



**SEC FORM - I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended: December 31, 2019
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: 1006B WEST TOWER, PHILIPPINE STOCK EXCHANGE CENTRE, EXCHANGE ROAD, ORTIGAS CENTER, PASIG CITY, PHILIPPINES  
Postal Code: 1605
8. Issuer's telephone number: (632) 8636 6684
9. Former name, former address, and former fiscal year, if changed since last report:  
CHEMPHIL BUILDING, 851 ANTONIO ARNAIZ AVENUE, MAKATI CITY 1229

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

**EXPLANATION**

**COMPLIANT  
/ NON-  
COMPLIANT**

**ADDITIONAL INFORMATION**

**The Board's Governance Responsibilities**

**Principle 1:** The company should be headed by a competent, working board to foster the long-term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long-term best interests of its shareholders and other stakeholders.

**Recommendation 1.1**

1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:  1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
2. Board has an appropriate mix of competence and expertise.	Compliant	<i>Definitive Information Statement ("DIS") disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
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	2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance  <i>LMG 17-C Disclosure of Results of Organizational Meeting under PSE Form 4-25 submitted on 19 September 2019</i>	

**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	
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		LMG 17-C Disclosure of Result of Annual Stockholders Meeting under PSE Form 4-24 submitted on 19 September 2019; LMG's GIS filed on 18 October 2019; Certification of Independent Directors submitted with the DIS on 29 August 2019	
<b>Recommendation 1.3</b>			
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 Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/m anual on corporate governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/m anual on corporate governance.pdf</a>	
2. Company has an orientation program for first time directors.	Non-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.	This recommendation shall be taken into consideration and discussed in the next meeting of the Board of Directors.
3. Company has relevant annual continuing training for all directors.	Non-compliant		During the Board of Directors' Special Board Meeting held on 2 December 2019, the Board of Directors discussed that it shall attend seminars for the continuous training of directors scheduled for 2020.  In light of the declaration of a State of Public Health Emergency on 16 March 2020 and the placement of Metro Manila under Enhanced Community Quarantine from 17 March 2020 until 15 May 2020, the Corporation was not able to

			<p>participate in seminars and trainings scheduled during this period.</p> <p>The directors, however, are actively searching for training/s on corporate governance they can participate in.</p>
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p><i>LMG Manual on Corporate Governance filed on 31 May 2017</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p> <p>Indicate gender composition of the board.</p> <p><i>Per LMG's Amended GIS filed on 18 October 2019, the gender composition of the Board is 8 male members and 1 female member.</i></p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p><i>I-ACGR submitted on 30 May 2019</i>  <a href="https://www.lmg.ph/integrated-annual-corporate-governance-report-iacgr.html">https://www.lmg.ph/integrated-annual-corporate-governance-report-iacgr.html</a></p>	

**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	<i>LMG's Amended GIS filed on 18 October 2019 indicates that the company has a Corporate Secretary who is a different individual from the Compliance Officer. The Corporate Secretary is not a member of the Board of Directors.</i>	
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Non-compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.	<p>During the Board of Directors' Special Board Meeting held on 2 December 2019, the Board of Directors discussed that it shall attend seminars for the continuous training of directors scheduled for 2020.</p> <p>In light of the declaration of a State of Public Health Emergency on 16 March 2020 and the placement of Metro Manila under Enhanced Community Quarantine from 17 March 2020 until 15 May 2020, the Corporation was not able to participate in seminars and trainings scheduled during this period. The Corporation, however, is actively searching for training/s on corporate governance for its Corporate Secretary.</p>

**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.  <i>Preliminary Information Statement submitted on 14 August 2019; DIS disclosed on 29 August 2019; LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 s disclosed 19 September 2019.</i>	
<b>Recommendation 1.6</b>			
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	<i>Preliminary Information Statement submitted on 14 August 2019, DIS disclosed on 29 August 2019; LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 s disclosed 19 September 2019; LMG Manual on Corporate Governance filed on 31 May 2017.</i>	
3. Compliance Officer is not a member of the board.	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.	
4. Compliance Officer attends training/s on corporate governance.	Non-compliant		During the Board of Directors' Special Board Meeting held on 2 December 2019, the Board of Directors discussed that it shall attend seminars for the continuous training of directors scheduled for 2020.  In light of the declaration of a State of Public Health Emergency on 16 March 2020 and the placement of Metro Manila under Enhanced Community Quarantine from 17 March 2020 until 15 May 2020, the Corporation was not able to

			participate in seminars and trainings scheduled during this period. The Corporation, however, is actively searching for training/s on corporate governance for its Compliance Officer.
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**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).

