SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies' compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the "comply or explain" approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

B. Preparation of Report

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: **(1) "Recommendations"** – derived from the CG Code for PLCs; (2) **"Supplement to Recommendation"** – derived from the PSE CG Guidelines for Listed Companies; (3) **"Additional Recommendations"** – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and	The company shall **indicate compliance or non-compliance** with the recommended practice.	The company shall provide additional information to **support their compliance** with the recommended CG practice	The PLCs shall **provide the explanations for any non-compliance,** pursuant to the "comply or explain" approach. Please note that the explanation given should describe the non-compliance and include **how the overall Principle being recommended is still being achieved** by the company.

(4) **"Optional Recommendation"** – practices taken from the ASEAN Corporate Governance Scorecard ***Items under (1) – (3) must be answered/disclosed by the PLCs following the "comply or explain" approach. Answering of items under (4) are left to the discretion of PLCs.**			***"Not Applicable" or "None" shall not be considered as sufficient explanation**

C. Signature and Filing of the Report

a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **<u>on or before May 30 of the following year for every year that the company remains listed in the PSE;</u>**

b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **<u>original and manual</u>** signatures

c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.

d. The I-ACGR shall cover all relevant information from January to December of the given year.

e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.

SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **2019**

2. SEC Identification Number **PW-343** 3. BIR Tax Identification No. **121-145-650-000**

4. Exact name of issuer as specified in its charter **LT Group, Inc.**

5. ..**Philippines**..6. (SEC Use Only)
Province, Country or other jurisdiction of incorporation or organization
Industry Classification Code:

7. **11th Floor Unit 3, Bench Tower, 30th corner Rizal Dr., BGC Taguig City 1634**
Address of principal office Postal Code

8. **(632) 8816 3311 local 3453**
Issuer's telephone number, including area code

9. **N/A**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON-COMPLIANT	**ADDITIONAL INFORMATION**	**EXPLANATION**
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	Under III.G. (page 9) of LT Group, Inc.'s (the "Company" or "LTG") Revised Manual on Corporate Governance, the following are "minimum qualification requirements" for the appointment of a Board Director: 1. Holder of at least one thousand (1000) shares of stock of the Company; 2. Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry; 3. At least twenty-one (21) years of age; 4. Proven to possess integrity and probity; and 5. Have attended an annual seminar on corporate governance with a duly	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT		

		accredited or recognized private or government institution and submitted a copy of his/her certificate of attendance to the Compliance Officer which seminar shall not be less than four (4) hours. https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Likewise, a list of academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of the directors is uploaded in the Company website at https://ltg.com.ph/leadership/. Lucio C. Tan III, was elected last 17 December 2019, not yet expected to attend the seminar since he was only elected late last year. Other references: 2019 Definitive Information Statement (pages 5 to 11) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

		Nomination and Remuneration Committee Charter, Article 5.1 (page 4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf Board Committees > Nomination and Compensation https://ltg.com.ph/board-committees/ Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	The Company's Board consists of 11 members, 8 of whom are non-executive directors, namely: Carmen K. Tan, Harry C. Tan, Lucio K. Tan, Jr.+ *(deceased last 11 November 2019)*, (position filled by Lucio C. Tan III), Vivienne K. Tan, Florencia G. Tarriela, Wilfrido E. Sanchez, Johnip G. Cua and Mary G. Ng. The Company's Revised Manual on Corporate Governance requires that the Board consist of 11 members (As approved during the Annual Stockholders' Meeting	

		held last 08 May 2018), majority of whom must be Non-Executive Directors who possess the necessary qualifications to effectively participate and help secure objective, independent judgment on corporate affairs and to substantiate proper checks and balances. LTG Revised Manual on Corporate Governance Section III.F (page 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf The composition of the Board of Directors may likewise be viewed at https://ltg.com.ph/leadership/ Other references: Minutes of the Annual Stockholders' Meeting of LTG on 07 May 2019 - Section 7 Election of Directors (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf Amended By-Laws, Article 2 Sections 1 to 6 (pages 1 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	

Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	The Corporation's revised Manual on Corporate Governance provides that, "All new Directors are required to undergo an orientation program which will enable them to be informed of the Company's business, corporate structure, vision, mission and all other matters necessary for the effective performance of their duties and responsibilities. Directors are likewise required to undergo the annual training seminar on corporate governance even while the Corporate Secretary gives periodic updates on PSE/SEC Memorandum Circulars and other developments." Moreover, the Company provides trainings/seminars regarding developments in Tax and policies which might or will affect the conduct of business. For this matter, the Company, in conjunction with its subsidiaries' resource persons or experts in their respective fields, conducts trainings or exposures in law, taxes, sustainability initiatives and economic impacts of governmental actions." In 2019, all Directors and Key Officers of the Company attended a Corporate Governance	
2. Company has an orientation program for first time directors.	COMPLIANT		
3. Company has relevant annual continuing training for all directors.	COMPLIANT		

		training seminar hosted by credible SEC-accredited firm, SGV & Company, except for Mr. Lucio C. Tan III, who was only elected as member of the Board last 17 December 2019. Moving forward, he will likewise attend the Annual Corporate Governance Seminar, together with all the other directors. It is to be noted that Lucio C. Tan III was only elected as Director of the Company last 17 December 2019, justifying his lack of attendance of the annual corporate governance seminar Certificates of Attendance by LTG's Board of Directors https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Certificates.pdf LTG's Revised Manual on Corporate Governance, Section III.C (page 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	The Nomination and Compensation Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning. The Committee follows a set of qualifications in nominating individuals to be part of the Company. Aside from evaluating the qualifications of these individuals, women directors are likewise intentionally nominated and eventually elected as members of the Board to allow diverse beliefs and opinions and the free flow of ideas. They observe the policy of nominating individuals who are experienced and knowledgeable about the different sectors of the Group, such as banking, tobacco, liquor, real estate and beverage companies. In addition, the Committee considers not only the diverse work experience and education of the nominee, but willfully elects women directors with excellent work experience and expertise to the Board. https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf Articles 4 to 6 (pages 3 to 10)	

