	Provide link to Sustainability Report, if any. Disclose the standards used.	The Board of LMG shall undertake to discuss and resolve this non-compliance.
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Non-compliant	Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.	The Board and Management of LMG takes note of the non-compliance and shall ensure that this recommendation is implemented in the next fiscal year.
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Non-compliant	Provide link to company website	As previously explained, LMG is still working on the site.

a. Financial statements/reports (latest quarterly)			
b. Materials provided in briefings to analysts and media			
c. Downloadable annual report			
d. Notice of ASM and/or SSM			
e. Minutes of ASM and/or SSM			
f. Company's Articles of Incorporation and By-Laws			

Additional Recommendation to Principle 11

1. Company complies with SEC-prescribed website template.	Non-compliant		As previously explained, LMG is still working on the site.
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Internal Control System and Risk Management Framework

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

Recommendation 12.1

1. Company has an adequate and effective internal control system in the conduct of its business.	Non-compliant	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Non-compliant	Identify international framework used for Enterprise Risk Management	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.

		<p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	
Supplement to Recommendations 12.1			
<ol style="list-style-type: none"> 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. 	Non-compliant	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Optional: Recommendation 12.1			
<ol style="list-style-type: none"> 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. 	Non-compliant	Provide information on IT governance process	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 12.2			
<ol style="list-style-type: none"> 1. Company has in place an independent internal audit function 	Non-compliant	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The new Board and Management of LMG shall undertake to resolve the

that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.			non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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.	Non-compliant		The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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.	Non-compliant	Identify qualified independent executive or senior management personnel, if applicable.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant	Provide information on company's risk management function.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when	Non-compliant	Identify source of external technical support, if any.	The new Board and Management of LMG shall undertake to resolve the

such competence is not available internally.			non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Non-compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-compliant		The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant	Provide link to CEO and CAE's attestation	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Discussed under Shareholders' Rights and Protection of Minority Rights.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Non-compliant	Provide link to company's website	As previously explained, LMG is still working on the site.
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant		

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Provide information on all classes of shares, including their voting rights if any. One class - common shares DIS – Definitive Information Statement Statement on dissenters rights of minority shareholders	
3. Board has an effective, secure, and efficient voting system.	Compliant	Provide link to voting procedure. Indicate if voting is by poll or show of hands. Counting of Votes is done in accordance with the Rules of the Exchange. The ST Agent is present to attest to the one share-one vote policy.	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	Non-compliant	Provide information on shareholder voting mechanisms such as supermajority or “majority of minority”, if any.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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.	Non-compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Provide information or link/reference to the policies on treatment of minority shareholders The protection of the minority shareholders is stated in the revised Manual on Corporate Governance which clearly states that the Board adheres to the best practice on the treatment of minority stakeholders of the Corporation	

7. Company has a transparent and specific dividend policy.	Non-compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p>	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>Reyes Tacandong & Co. as Auditor with the Stock Transfer Agent of LMG.</p>	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p>Notice of Annual Stockholders Meeting under form 7-1 submitted on October 27, 2017</p> <p>Information Statement under 17-C and SEC form IS submitted November 16, 2017</p>	

Supplemental to Recommendation 13.2			
<p>1. Company's Notice of Annual Stockholders' Meeting contains the following information:</p> <p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p> <p>b. Auditors seeking appointment/re-appointment</p> <p>c. Proxy documents</p>	Compliant	<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting</p> <p>Information Statement under 17-C and SEC form IS submitted November 16, 2017</p> <p>Definitive IS – submitted November 24, 2017</p>	
Optional: Recommendation 13.2			
<p>1. Company provides rationale for the agenda items for the annual stockholders meeting</p>	Compliant	<p>Provide link or reference to the rationale for the agenda items.</p> <p>Information Statement under 17-C and SEC form IS submitted November 16, 2017</p> <p>Definitive IS – submitted November 24, 2017</p> <p>Notice of Annual Stockholders Meeting under form 7-1 submitted on October 27, 2017.</p>	
Recommendation 13.3			
<p>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.</p>	Compliant	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p>Disclosure on Results of ASM and Organizational Meeting Dated Dec 15, 2017</p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website</p>	Non-compliant	<p>Provide link to minutes of meeting in the company website.</p>	<p>As previously explained, LMG is still working on the site.</p>

within five business days from the end of the meeting.		Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll. Include whether there was opportunity to ask question and the answers given, if any	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting Disclosure on Results of ASM and Organizational Meeting Dated Dec 15, 2017	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Non-compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Non-compliant	Provide link/reference to where it is found in the Manual on Corporate Governance	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-compliant	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.