*Manual of Corporate Governance filed on 31 May 2017; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 2 December 2019; LMG 17-C Disclosure of Notice of Annual Stockholders' Meeting under PSE Form 7-1 disclosed on 6 August 2019; LMG 17-C Disclosure of the Results of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG Disclosure of its 2018 Integrated Annual Corporate Governance Report for 2018 under PSE Form Disclosure Form I-ACGR disclosed on 30 May 2019; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 submitted 31 March 2020.*

**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	<p>Indicate frequency of review of business objectives and strategy.</p> <p><i>Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 2 December 2019; LMG 17-C Disclosure of Notice of Annual Stockholders' Meeting under PSE Form 7-1 disclosed on 6 August 2019; LMG 17-C Disclosure of Results of the Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 submitted 31 March 2020.</i></p>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p> <p><i>Amended Articles of Incorporation approved on 12 April 2019; Manual of Corporate Governance filed on 31 May 2017.</i></p>	<p>The Corporation filed its application to amend its Articles of Incorporation and By-Laws with the SEC on 20 April 2020 through e-mail. This was done in accordance with SEC Notice regarding Remote Filing of Monitoring Clearance For Amendments to Articles Of Incorporation And By-Laws dated 30 March 2020 and SEC Memorandum Circular No. 20, series of 2020 dated 20 March 2020.</p> <p>One of the proposed key changes in the Articles of Incorporation is to amend the primary purpose of the Corporation.</p>
2. Board has a strategy execution process that facilitates effective management performance and is	Compliant	Provide information on or link/reference to a document containing information on the strategy execution process.	

attuned to the company's business environment, and culture.		Manual of Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications.  <i>DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-compliant	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	The Corporate Governance Committee has prepared and is currently reviewing the draft Succession and Remuneration Policy for directors, key officers, and management.
2. Board adopts a policy on the retirement for directors and key officers.	Non-compliant		After the Tender Offer of LMG's shares in 2017, the Company was managed under a new set of directors and officers. Thus, the new Board of Directors has just only served for three (3) years.  Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.

<b>Recommendation 2.5</b>			
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 Corporate Governance Committee has prepared and is currently reviewing the draft Succession and Remuneration Policy for directors, key officers, and management.
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		
<b>Optional: Recommendation 2.5</b>			

1. Board approves the remuneration of senior executives.	Non-compliant	Provide proof of board approval.	The Corporate Governance Committee has prepared and is currently reviewing the draft remuneration and performance policy for directors, key officers, and management.
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 Corporate Governance Committee has prepared and is currently reviewing the draft remuneration and performance policy for directors, key officers, and management.
<b>Recommendation 2.6</b>			
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	<i>Manual of Corporate Governance filed on 31 May 2017</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board.	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant	<i>LMG's Manual of Corporate Governance filed on 31 May 2017</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's	Non-compliant		Based on the assessment of the Board of Directors, full compliance with this recommendation is currently

processes in the nomination, election or replacement of a director.		Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Non-compliant	None.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Non-compliant	Identify the professional search firm used or other external sources of candidates.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	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.  <i>Related Party Interest Committee Charter</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	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.	Compliant	N/A	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p><i>Related Party Interest Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a></p>	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant	Provide information on voting system, if any.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Recommendation 2.8</b>			

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.  <i>LMG's Manual of Corporate Governance filed on 31 May 2017</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>  Identify the Management team appointed  <i>LMG's GIS filed on 18 October 2019 indicates that Mr. Ronald Ian W. Ching was elected as the company's Compliance Officer and Mr. Rommel Sytin as its Chief Risk Officer.</i>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	Non-compliant	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.  Provide information on the assessment process and indicate frequency of assessment of performance.	The Board of Directors discussed during its the Special Meeting held on 2 December 2019 that the Corporate Governance Committee committed to circulate a Self-Assessment Form to be filled-up by each director. The Self-Assessment Form has been prepared by the Corporate Governance Committee and is now currently reviewing the same.
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	Non-compliant	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The Board of Directors discussed during its Special Meeting held on 2 December 2019 that the Corporate Governance Committee committed to circulate a Self-Assessment Form to be filled-up by each director. The Self-Assessment Form has been

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		prepared by the Corporate Governance Committee and is now currently reviewing the same.
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant	<i>Manual of Corporate Governance filed on 31 May 2017</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
3. Board approves the Internal Audit Charter.	Non-Compliant	Provide reference or link to the company's Internal Audit Charter	The Audit Committee has prepared and is now reviewing the Internal Audit Charter.
<b>Recommendation 2.11</b>			



1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	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.	The Board Risk Oversight Committee has prepared and is now reviewing the Enterprise Risk Management Framework.
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.	
<b>Recommendation 2.12</b>			
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.  <i>Manual of Corporate Governance filed on 31 May 2017</i>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	Non-compliant	Provide information on or link/reference to a document showing company's insider trading policy.	This recommendation shall be taken into consideration and discussed in the next meeting of the Board of Directors.
<b>Optional: Principle 2</b>			

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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	Indicate the types of decision requiring board of directors' approval and where there are disclosed.  <i>Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 19 March 2019;</i> <i>Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 2 December 2019.</i>	The results of the Board of Directors' meeting are available on the PSE Edge website.