		In 2019, the Company has five (5) women directors, namely: Ms. Carmen K. Tan, Ms. Vivienne K. Tan, Ms. Florencia G. Tarriela, Ms. Juanita T. Tan Lee and Ms. Mary G. Ng. Gender aside, LTG's Board of Directors represent diversity in industry specialties and combined hundreds of years in business and technical experience. https://ltg.com.ph/leadership/ 2019 Definitive Information Statement (pages 5 to 11) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Amended By-Laws, Article II (pages 1 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf Nomination and Compensation Committee Charter Article 5.1 (pages 4 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf	

		2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	COMPLIANT	The Nomination Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning. They evaluate the qualifications of Directors, one of which is that he/she must be a holder of a "Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry". They observe the policy of nominating individuals who are experienced and knowledgeable about the different sectors of the Group, such as banking, tobacco, liquor, real estate and beverage companies. In addition, the Committee considers not only the diverse work experience and education of the nominee, but willfully elects women directors with excellent work experience and expertise to the Board. In 2019, the Company has five (5) women directors, namely: Ms. Carmen K. Tan, Ms. Vivienne K. Tan, Ms. Florencia G. Tarriela, Ms. Juanita T. Tan Lee and Ms. Mary G. Ng. They were carefully and thoughtfully selected based on their knowledge and expertise in their own fields.	

		https://ltg.com.ph/leadership/ Further, the Nomination and Compensation Committee Charter details Board representation, particularly a minimum four (4) of Independent Directors and a stricter requirement to appoint a Lead Independent Director in the event that BOD count exceeds 10 people. Nomination and Compensation Committee Charter Article 6 (pages 8 to 10) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	The Corporate Secretary of LTG must be a Filipino Citizen and resident of the Philippines, loyal to the mission, vision, and business objectives of the Company. The Corporate Secretary must (1) possess administrative and interpersonal skills and working knowledge of the Company's operations, (2) be aware of the laws, rules and regulations necessary in the performance of duties and responsibilities expected, and, (3) understand financial and accounting information. As provided under the Corporation's Revised Manual on Corporate Governance Section	

		VI.C.3, LTG's Corporate Secretary has the following functions: 1) Prepare, sign, and log the minutes of the meetings of the Board of Directors; 2) Oversee the delivery of legally required notices to members of Management, shareholders, third parties, state agencies, and others; 3) Inform the members of the Board, in accordance with the corporate By-Laws, of the Agenda of their meetings at least five (5) working days in advance and assist the Directors in obtaining timely and accurate corporate information to make sound business judgment and to perform their responsibilities and obligations; 4) Assist the President in preparing for and holding meetings of Management; 5) Keep abreast of relevant laws, regulations, all governance issues, relevant industry developments and operations of the Company, and advices the Board and the Chairman on all relevant issues as they arise; 6) Supervise the maintenance, preparation and submission of reports and other	

		documents to state agencies in accordance with applicable legislation; 7) Attend all Board meetings, except when justifiable causes, such as, but not limited to, illness, death in the immediate family and serious accidents, prevent her from doing so; 8) Maintain a record of the minutes of the meetings of the Board and its committees, as well as other official records of the Company; 9) Advice the Board regarding the establishment of board committees and their terms of reference; 10) Oversee the drafting of the By-laws and ensure that they conform with regulatory requirements; 11) Ensure that all Board procedures, rules and regulations are strictly followed by the members; 12) Work fairly and objectively with the Board of Directors, Management, stockholders and other stakeholders. LTG Revised Manual on Corporate Governance Section VI.C.3 (pages 25 to 26)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Other references: Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Executive Officers (Leadership > Executive Officers) Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings https://ltg.com.ph/leadership/ 2019 Amended Definitive Information Statement Section 5.B (page 11) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-LTG-Amended-Definitive-Information-Statement.pdf Amended By-Laws, Article IV.2.1 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	The Company's Compliance Officer performs all the duties and responsibilities of the said office provided for in the Company's Revised Manual on Corporate Governance,	

		and as Compliance Officer, distinct from the Corporate Secretary. LTG's Revised Manual on Corporate Governance, Section II.C.1 (page 2) stipulates that a Compliance Officer must be "separate and distinct" from the Corporate Secretary. LTG Revised Manual on Corporate Governance Section II.C.1 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Executive Officers (Leadership > Executive Officers) Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings https://ltg.com.ph/leadership/	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT	The Corporate Secretary is Atty. Ma. Cecilia L. Pesayco. She is not a member of LTG's Board of Directors. Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/	

		LTG Executive Officers (Leadership > Executive Officers) https://ltg.com.ph/leadership/ 2019 Amended Definitive Information Statement Section 5.B (page 11) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-LTG-Amended-Definitive-Information-Statement.pdf Amended By-Laws, Article IV.2.1 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	LTG's Revised Manual on Corporate Governance Section VI.C.3.2(e) details that a primary qualification of the Corporate Secretary is to keep abreast of relevant laws, regulations, all governance issuances, relevant industry developments and operations of the Company, and advises the Board and the Chairman on all relevant issues as they arise. This includes keeping updated with international best practices relating to governance and studying the applicability of such to corporate governance at LTG.	