2. IRO is present at every shareholder's meeting.	Non-compliant	Indicate if the IRO was present during the ASM.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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Supplemental Recommendations to Principle 13

1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. There has been no such anti-takeover measures or similar devices avoided by the board.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	Indicate the company's public float. As per the Public Ownership Report filed with the PSE on April 5, 2018, the Public Float of LMG is 34.08%. This can be accessed at http://edge.pse.com.ph/openDiscViewer.do?edg_e_no=590ee24aaf67ffa243ca035510b6ec2b#sthas.h.YfVebWCs.dpbs .	

Optional: Principle 13

1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Non-compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Non-compliant	Disclose the process and procedure for secure electronic voting in absentia, if any.	The new Board and Management of LMG shall discuss this non-compliance.

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.	Non-compliant	Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Non-compliant	Identify policies and programs for the protection and fair treatment of company's stakeholders	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Non-compliant	Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights. Provide information on whistleblowing policy, practices and procedures for stakeholders	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Non-compliant	Provide information on the alternative dispute resolution system established by the company.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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	Compliant	Disclose any requests for exemption by the company and the reason for the request. None	

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.			
2. Company respects intellectual property rights.	Compliant	Provide specific instances, if any. None	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same. Policies under Manual on Corporate Governance; Definitive I.S. under Operational and business summary	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same. Annual Report; Financial Statements; disclosure on corporate best practices under the rules of corporate law and governance; manual.	
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	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	

		LMG's program for employees for 2017; annual APE and Team building.	
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	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p>LMG has no ESOP plan. However, the company gives merit increase and annual bonuses to all deserving employees for the year 2017.</p>	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	
3. Company has policies and practices on training and development of its employees.	Compliant	Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>Under the Code of Conduct, it is expressly stated that the policy on anti-corruption is strictly implemented and enforced to all employees regardless of status, rank or tenure.</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Identify how the board disseminated the policy and program to employees across the organization	

		Board committee members initiates the plan and structure for presentation subject to the approval of the Directors; Management enforces and implements the policies and programs as approved by the BOD.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy. Under the Code of Conduct, it is expressly stated that the policy on anti-corruption is strictly implemented and enforced to all employees regardless of status, rank or tenure.	
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	Non-compliant	Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees. Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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.	Non-compliant		The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Non-compliant	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual.
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.	Non-compliant	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual and CSR program.
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Non-compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual and CSR program.
2. Company exerts effort to interact positively with the communities in which it operates	Non-compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.	The new Board and Management of LMG shall undertake to resolve the non-compliance in line with the requisites of LMG's CG Manual and CSR program.

Pursuant to the requirements of the Securities Regulation Code, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IN WITNESS WHEREOF, the parties have hereunto set their hands on this ____ day of MAY 2018 in the City of _____.

For:
LMG CHEMICALS CORP.



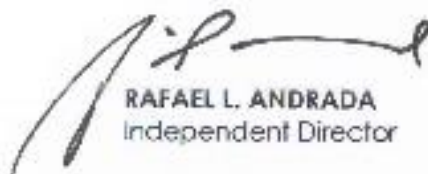
DOMINIC L. SYTIN
Chairman/ President



EDUARDO G. CASTELO
Corporate Secretary



RONALD IAN W. CHING
Compliance Officer



RAFAEL L. ANDRADA
Independent Director



JOSEPH C. TAN
Independent Director



SIXTO S. ESQUIVIAS IV
Independent Director

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in the City of Pasig on this _____ day of MAY 30 2018, 2018, came and appeared;

NAME	PASSPORT NO. / DRIVER'S LICENSE	DATE & PLACE OF ISSUE
DOMINIC L. SYTIN	EC2913462	DECEMBER 05, 2014 / DFA MANILA
EDUARDO G. CASTELO	EB906339	SEPTEMBER 04, 2013 / DFA NCR EAST
RONALD IAN W. CHING	P460809872	November 25, 2009 / USA
RAFAEL L. ANDRADA	P0849190A	November 04, 2016 / DFA NCR SOUTH
JOSEPH C. TAN	N16-75-013314	September 09, 2018 (EXPIRATION DATE)
SIXTO S. ESQUIVIAS IV	5802-0552B-LI655SSE10000 (VOTER'S ID)	

all known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is executed of their own free will and is their voluntary act and deed.

I hereby certify that the foregoing instrument refers to SEC- IACGR consisting of _____ (____) pages, including this page of acknowledgement, and that it is signed by the parties and their two instrumental witnesses on all the pages.

WITNESS MY HAND AND NOTARIAL SEAL

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Book No. I
Series of 2018.



Regine Marie A. Tumlos
REGINE MARIE A. TUMLOS
Notary Public for Pasig City
Commission No. 101 until December 2019
Roll of Attorneys No. 70110
PTR No. 3984153/1.23.2018/Pasig City
IBP No. 020642/1.4.2018 PPLM
12th Floor, East Tower, Philippine Stock Exchange Centre
Exchange Road, Ortigas Center, Pasig City