**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.  <i>Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 31 March 2020;</i> <i>Manual of Corporate Governance filed on 31 May 2017; Committee Charters</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a>	
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<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p><i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 20 September 2018; Audit Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>Yes. It is expressly stated as one of the functions of the committee.</i></p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed on 18 October 2019</i></p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience	Compliant	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p>	

in the areas of accounting, auditing and finance.		LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Non-compliant	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Supplement to Recommendation 3.2</b>			
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.  <i>N/A. The external auditor of LMG does not perform non-audit services.</i>	
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.	<p>The External Auditor sends the draft Audited Financial Statements to the Audit Committee for its review. The Audit Committee, thereafter, reviews and endorses the Audited Financial Statements for approval to the Board of Directors.</p> <p>The Audited Financial Statements has been approved by the Board of Directors as shown in the disclosure below:</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e5f1f832ea2d37ce0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e5f1f832ea2d37ce0de8473cebbd6407</a></p>

<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.	Non-compliant	<p>Indicate the number of Audit Committee meetings during the year and provide proof.</p> <p><i>Minutes to be uploaded in the LMG Website once signed by the members of the Audit Committee.</i></p>	<p>The Audit Committee discussed the endorsement of the Audited Financial Statements of the LMG for 2019 on 30 March 2020.</p> <p>The Audit Committee met on 22 May 2020 to re-confirm the approval of the Audited Financial Statements of the LMG for 2019 as well as to endorse Reyes Tacandong &amp; Co. as the External Auditor of LMG for the financial year ending on 31 December 2020.</p>
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p><i>Audit Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p>	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	<p>Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions</p> <p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; Corporate Governance Committee Charter</i></p>	

		<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf</a>	
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.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed on 18 October 2019.</i>	
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.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed on 18 October 2019.</i>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	Non-compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	This recommendation shall be taken into consideration and discussed in the next meeting of the Board of Directors.
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19</i>	

		September 2019; Board Risk Oversight Committee Charter. <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf</a>	
2. BROCC 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 BROCC, including their qualifications and type of directorship.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed 18 October 2019.</i>	
3. The Chairman of the BROCC is not the Chairman of the Board or of any other committee.	Compliant	Provide information or link/reference to a document containing information on the Chairman of the BROCC  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed 18 October 2019.</i>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	Compliant	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROCC.  <i>DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19</i>	

		September 2019; Related Party Transactions Committee Charter. <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a>	
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.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG's GIS filed 18 October 2019.</i>	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	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.  <i>Audit Committee Charter, Related Party Transactions Committee Charter, Corporate Governance Committee Charter, Board Risk Oversight Committee Charter.</i>	During its Special Board of Directors' Meeting held on 30 March 2020, an Investment Committee was formed to review possible investment opportunities for the Corporation. The Investment Committee has yet to draft its Committee Charter.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf</a>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	Provide link to company's website where the Committee Charters are disclosed.	



		<p>Audit Committee Charter, Related Party Transactions Committee Charter, Corporate Governance Committee Charter, Board Risk Oversight Committee Charter.</p> <p><a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf</a></p> <p><a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a></p> <p><a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p> <p><a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/risk_oversight_committee_charter.pdf</a></p>	
<p><b>Principle 4:</b> 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.</p>			
<p><b>Recommendation 4.1</b></p>			
<p>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.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><i>LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 31 March 2020; LMG 17-C Disclosure of Notice of Annual Stockholders' Meeting under PSE Form 7-1 disclosed on 6 August 2019; LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 2 December 2019;</i></p>	