		LTG Revised Manual on Corporate Governance Section VI.C.3.2(e) (page 26) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf The Corporate Secretary attended SEC-accredited Corporate Governance training session by accredited educator in corporate governance, SGV & Company held last 29 July 2019. Certificates of Attendance by LTG's Board of Directors and Executive Officers in the Corporate Governance seminar https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Certificates.pdf	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	The Company distributes the Meeting Agenda, which encapsulates each meeting's Board materials, at least five (5) working days before the scheduled Board meeting, per LTG's Revised Manual on Corporate Governance Section VI.C.3.2(c) as part of the responsibilities of the Corporate Secretary. https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	

Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Atty. Marivic T. Moya, the Company's Assistant Corporate Secretary, was elected as the Company's Compliance Officer during its Organizational Meeting held last 07 May 2019. She is not a member of the Board. Citing the Corporation's Revised Manual on Corporate Governance Section VI.C.4 (page 26-27), the Company shall appoint a Compliance Officer with the following qualifications: a. Hold the rank of Senior Vice President or an equivalent position with adequate stature and authority in the Company b. shall not be a member of the Board of Directors c. should attend an annual training on corporate governance LTG Revised Manual on Corporate Governance Section VI.C.4 (page 26-27) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		
3. Compliance Officer is not a member of the board.	COMPLIANT		

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Executive Officers (Leadership > Executive Officers) https://ltg.com.ph/leadership/	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	The Compliance Officer per LTG's Revised Manual on Corporate Governance Section VI.C.4(c) must attend annual training on corporate governance. LTG Revised Manual on Corporate Governance Section VI.C.4(c) (pages 26 to 27) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf The Compliance Officer attended SEC-accredited Corporate Governance training session by accredited educator in corporate governance, SGV & Company held 29 July 2019. Certificates of Attendance by LTG's Board of Directors and Executive Officers in the Corporate Governance seminar	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Certificates.pdf	
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	One of the basic functional descriptions of the Board of Directors, as provided under the Company's Revised Manual on Corporate Governance, Article III.B.4, is that they act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders. LTG Revised Manual on Corporate Governance Article III.B.4 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf The Company in its Code of Business Conduct and Ethics the values of integrity, excellence, transparency, trust, independence, loyalty, good corporate citizenry and social responsibility. The standards of professional and ethical conduct is expected of the Company's Directors, Officers and Employees. Moreover, the Directors are provided with board materials at least five (5) working days	

		before the date of the meeting. For ASMs, they receive, together with the stockholders, copies of the Notices, Agenda and materials for the meeting at least thirty (30) days prior to the date of the ASM. In 2019, the Board conducted twelve (12) meetings regularly attended by a majority of its members. The list of the Board attendance may be found in the Company's website under Governance > Board Committees and Governance > Others, as well as in page 30 of its Annual Report, available for viewing and download at www. ltg.com.ph LTG Revised Manual on Corporate Governance Article II.A (page 4-5) Corporate Code of Conduct https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Code of Business Conduct and Ethics Article II-III (pages 2 to 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf LTG Website (Company Policies > Code of Business Conduct and Ethics)	

		https://ltg.com.ph/code-of-business-conduct-ethics/ Other references: 2019 Definitive Information Statement, Annex A (pages 22 to 24) Enumerates the resolutions of the Board of Directors during its regular Board meetings https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	LTG's Board of Directors is tasked and bound to review, evaluate, monitor, and guide corporate strategy, major plans of actions, risk policy, annual budgets, and business plans periodically, in accordance with the Company's Revised Manual on Corporate Governance Article III.D. This covers the provision of sound strategic policies and guidelines and the periodic evaluation and monitoring of the implementation of said policies and guidelines. (Article III.B.2 and Article III.D.2) LTG Revised Manual on Corporate Governance Article III.B.2 and Article III.D.2 (pages 5 to 6)	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT		

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Definitive Information Statement, Annex A (pages 22 to 24) Enumerates some strategic decisions of the Board of Directors during its regular Board meetings https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	The Company's vision and mission statements are annually reviewed and approved by its Board of Directors, which states: The Company's Vision is to be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries while ensuring continuous benefits to its consumers, communities, employees, business partners, and shareholders. Anchored to its Vision, the Company commits to these mission statements:	

		1. To increase stockholder values through long-term growth in its major business groups. 2. To continuously improve the value of its products and services and to provide consumers with more and better choices. 3. To build the largest, most effective distribution network and widest customer reach in the Philippines. 4. To leverage on synergies between its various business to continuously improve revenues and cost structure. 5. To enhance the welfare of its employees and the communities where it lives and works. The latest reviews were made on 15 January 2019 and 17 January 2020. LTG Website (About > Our Company > Mission and Vision) https://ltg.com.ph/vision-and-mission/ 2019 LTG Annual Report (Inside Front Cover) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	LTG Board meetings are held monthly, and the respective Boards of the LTG's subsidiaries are active and functioning Boards. For this matter, some members of the Company's Board are likewise concurring Board members of its subsidiaries, including its Independent Directors. Since most of the directors are aware of the issues or needs of the respective subsidiaries, resolutions are readily accessible to the subsidiaries. The Company's Website at https://ltg.com.ph/leadership/ provides the credentials of its esteemed Directors showing their active directorships in various LTG subsidiaries, some affiliated companies and 3rd party public companies. Credentials of esteemed LTG Directors show active directorships in various LTG subsidiaries, some affiliated public companies, and 3rd party public companies https://ltg.com.ph/leadership/ 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

		Consequently, to aid the Board in the performance of its functions to oversee and monitor Management, as well as to ensure corporate efficiency and performance. LTG Organizational Chart https://ltg.com.ph/organizational-chart/ LTG Board Committees General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ LTG Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Audit and Risk Management Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Executive Committee Charter	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf LTG Corporate Governance Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf 2019 LTG Annual Report (pages 30 to 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf LTG Revised Manual on Corporate Governance Article IV (pages 16 to 23) Board Committees https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 2.3			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	The Company's Chairman is Dr. Lucio C. Tan. As Chairman, he manages and provides leadership of LTG's Board of Directors. Dr. Tan holds a Bachelor of Science degree in Chemical Engineering from Far Eastern University and was awarded the degree of Doctor of Philosophy, major in Commerce, by the University of Santo Tomas in 2003.	