		<p>LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 19 March 2019; Manual of Corporate Governance filed on 31 May 2017; Audit Committee Charter, Related Party Transaction Committee Charter, Corporate Governance Committee Charter; Board Risk Oversight Committee Charter.</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors.</p> <p>LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 31 March 2020; LMG 17-C Disclosure of Notice of Annual Stockholders' Meeting under PSE Form 7-1 disclosed on 6 August 2019; LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 2 December 2019; LMG 17-C Disclosure of Special Board of Directors Meeting under PSE Form 4-30 disclosed on 19 March 2019.</p>	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and	Compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Manual of Corporate Governance filed on 31 May 2017</p>	

oversee the long-term strategy of the company.		Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies.  <i>DIS disclosed on 29 August 2020; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
<b>Recommendation 4.3</b>			
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.  <i>Certification of Independent Directors submitted with the DIS on 29 August 2019.</i>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<i>DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.; Certification of Independent Directors submitted with the DIS on 29 August 2019.</i>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<i>LMG's GIS filed on 18 October 2019.</i>	
3. Board of directors meet at least six times during the year.	Non-compliant	Indicate the number of board meetings during the year and provide proof.  1) 19 March 2019- Special Meeting of the Board of Directors <a href="https://edge.pse.com.ph/openDiscViewer">https://edge.pse.com.ph/openDiscViewer</a> .	Taking into account the size, structure, risk profile and nature of operations of the company, the Board of Directors meets only when urgent and important matters need to be resolved.

		<p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2e44f1c431754683efdfc15ec263a54d">do?edge_no=2e44f1c431754683efdfc15ec263a54d)</a></p> <p>2) 6 August 2019- Special Meeting of the Board of Directors <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=21d99e4b4156fad9efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=21d99e4b4156fad9efdfc15ec263a54d)</a></p> <p>3) 19 September 2019- Organizational Meeting of Board of Directors <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=a224c8391a1dcccccefdcf15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=a224c8391a1dcccccefdcf15ec263a54d)</a></p> <p>4) 2 December 2019- Special Meeting of the Board of Directors <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=4ee70c0f87944d1eefdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=4ee70c0f87944d1eefdfc15ec263a54d)</a></p>	
<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>Compliant</p>	<p>Indicate the required minimum quorum for board decisions</p> <p><i>Article III, Section 5 of LMG's Amended By-Laws dated 25 September 2012 provides that:</i></p> <p><i>5. QUORUM - A quorum at any meeting of the Directors shall consist of a majority of the entire membership of the Board as fixed in the Articles of Incorporation. A majority of such quorum shall decide any question that any matters in which the laws of the Philippines may require the affirmative</i></p>	

		vote of a greater proportion of the members except for the election of officers which shall require the vote of a majority of all the members of the Board.	
<b>Principle 5:</b> The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	Provide information or link/reference to a document containing information on the number of independent directors in the board.  <i>LMG's GIS filed on 18 October 2019</i>	
<b>Recommendation 5.2</b>			
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.  <i>Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020; Certification of Independent Directors disclosed with the DIS on 29 August 2019</i>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Provide link/reference to a document containing information that directors are not constrained to vote independently.  <i>LMG's Amended By-Laws dated 25 September 2012 and Amended Articles of Incorporation dated 12 April 2019.</i>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Provide information or link/reference to a document showing the years IDs have served as such.	The Company has not experienced any instance of any independent director holding board membership

		<p>Manual of Corporate Governance filed on 31 May 2017  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p>	for a cumulative term of nine (9) years.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director.</p> <p>Manual of Corporate Governance filed on 31 May 2017  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p>Manual of Corporate Governance filed on 31 May 2017  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p>	The Company has not experienced any instance of any independent director holding board membership for nine (9) years.
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer.</p> <p>LMG's GIS filed on 18 October 2019</p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Manual of Corporate Governance filed on 31 May 2017</p>	The Corporation filed its application to amend its Articles of Incorporation and By-Laws with the SEC on 20 April 2020. One of the amendments to the By-Laws is the separation of the duties and responsibilities of the

		<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a> Identify the relationship of Chairman and CEO.  None.	Chairman of the Board and President/Chief Executive Officer.
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.  <i>LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 disclosed on 19 September 2019</i>  Indicate if Chairman is independent.  <i>The Chairperson is not an Independent Director.</i>	The Board of Directors appointed Mr. Joseph Tan as the Lead Director among the independent directors during the Organizational Meeting held on 19 September 2019.
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Provide proof of abstention, if this was the case  <i>Manual of Corporate Governance filed on 31 May 2017</i>	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.
<b>Recommendation 5.7</b>			