		He is likewise an awardee of several other honorary Doctorate degrees. LTG Website Chairman's academic qualifications, industry knowledge, professional experience, expertise and relevant trainings https://ltg.com.ph/leadership/ 2019 LTG Annual Report (page 28) Corporate Governance Report > Board Composition > Chairman https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf LTG Revised Manual on Corporate Governance Article III.K (page 15) Chairman of the Board https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Definitive Information Statement, Item 5.a (page 5) Directors https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	

Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	The Company's By-Laws provide that the Board of Directors shall have the responsibility of electing all the officers. Accordingly, taking into consideration the principles of good corporate governance, the present members of the Board shall have discretion with respect to the succession of its officers. Amended By-Laws, Article II (pages 1 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf Moreover, the Nomination and Compensation Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning. LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	The Directors are chosen and nominated by the Nomination and Compensation Committee based on their qualifications, work experiences and expertise which are invaluable in the performance of their functions in the Board. For this reason, the Company does not deem it wise to set a retirement age for Directors. Article 4.1.3 of the Company's Nomination and Compensation Committee Charter provides that, in the determination of the number of directors to be nominated to the Board, the members of said Committee must be guided by the following guidelines: (i) the scope and nature of operations of the Corporation; (ii) Age of the director; and (iii) possible conflict of interest among the directors. Thus, developing circumstances by any specific director, whether resulting from	

		individual pursuits or driven by the Company, shall govern his or her eligibility to become part of the Board. This aside, Directors are annually elected by the shareholders in LTG's Stockholders' Meeting. LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17) Nomination and Remuneration Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board Agenda Item No. 4 (page 1) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf 2019 Minutes of Annual LTG Stockholders' Meeting Agenda Item No. 7 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-	

		Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf The Board of Directors exercise its oversight functions in appointing key officers to form part of Management. Article VI. B of the Company's Revised Corporate Governance Manual enumerates the policies, duties and responsibilities relevant to Executive officers. On the other hand, as in most of the Company's subsidiaries, 65 years is set as the retirement age of key executives. Nevertheless, their tenure may be extended when approved by the Board and the Stockholders. LTG Revised Manual on Corporate Governance Article VI.B to C (pages 24 to 29) The Management https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board Agenda Item No. 2 and 3 (pages 2 to 3) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf	

Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	To determine the remuneration of the CEO and the most highly compensated management officers in the Company, consideration is anchored on the set of skills they possess and their value to the Company. Article IV B. 3.1 to 8 of the Company's Revised Corporate Governance Manual lines up the duties and responsibilities of the Nomination and Compensation Committee. However, the subsidiaries, which are matured companies where salaries and remuneration processes are supervised and monitored by their respective Nomination and Remuneration Committees and vetted by their respective Corporate Governance Committees, have their respective salary structures and remuneration policies. The officers running the offices for said purpose are the most qualified professionals in the field. Moreover, the systems, policies and procedures are in accordance with best policies and practices in the industry. The Directors of the Company receive an allowance of P30,000.00 a month and a per diem of P25,000.00 for every Board meeting and P15,000.00 for every Committee meeting attended. Other than the stated allowance and the per diem of the Directors, no other standard arrangements are received	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		

		by the Directors of the Company as compensation, directly or indirectly, for any services provided as a Director, including any additional amounts payable for Committee participation or special assignments, for the last completed fiscal year and the ensuing year. Further, Article IV.B.3.4 of the Company's Revised Manual on Corporate Governance states that no Director shall be involved in discussions regarding his own remuneration. LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31)	

		Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	Article IV.B.3.6 of the Company's Revised Manual on Corporate Governance states that the Nomination and Compensation Committee shall designate such amount of remuneration as may be sufficiently attractive to engage and retain Directors and officers who are needed to run the Company successfully. LTG Revised Manual on Corporate Governance Article IV.B.3.6 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter Article 4.1.6 (page 4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/	

		2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	COMPLIANT	The Nomination and Compensation Committee primarily exists to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, to replace key executives and oversee succession planning. Duties of this committee include re-nominating director contribution and performance, establishing formal and transparent procedure for fixing remuneration packages of individual (but no director shall be involved in discussions regarding his own), as well as designating remuneration to retain people needed for the Company to run smoothly and successfully. (Article IV.B.3.3 to 5 of the Company's Revised Manual on Corporate Governance) The Company's Annual Financial Report (Form 17-A) discloses historical executive compensation information, as well as arrangements with the Board. The trend of both salaries and bonuses represent a trend	

		attributable to financial performance of LTG over a three-year period. LTG Revised Manual on Corporate Governance Articles IV.B.2 and IV.B.3.3 to 5 (pages 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter Article 4.1 (page 3) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) Part III.10 Control and Compensation Information > Executive Compensation (page 75)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf 2019 LTG Annual Report (page 32) Corporate Governance Report > Board Remuneration: Compensation of Directors and Executive Officers https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	The Nomination and Compensation Committee was established to ensure a formal and transparent Board nomination process, and to select, compensate, monitor and, when necessary, replace key executives and oversee succession planning. They evaluate the qualifications of Directors, one of which is that he/she must be a holder of a "Bachelor's degree or equivalent experience in managing the business as gained from the profession and/or industry". They observe the policy of nominating individuals who are experienced and knowledgeable about the different sectors of the Group, such as banking, tobacco, liquor, real estate and beverage companies. In addition, the Committee considers not only the diverse work experience and education of	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT		
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT		

		the nominee, but willfully elects women directors with excellent work experience and expertise to the Board.	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	One of the functions of the Nomination and Compensation Committee is to pre-qualify and shortlist candidates for election to the Board of Directors, including candidates for Independent Directors who shall constitute at least thirty (30%) of the members of the Board. In accordance with its charter, the Committee shall conduct the nomination of Directors prior to a stockholders' meeting. All recommendations for nomination shall be signed by the nominating stockholder with the acceptance and conformity of the nominee. LTG Revised Manual on Corporate Governance Article IV.B (pages 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter Article 4 to 5 (pages 3 to 8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf	

		LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	Article IV.B.3.2.1 of the Company's Revised Corporate Governance Manual, provides that the Committee may utilize the services of professional search firms or other external sources to search for qualified candidates to the Board. LTG Revised Manual on Corporate Governance Article IV.B.3.2.1 (page 16) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 2.7			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions	COMPLIANT	The Board has created a Related Party Transactions (RPT) Policy which authorizes its Audit and Risk Management Committee	

(RPTs) and other unusual or infrequently occurring transactions.		to handle the Board's oversight responsibility on RPTs (Article IV.2).	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	LTG's RPT Policy Article IV.2 to 9 stipulate that the Committee oversees the evaluation of RPTs that present the risk of potential abuse. It ensures that processes and approvals are conducted at arm's length basis and that sound and objective judgment is exercised in deciding for the best interest of the Company. The Committee is further responsible to review and endorse RPTs to the Board for its approval/notation. The shareholders are allowed to approve, disapprove or abstain from the related party transactions entered into by the Company. The shareholders issue voting instructions to the Company which are verified by the Corporate Secretary, together with the Company's Trust and Transfer Agent, during a meeting called for such purpose. LTG Related Party Transactions Policy Article IV Board and Senior Management Oversight (pages 5 to 7) https://ltg.com.ph/related-party-transactions-policy/ LTG Board Committees General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance	

		Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	The Policy Statement (Article I) of the RPT Policy provides that said Policy shall be observed by the Board of Directors, Management and staff of the Company, including its subsidiaries and affiliates. The Board is responsible in observing good governance and to ensure adoption of the policy that is adopted group-wide, but also in compliance with existing regulations (Article IV.1.1). LTG Related Party Transactions Policy Article I Policy Statement (page 2)	

		Article IV Board and Senior Management Oversight (pages 5 to 7) https://ltg.com.ph/related-party-transactions-policy/ LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Supplement to Recommendations 2.7			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered *de minimis* 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	Under the Company's RPT Policy, the materiality threshold is set at ten percent (10%) of the Company's total assets based on its latest audited financial statement – total consolidated assets. Transactions which exceed the materiality threshold shall be reviewed by the Audit and Risk Management Committee and endorsed to the Board for approval. LTG Related Party Transactions Policy Article I Policy Statement (page 2)	

		Article IV Board and Senior Management Oversight (pages 5 to 7) https://ltg.com.ph/related-party-transactions-policy/ LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	COMPLIANT	The Company acknowledges and respects the rights of non-related party shareholders to approve specific types of related party transactions during shareholders' meetings, should there be any. In 2019, there were no related party transactions which required the approval of the shareholders. LTG Related Party Transactions Policy https://ltg.com.ph/related-party-transactions-policy/	

		LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Under the Company's Revised Manual on Corporate Governance Article III.K.3 to 4, it was resolved that, to avoid doubt, the CEO shall not form part of Management but shall lead, in conjunction with the Board, the development of the Company's vision and strategy; and shall set the tone and position the Company's brand image. Moreover, the Board shall implement a process for the selection of members of the Board (including Non-Executive Directors) and executive officers to ensure an effective mix of competent Directors and Officers (Article III.D.1)	

		LTG Revised Manual on Corporate Governance Articles III.K.3-4 (page 15) and III.D.1 (page 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Amended By-Laws (Articles IX to XV) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Under the Company's Revised Manual on Corporate Governance, the Board shall effectively monitor Management's performance periodically. LTG Revised Manual on Corporate Governance Article III.B.2 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Management controls the Company's day-to-day operations based on the guidelines set by the shareholders and with the oversight of the Company's Board of Directors, the latter assisted by the Board Committees. In the discharge of its functions, Management must adhere to the Corporation Code of the Philippines, the Company's Articles of Incorporation and By-Laws, and the internal policies.	
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the	COMPLIANT		

standards set by the Board and Senior Management.		LTG Revised Manual on Corporate Governance Articles VI.A (page 24), III.B.2 (page 5) and III.D.3 and 9 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Moreover, the Company, as a conglomerate, has a centralized internal audit department that monitors, assesses and evaluates the operational efficiency and financial condition of the companies forming part of the conglomerate. Furthermore, the Company maintains its own Audit and Risk Management Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate. Also, the Board has reviewed the effectiveness of the internal control system and has expressed its satisfaction to its efficiency and sound operation during Board meetings. LTG Audit and Risk Management Committee Charter Article 4.1.3 (p4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Under the Company's Revised Manual on Corporate Governance, the Board is tasked to ensure that the Company has good internal control and information management systems that can provide an accurate, timely, and clear financial picture. There should be a continuing review of the internal control system in order to maintain its adequacy and effectiveness. LTG Revised Manual on Corporate Governance Article III.D.4 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Moreover, the Company, as a conglomerate, has a centralized internal audit department that monitors, assesses and evaluates the operational efficiency and financial condition of the companies forming part of the conglomerate. Furthermore, the Company maintains its own Audit and Risk Management Committee to review, assess and evaluate the work and performance of the internal audit department for the entire conglomerate. Also, the Board has reviewed the effectiveness of the internal control system and has expressed its satisfaction to its	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		

		efficiency and sound operation during Board meetings.	
3. Board approves the Internal Audit Charter.	COMPLIANT	The revised Internal Audit Charter was approved on 02 July 2019. LTG Internal Audit Charter https://ltg.com.ph/internal-audit-charter/	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	The Board of Directors exercises an oversight responsibility which includes, among others, ensuring that the Company is appropriately and effectively managed and controlled. It is assisted by the Audit and Risk Management Committee in ensuring the appropriate and effective management of the Company. Such Committee exercises oversight responsibilities with respect the financial reporting process, system of internal control, the management of financial risk, the audit process, among other things and likewise performs oversight functions over Management's activities in managing credit, market, liquidity, operational legal and other risks of the Company. The function shall include regular receipt from Management of information on risk exposures and risk management activities. LTG 's Enterprise Risk Management Policy	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT		