1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-compliant	Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
2. The meetings are chaired by the lead independent director.	Non-compliant		This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.	Non-compliant	Provide name/s of company CEO for the past 2 years  <i>Robinson W. Siao- 2018-2020</i>	MR. Robinson W. Siao, who is a director, has been the CEO of the Corporation from 2018 to 2020.  Taking into account the size, structure, risk profile, and nature of operations of the company, the Board of Directors believes that Mr. Siao is qualified to lead the Corporation.
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	Non-compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees.	The Board of Directors discussed during its Special Meeting held on 2 December 2019 that the Corporate Governance Committee committed to circulate a Self-Assessment Form to be filled-up by each director. The Self-Assessment Form has been prepared by the Corporate
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		Governance Committee and is now currently reviewing the same.
4. Each committee conducts a self-assessment of its performance.	Non-compliant		
5. Every three years, the assessments are supported by an external facilitator.	Non-compliant	Identify the external facilitator and provide proof of use of an external facilitator.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	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  <i>Manual of Corporate Governance filed on 31 May 2017; Audit Committee Charter, Related Party Transactions Committee Charter, Corporate Governance Committee Charter, Board Risk Oversight Committee Charter.</i>	The Self-Assessment Form has been prepared by the Corporate Governance Committee and is now currently reviewing the same.
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/corporate_governance_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a>	

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**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.	Non-compliant	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
2. The Code is properly disseminated to the Board, senior management and employees.	Non-compliant	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
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.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.

**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.	Non-compliant	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
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**Recommendation 7.2**

1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
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2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Non-compliant	Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and 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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Supplement to Recommendations 8.1</b>			
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.  <i>Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020; Quarterly Report SEC Form 17-A under PSE Form 17-2 disclosed on 10 May 2019; Quarterly Report SEC Form 17-A under PSE Form 17-2 disclosed on 31 July 2019; Quarterly Report SEC Form 17-A under PSE Form 17-2 disclosed on 7 November 2019; Quarterly Report SEC Form 17-A under PSE Form 17-2 disclosed on 1 June 2020.</i>	
2. Company discloses in its annual report the principal risks associated	Compliant	Provide link or reference to the company's annual report where the following are disclosed:	

<p>with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>		<ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> <li>2. cross-holdings among company affiliates; and</li> <li>3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</li> </ol> <p><i>All the aforementioned items are disclosed in the Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i></p>	
<b>Recommendation 8.2</b>			
<ol style="list-style-type: none"> <li>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.</li> </ol>	<p>Non-compliant</p>	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>

<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>Non-compliant</p>		<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>
<p><b>Supplement to Recommendation 8.2</b></p>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>Compliant</p>	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p><i>Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 January 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 14 January 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 8 April 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 8 April 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 11 July 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 12 July 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 October 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 14 October 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 January 2020; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 14 January 2020.</i></p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>N/A</p>	

<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	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.  <i>Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020; DIS disclosed on 29 August 2019.</i>	
2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	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.  <i>DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	Disclose or provide link/reference to the company policy and practice for setting board remuneration.  <i>Board remuneration is disclosed in the Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	The Corporate Governance Committee is working on the draft remuneration and performance policy for directors, key officers and management.
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.  <i>Executive remuneration is disclosed in the Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	The Corporate Governance Committee is working on the draft remuneration and performance policy for directors, key officers and management.

3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><i>Board and executive remunerations are disclosed in the Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i></p>	The Corporate Governance Committee is working on the draft remuneration and performance policy for directors, key officers and management.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies.</p> <p><i>Related Party Transaction Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a></p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><i>N/A. There was no related-party transaction for the year 2019.</i></p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> </ol>	

		<p>6. terms of the transaction;</p> <p>7. rationale for entering into the transaction;</p> <p>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</p> <p>9. other terms and conditions</p>	
		N/A	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><i>Manual of Corporate Governance filed on 31 May 2017; Related Party Transaction Committee Charter</i>  <a href="https://www.img.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.img.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>  <a href="https://www.img.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf">https://www.img.ph/uploads/1/2/3/5/123552391/related_party_transaction_committee_charter.pdf</a></p>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	Compliant	<p>Provide link or reference where this is disclosed, if any</p> <p>N/A</p>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition	Compliant	<p>Provide link or reference where this is disclosed</p> <p><i>Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 January 2019; List of Top 100</i></p>	



<p>or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.</p>		<p>Stockholders under PSE Disclosure Form 17-12 disclosed on 14 January 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 8 April 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 8 April 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 11 July 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 12 July 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 October 2019; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 14 October 2019; Public Ownership Report under PSE Disclosure Form POR-1 disclosed on 14 January 2020; List of Top 100 Stockholders under PSE Disclosure Form 17-12 disclosed on 14 January 2020.</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>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>
<p><b>Supplement to Recommendation 8.6</b></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.	Compliant	Provide link or reference where these are disclosed.  <i>There were no agreements, confidentiality agreements, and such other agreements that may impact the control, ownership, and strategic direction of the company that were entered into in 2018.</i>	
<b>Recommendation 8.7</b>			
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.  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	Provide proof of submission.  <i>Updated Manual on Corporate Governance was filed on 31 May 2017</i>	
<b>Optional: Principle 8</b>			

<p>1. Does the company's Annual Report disclose the following information:</p> <ul style="list-style-type: none"> <li>a. Corporate Objectives</li> <li>b. Financial performance indicators</li> <li>c. Non-financial performance indicators</li> <li>d. Dividend Policy</li> <li>e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors</li> <li>f. Attendance details of each director in all directors meetings held during the year</li> <li>g. Total remuneration of each member of the board of directors</li> </ul>	Compliant	<p>Provide link or reference to the company's Annual Report containing the said information.</p> <p><i>Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i></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>	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><i>Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020 page 15.</i></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.	Non-compliant	Provide link or reference to where this is contained in the Annual Report.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Non-compliant	Provide link or reference to where this is contained in the Annual Report.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	Non-compliant	Provide link or reference to where these are contained in the Annual Report.	There are no major risks identified.

**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.	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.  <i>Audit Committee Charter</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a>	
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2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.  <i>Audit Committee Charter</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.  <i>A change in External Auditor, if applicable, will be reported in 17-A.</i>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Non-compliant	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on:  i. assessing the integrity and independence of external auditors;  ii. exercising effective oversight to review and monitor the external auditor's	Compliant	Provide link/reference to the company's Audit Committee Charter.  <i>Audit Committee Charter</i> <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a>	

<p>independence and objectivity; and</p> <p>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</p>			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter.</p> <p><i>Audit Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p>	
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter.</p> <p><i>Audit Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	Compliant	<p>Provide link/reference to the company's Audit Committee Charter.</p> <p><i>Audit Committee Charter</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/audit_committee_charter.pdf</a></p>	
<b>Recommendation 9.3</b>			

1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any.  <i>N/A. The external auditor of the Corporation does not perform non-audit services.</i>	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services.  <i>N/A. The external auditor of the Corporation does not perform non-audit services.</i>	
<b>Supplement to Recommendation 9.3</b>			
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.  <i>N/A. The external auditor of the Corporation does not perform non-audit services.</i>	
<b>Additional Recommendation to Principle 9</b>			
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:  <ol style="list-style-type: none"> <li>1. Name of the audit engagement partner;</li> <li>2. Accreditation number;</li> <li>3. Date Accredited;</li> <li>4. Expiry date of accreditation; and</li> <li>5. Name, address, contact number of the audit firm.</li> </ol> <i>External auditor:</i>	

		<p>Reyes Tacandong &amp; Co.</p> <p>Engagement partner: Joseph Bilangbilin</p> <p>Accreditation number: 0207-FR-3 (group A)</p> <p>Date Accredited: August 29, 2019</p> <p>Expiry of Accreditation: August 28, 2022</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"> <li>1. Date it was subjected to SOAR inspection, if subjected;</li> </ol> <p>None.</p> <ol style="list-style-type: none"> <li>2. Name of the Audit firm; and</li> </ol> <p>Reyes Tacandong &amp; Co.</p> <ol style="list-style-type: none"> <li>3. Members of the engagement team inspected by the SEC.</li> </ol> <p>None.</p>	



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

**Recommendation 10.1**

<p>1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.</p>	<p>Non-compliant</p>	<p>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p>	<p>The Corporate Governance Committee will draft Economic, Environmental, Social and Governance Policy.</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>Non-compliant</p>	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p>	<p>The Corporate Governance Committee will draft an Economic, Environmental, Social and Governance Policy.</p>

**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Non-compliant</p>	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>
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**Supplemental to Principle 11**

<p>1. Company has a website disclosing up-to-date information on the following:</p>	<p>Compliant</p>	<p>Provide link to company website.  <a href="https://www.lmg.ph/">https://www.lmg.ph/</a></p>	
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a. Financial statements/reports (latest quarterly)		(1) 2019 AFS and 2019 Annual Report  AFS: <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/lmg - afs 2019 .pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/lmg - afs 2019 .pdf</a>	
b. Materials provided in briefings to analysts and media		Annual Report: <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/sec form 17-a annual report 2019.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/sec form 17-a annual report 2019.pdf</a>	
c. Downloadable annual report		(2) Definitive Information Statement filed on 29 August 2019 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/definitive information statement dis aug 29 2019.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/definitive information statement dis aug 29 2019.pdf</a>	
d. Notice of ASM and/or SSM		(3) Amended Articles of Incorporation <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/amendments to articles of incorporation 2019-09-19.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/amendments to articles of incorporation 2019-09-19.pdf</a>	
e. Minutes of ASM and/or SSM		(4) Amended By-Laws <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/amendments to by-laws - march 31 2020.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/amendments to by-laws - march 31 2020.pdf</a>	
f. Company's Articles of Incorporation and By-Laws of			
<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	Compliant	<a href="https://www.lmg.ph/">https://www.lmg.ph/</a>	