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Enterprise-Risk-Management-System.pdf LTG Audit and Risk Management Committee Charter Article 4.4 (page 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	The Board's duties and responsibilities are enumerated under Article III of the Company's Revised Manual on Corporate Governance. LTG Revised Manual on Corporate Governance Article III (pages 5 to 15) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	The Company observes and implements a policy on trading blackouts which covers directors, officers, advisers, consultants and employees who may have knowledge of material facts regarding matters which may affect the Company. Item 3.4 of the Company's Code of Business Conduct and Ethics, provides the blackout periods before the financials are disclosed to the public:	

		(1) for quarterly reports, two (2) weeks before disclosure; and (2) for the year-end financials, one month or thirty (30) days before disclosure. In the implementation of the policy, an email blast is sent to the necessary persons to inform them of the start and end of the blackout period with a reminder that they cannot trade on the Company's shares within said period. LTG Code of Business Conduct & Ethics Article 3.4 (pages 3 to 4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf	
Optional: Principle 2 **z**			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	All transactions involving directors of the LTG Board are governed by the company's RPT policy established to ensure integrity and transparency, and thus subject to corporate process. Such transactions must be done on arm's length basis (Article I). LTG Related Party Transactions Policy Article I Policy Statement (page 2) Article IV Board and Senior Management Oversight (pages 5 to 7)	

		https://ltg.com.ph/related-party-transactions-policy/	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	The Company immediately discloses material Board approvals through the Philippine Stock Exchange ("PSE") website and thereafter uploads the same disclosure in its website. LTG Material Transactions (Form 17-C) https://ltg.com.ph/material-information-and-transactions/ LTG Page in PSE Electronic Disclosure Registry https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12	
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	The Company's Revised Manual on Corporate Governance enumerates the different Board Committees and their functions. LTG Board Committees in the Company's website provides a general summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate	

		Governance Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ Nomination and Remuneration Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf Corporate Governance Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf Executive Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf Audit and Risk Management Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV (pages 16 to 23)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf 2019 LTG Annual Report (pages 30 to 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	The Board approved last 10 October 2017, the Audit and Risk Management Committee Charter enumerating its basic functions which include, among others: (i) regularly updating the Board about committee activities and making appropriate recommendations; and (2) assisting the Board in the performance of its oversight responsibilities for the financial reporting process, system of internal control, the	

		management of financial risk, the audit process. As provided in its charter, the Audit and Risk Management Committee also performs audit and risk oversight functions. As part of its Audit Oversight Functions, the Committee shall recommend to the Board the appointment, dismissal, replacement and re-appointment of the external auditors, duly accredited by the regulators (subject to stockholder ratification), based on fair and transparent criteria as provided in its Charter. The Company's Audit and Risk Management Committee is composed of five (5) appropriately qualified Directors in the persons of Johnip G. Cua, Lucio K. Tan, Jr.[+] (*deceased on 11 November 2019)*, Wilfrido E. Sanchez, Juanita T. Tan Lee and Florencia G. Tarriela, three (3) of whom, including the chairman, are Independent Directors. Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ Audit and Risk Management Committee Charter Article 4.1.3 (page 4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	

		LTG Revised Manual on Corporate Governance Article IV.C.2.1 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf 2019 LTG Annual Report (page 30) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	The Company's Audit and Risk Management Committee is composed of five (5) appropriately qualified Directors in the persons of Johnip G. Cua, Lucio K. Tan, Jr.+ (*deceased on 11 November 2019)*, Wilfrido E. Sanchez, Juanita T. Tan Lee and Florencia G. Tarriela, three (3) of whom, including the chairman, are Independent Directors.	

		LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/ Audit and Risk Management Committee Charter Article 2.1.1 and 3 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Certifications of LTG Independent Directors https://ltg.com.ph/certification-of-independent-directors/ Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/	

3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	The Audit and Risk Management Committee is composed of Johnip G. Cua, Chairman, Lucio K. Tan, Jr.+ (*deceased on 11 November 2019)*, Wilfrido E. Sanchez, Juanita T. Tan Lee and Florencia G. Tarriela, as members. Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/ Audit and Risk Management Committee Charter Article 2.1.2 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.1.3 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	The Company consolidated its Risk Oversight Committee with its Audit Committee hence, the Audit and Risk Management Committee. The Chairman thereof is Johnip G. Cua. He is not the	

		Chairman of the Board or of any other committee. LTG Revised Manual on Corporate Governance Article IV.C.1.4 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/ Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/ Audit and Risk Management Committee Charter Article 2.1.4 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/	

Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	As provided under its charter, the Audit and Risk Management Committee is tasked to evaluate and determine the non-audit work, if any, of the External Auditor, and review periodically the non-audit fees paid to the External Auditor in relation to their significance to the total annual income of the External Auditor and to the Corporation's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. The non-audit work, if allowed, shall be subject to the confirmation and approval of the Committee members and disclosed in the Corporation's annual report. Audit and Risk Management Committee Charter Article 4.2.2 (pages 4 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1 (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Audit Committee conducts regular meetings and dialogues with the external	COMPLIANT	Both the Company's Audit and Risk Management Committee Charter and Revised Corporate Governance Manual	

audit team without anyone from management present.		require the Audit and Risk Management Committee to meet with the External Auditors, without the presence of the Company's Management, at least annually to verify that the External Auditors act independently, and is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions. On 08 November 2019, the Audit and Risk Management Committee held an executive session with its External Auditors, SGV & Co., without the presence of anyone from Management. Audit and Risk Management Committee Charter Article 4.2.6 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1.d (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	While the Audit and Risk Management Committee is tasked to meet only at least every quarter, in 2019, the Committee held a	

		total of six (6) meetings during the following dates: 12 March 2019 07 May 2019 02 July 2019 09 August 2019 07 October 2019 08 November 2019 Audit and Risk Management Committee Charter Article 3.1 (page 3) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.2.2 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (page 30) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	Under the Audit and Risk Management Committee Charter, the Committee recommends, for approval of the Board, the appointment, dismissal and annual remuneration of the Chief Audit Executive.	

		The Audit and Risk Management Committee must regularly review and evaluate work performed by the CAE and Internal Audit function. Audit and Risk Management Committee Charter Article 4.2.19 (page 6-7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1 (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Part IV (E) of the Company's Revised Corporate Governance Manual provides the composition and qualifications of the Corporate Governance Committee which was established primarily to assist the Board of Directors in fulfilling its corporate governance responsibilities. The same Manual enumerates the duties and responsibilities of the Committee. The Committee has nominated Directors who are of renowned expertise in their respective fields.	

		LTG Board Committees (Corporate Governance Committee) https://ltg.com.ph/board-committees/ Respective qualifications of Corporate Governance committee members on LTG website https://ltg.com.ph/leadership/ Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ Corporate Governance Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.E (pages 22 to 23) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	COMPLIANT	The Corporate Governance Committee is composed of five (5) members, three of whom, including its Chairman, are Independent Directors. LTG Board Committees (Corporate Governance Committee) https://ltg.com.ph/board-committees/	

		2019 LTG Annual Report (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Certifications of LTG Independent Directors https://ltg.com.ph/certification-of-independent-directors/ Corporate Governance Committee Charter Article 2.1 (page 1) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.E.1 (page 22) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	The Chairman of the Corporate Governance Committee is Ms. Florencia G. Tarriela, an Independent Director. Certification of Independent Director (FGT)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2015-Oct-1.-Certification-of-Independent-Director-FGT.pdf Certifications of LTG Independent Directors https://ltg.com.ph/certification-of-independent-directors/ LTG Board Committees (Corporate Governance Committee) https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	In its pursuit of good corporate governance, the Company resolved that the Corporate Governance Committee shall meet at least twice a year or as often as necessary. Said provision is provided under the Company's Revised Manual on Corporate Governance.	

		In 2019, the Committee met thrice or on the following dates: 18 June 2019 02 July 2019 07 October 2019 Corporate Governance Committee Charter Article 4.1 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.E.2.1 (page 22) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Board Committees (Corporate Governance Committee) https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management	COMPLIANT	While a company should create a separate Board Risk and Oversight Committee (BROC) based on its size, risk profile and complexity of operations, the Company, as a	

system to ensure its functionality and effectiveness.		holding company with controlled activities, deemed it best to create the Audit and Risk Management Committee wherein the complimentary functions of Audit and Risk Management are merged together. Its functions are enumerated in the Company's Revised Corporate Governance Manual. Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ Audit and Risk Management Committee Charter Article 4.4 (page 7-8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.2 (page 19-20) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf 2019 LTG Annual Report (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	The Company has merged its Risk Committee with its Audit Committee, hence, the creation of the Audit and Risk Management Committee. The Committee is composed of 5 members with 3 Independent Directors. LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/ Audit and Risk Management Committee Charter Article 2.1.1 and 3 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	

		2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Certifications of LTG Independent Directors https://ltg.com.ph/certification-of-independent-directors/ Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	The Company consolidated its Risk Oversight Committee with its Audit Committee hence, the Audit and Risk Management Committee. The Chairman thereof is Mr. Johnip G. Cua. He is not the Chairman of the Board or of any other committee. LTG Revised Manual on Corporate Governance Article IV.C.1.4 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/	

		Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/ Audit and Risk Management Committee Charter Article 2.1.4 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	The Chairman of the Audit and Risk Management Committee has been in the industry for more than a decade which has allowed him to acquire sufficient experience on risk and risk management. His industry experience includes manufacturing banking, education and aviation, among others. His academic qualifications, industry knowledge, professional experience, expertise and relevant trainings may be viewed in the Company website.	

		LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/ Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	The Board has created a Related Party Transactions ("RPT") Policy which authorizes the Audit and Risk Management Committee to exercise oversight on RPTs. Under the RPT Policy, Article IV.2 of the Company's RPT Policy provides that the Audit and Risk Management Committee shall oversee the evaluation of RPTs that present the risk of potential abuse. It [shall] ensure that processes and approvals are conducted at arm's length basis and that sound and objective judgment is exercised in deciding for the best interest of the Company. The Audit and Risk Management Committee is further responsible to review and endorse RPTs to the Board for its approval/notation. Audit and Risk Management Committee Charter Article IV.2 (pages 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	

		LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Board Committees Audit and Risk Management Committee https://ltg.com.ph/board-committees/	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Since the functions of the recommended RPT Committee are lodged with the Audit and Risk Management Committee, the members are likewise the members the recommended Committee. The Audit and Risk Management Committee is composed of five (5) members, three of whom are independent, including its Chairman. LTG Board Committees (Audit and Risk Management Committee) https://ltg.com.ph/board-committees/ Audit and Risk Management Committee Charter Article 2.1.1 and 3 (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	