**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**

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Non-compliant</p>	<p>List quality service programs for the internal audit functions.</p> <p>Indicate frequency of review of the internal control system.</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Non-compliant</p>	<p>Identify international framework used for Enterprise Risk Management.</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>The Board Risk Oversight Committee has prepared and is currently reviewing the Enterprise Risk Management Framework.</p>

**Supplement to Recommendations 12.1**

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Non-compliant</p>	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>
<p><b>Optional: Recommendation 12.1</b></p>			
<p>1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.</p>	<p>Non-compliant</p>	<p>Provide information on IT governance process</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.</p>
<p><b>Recommendation 12.2</b></p>			
<p>1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.</p>	<p>Non-compliant</p>	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p>	<p>Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile and nature of operations of the company.</p>
<p><b>Recommendation 12.3</b></p>			

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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
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		Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Recommendation 12.4</b>			
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 Board Risk Oversight Committee is currently drafting the Enterprise Risk Management Framework.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when	Non-compliant	Identify source of external technical support, if any.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into

such competence is not available internally.			account the size, structure, risk profile, and nature of operations of the company.
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.  <i>Rommel Sytin; DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<i>Rommel Sytin; DIS disclosed on 29 August 2019; Annual Report SEC Form 17-A under PSE Form 17-1 disclosed on 1 June 2020.</i>	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-compliant	Provide link to CEO and CAE's attestation	This recommendation shall be taken into consideration and discussed in the next meeting of the Board of Directors.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.  <i>LMG's Manual on Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></i>	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website <a href="https://www.lmg.ph/">https://www.lmg.ph/</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	LMG's Amended Articles of Incorporation dated 12 April 2019	
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.  LMG's Amended Articles of Incorporation dated 12 April 2019.	
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.  LMG's Amended By-Laws dated 25 September 2012	
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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution).  LMG's Amended By-Laws dated 25 September 2012	
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 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.	Compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p><i>LMG Manual on Corporate Governance filed on 31 May 2017</i>  <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <p>N/A</p>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p><i>Stock Transfer Service Inc.</i></p>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<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><i>The Notice and Agenda of the 2019 Annual Stockholders' Meeting was distributed on 14 August 2019 or thirty-six (36) days before the date of the 2018 Annual Stockholders' Meeting.</i></p>	



		<p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p><i>Not included in the Agenda</i></p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS).</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
<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>	Compliant	<p>Provide link or reference to the company's notice of Annual Shareholders' Meeting.</p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d</a></p>	
<b>Optional: Recommendation 13.2</b>			
<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><a href="https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edg_e_no=65bdca19a45b6494efdfc15ec263a54d</a></p>	
<b>Recommendation 13.3</b>			
<p>1. Board encourages active shareholder participation by making the result of the votes taken during</p>	Compliant	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special</p>	

<p>the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>		<p>meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><i>LMG 17-C Disclosure of Result of Annual Stockholders Meeting under PSE Form 4-24 submitted on 19 September 2019; LMG 17-C Disclosure of Result of Organizational Meeting under PSE Form 4-25 submitted on 19 September 2019.</i></p>	
<p>2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.</p>	<p>Non-compliant</p>	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any.</p>	<p>The Minutes were not finalized within five business days from the end of the meeting. The Corporate Secretary will endeavor to comply with this Recommendation for the next reporting year.</p> <p>The matters discussed during the Annual Stockholders' Meeting can be viewed at <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/results_of_annual_stockholders_meeting_-_september_19_2019.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/results_of_annual_stockholders_meeting_-_september_19_2019.pdf</a></p>
<p><b>Supplement to Recommendation 13.3</b></p>			
<p>1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.</p>	<p>Compliant</p>	<p>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting.</p> <p><i>The external auditor, Reyes Tacandong &amp; Co. was present during the ASM.</i></p>	
<p><b>Recommendation 13.4</b></p>			
<p>1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.</p>	<p>Compliant</p>	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes.</p> <p><i>LMG's Manual on Corporate Governance filed on 31 May 2017</i></p>	

		<a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	Provide link/reference to where it is found in the Manual on Corporate Governance.  LMG's Manual on Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a>	
<b>Recommendation 13.5</b>			
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	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile and nature of operations of the company.
2. IRO is present at every shareholder's meeting.	Non-compliant	Indicate if the IRO was present during the ASM.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile and nature of operations of the company.
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Non-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 that were avoided by the Board.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant	Indicate the company's public float.  As per the Public Ownership Report filed with the PSE on 14 January 2020 for the quarter ending 31	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.

		December 2019, the Public Float of LMG is 28.78%. This can be accessed at <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=dde7475bbb4fa3ff0de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=dde7475bbb4fa3ff0de8473ceb6407</a>	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Non-compliant	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
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.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	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.	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Recommendation 14.2</b>			
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	This recommendation shall be taken into consideration and shall be discussed in the next meeting of the Board of Directors.
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with	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	

<p>the company and to obtain redress for the violation of their rights.</p>		<p>their concerns and/or complaints for possible violation of their rights.</p> <p>Ronald Ian Ching, (02) 6870583, <a href="mailto:ianching@hotmail.com">ianching@hotmail.com</a></p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders.</p> <p>LMG's Manual on Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p>	
<b>Supplement to Recommendation 14.3</b>			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	Compliant	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p>LMG's Manual on Corporate Governance filed on 31 May 2017 <a href="https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf">https://www.lmg.ph/uploads/1/2/3/5/123552391/manual_on_corporate_governance.pdf</a></p>	
<b>Additional Recommendations to Principle 14</b>			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	Compliant	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p>None.</p>	
<p>2. Company respects intellectual property rights.</p>	Compliant	<p>Provide specific instances, if any.</p>	

		None.	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	Non-Compliant	Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Non-Compliant	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
<b>Recommendation 15.1</b>			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Non-compliant	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Non-compliant	Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.

2. Company has policies and practices on health, safety and welfare of its employees.	Non-compliant	Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
3. Company has policies and practices on training and development of its employees.	Non-Compliant	Disclose and provide information on policies and practices on training and development of employees.  Include information on any training conducted or attended.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Non-compliant	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Non-compliant	Identify how the board disseminated the policy and program to employees across the organization	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee	Non-compliant	Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently

involvement in offering, paying and receiving bribes.		Include any finding of violations of the company policy.	not urgently needed taking into account the size, structure, risk profile and nature of operations of the company.
<b>Recommendation 15.3</b>			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
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		Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
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.	Based on the assessment of the Board of Directors, full compliance with this recommendation is currently not urgently needed taking into account the size, structure, risk profile, and nature of operations of the company.
<b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
<b>Recommendation 16.1</b>			
1. Company recognizes and places importance on the interdependence between business and society, and	Non-compliant	Provide information or reference to a document containing information on the company's	The Corporate Governance Committee is preparing an



<p>promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>		<p>community involvement and environment-related programs.</p>	<p>Economic, Environmental, Social and Governance Policy.</p>
<p><b>Optional Principle 16</b></p>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>Non-compliant</p>	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	<p>The Corporate Governance Committee is preparing an Economic, Environmental, Social and Governance Policy.</p>
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>Non-compliant</p>	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p>	<p>The Corporate Governance Committee is preparing an Economic, Environmental, Social and Governance Policy.</p>

## ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)  
CITY OF **MANDALUYONG CITY**, S.S.

SUBSCRIBED AND SWORN to before me this **29 JUL 2020** in **MANDALUYONG CITY**, Philippines, affiants exhibiting to me their competent evidence of identity as follows:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE & PLACE OF ISSUE
ROBINSON W. SIAO	DRIVER'S LICENSE N04-88-070418	Valid until 29 September 2022
EDUARDO G. CASTELO	SENIOR CITIZEN ID NO. 39772	Issued on 12 January 2010
RONALD IAN W. CHING	PASSPORT NO. 460809872	Issued on 25 November 2009
RAFAEL L. ANDRADA	PASSPORT NO. P0849190A	Issued on 4 November 2016
JOSEPH C. TAN	DRIVER'S LICENSE N04-88-070418	Valid until 9 September 2023
SIXTO S. ESQUIVIAS	PASSPORT NO. P5965094A	Issued on 9 February 2018

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Book No.: I ;  
Series of 2020



*lum*  
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Roll of Attorneys No. 73293  
PTR No. 2978033/01.17.2020/Mandaluyong City  
IBP No. 10451201.08.2020/RSM

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 \_\_\_\_\_ 2020 in the City of \_\_\_\_\_.



**ANN MARIETTA L. SYTIN**  
Chairman of the Board of  
Directors



**ROBINSON W. SIAO**  
Chief Executive Officer and  
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**  
Independent Director