		LTG Revised Manual on Corporate Governance Article IV.C.1.2 (page 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Certifications of LTG Independent Directors https://ltg.com.ph/certification-of-independent-directors/ Respective qualifications of Audit and Risk Management Committee members on LTG website https://ltg.com.ph/leadership/	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	For a copy of the Company's different Committee Charters, please visit the Company's website. A copy of the Committee's respective Charters may be viewed and downloaded from their respective pages. LTG Board Committees General Summary of LTG's Executive Committee, Nomination and Compensation	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		

3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Committee, Corporate Governance Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ Nomination and Remuneration Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf Corporate Governance Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Corporate-Governance-Committee-Charter.pdf Executive Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Executive-Committee-Charter.pdf Audit and Risk Management Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
Recommendation 4.1			
1. The Directors attend and actively participate in all meetings of the Board,	COMPLIANT	The Board conducted twelve (12) meetings for each year, 2018 and 2019.	

Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.		Attendance and active participation of Directors in Board meetings, regular or special, are required per Article III.J of the Revised Manual on Corporate Governance. Attendance via teleconference is allowed. LTG Revised Manual on Corporate Governance Article III.J (page 14) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (pages 30 to 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	As part of the duties and responsibilities of the Office of the Corporate Secretary, as enumerated under Article VI.3.(3.2) (c) of the Company's Revised Corporate Governance Manual, the Board of Directors shall receive the Board materials at least five (5) days before the scheduled meeting, to allow them the opportunity to review the materials and be able to seek the necessary clarifications during the meeting, pursuant to their functions as such as provided under Article III.D.14 of the same Manual. LTG Revised Manual on Corporate Governance Articles VI.C.3.c (page 26) and III.D.14 (page 7)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	The Minutes of the Board Meetings detail events and discussions of each meeting, including questions raised by the directors and the answers given by the person tasked to report. These queries by the directors may be regarding the financial information, operation or general analysis of the company standing. The format of internally routed Minutes is similar to that of the Annual Stockholders' meeting. Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on May 7, 2019 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	For the past years, no Non-Executive Director has held more than five (5) publicly-listed companies. A list of the directorships of the company's directors in both listed and non-listed	

		companies, are provided on the company website and annual report. 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Respective qualifications of each Board member on LTG website https://ltg.com.ph/leadership/	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	As part of good corporate governance, the Company's directors notify the Board, as soon as practicable, directorships in another company they wish to accept. In 2019, no instance arose wherein the director was required to notify the Board since they do not have any intended directorship in another Company.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	The Company does not have executive directors serving more than two board outside the affiliated corporate group of LTG. 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

		Respective qualifications of each Board member on LTG website https://ltg.com.ph/leadership/	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	The Company schedules Board meetings every second (2nd) Tuesday of the month. The schedule may be subject to change as requested by, or depending on the availability of, the Directors.	
3. Board of directors meet at least six times during the year.	COMPLIANT	The Board conducted twelve (12) meetings for the year 2019. Attendance of each director is disclosed in Company Annual Report. 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	NON-COMPLIANT		The minimum quorum requirement for Board decisions is majority of the members of the Board, as indicated by Company By-Laws Article VIII.4.
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	The Company's Board is composed of 11 Directors, with 4 Independent Directors in the persons of Mr. Johnip G. Cua, Mr. Wilfridoo E. Sanchez, Ms. Florencia G. Tarriela and Ms. Mary G. Ng, in accordance	

		with the requirement under Article III I 1.2 of the Company's Revised Corporate Governance Manual. The number of Independent Directors compose 36% of the Board, higher than the one-third requirement. Board profiles on the Company website https://ltg.com.ph/leadership/ 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 1) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf LTG Revised Manual on Corporate Governance Article III.I.1.2 (page 12) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Article III.I of the Company's Revised Corporate Governance Manual enumerates the qualifications of the independent directors. None of the Independent Directors possess any disqualification to hold the position. LTG Revised Manual on Corporate Governance Article III.I (pages 12 to 14)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Amended By-Laws, Article II.3 to 6 (pages 2 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	The Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently. LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Amended By-Laws https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/LTG-Amended-By-Laws-2019.pdf	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	The Company's Revised Corporate Governance Manual Article III.I.1.2.1 provides that an Independent Director shall serve for a maximum cumulative term of nine (9) years reckoned from the year 2012.	

		As provided in the Company's Annual Report, Ms. Florencia G. Tarriela was first elected 09 August 2012 (7 years); Mr. Johnip G. Cua on 08 May 2018 (2 years); Mr. Wilfrido E. Sanchez on 31 July 2012 (7 years) and Ms. Mary G. Ng on 07 May 2019 (1 year). LTG Revised Manual on Corporate Governance Article III.I.1.2.1 (page 13) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Respective qualifications of Board members on LTG website https://ltg.com.ph/leadership/	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	The Company observes the term limit for Independent Directors, in accordance with SEC Memorandum Circular No. 9, Series of 2011. Art. III, (I) (2) of the Company's Revised Corporate Governance Manual provides that an Independent Director (ID) shall serve for a maximum cumulative term of nine (9)	

		years reckoned from the year 2012. And that, except as otherwise provided, the ID who shall have served the maximum term shall be perpetually barred from re-election as such in the Company. LTG Revised Manual on Corporate Governance Article III.I.1.2.1 (page 13) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Respective qualifications of Board members on LTG website https://ltg.com.ph/leadership/	
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	As of the year 2019, no Independent Director has reached the nine-year limit to serve as such. Article III.I.1.2.3 of the Company's Manual, provides that by way of exception to the bar from re-election after serving the maximum term, the ID may be re-elected as such, subject to the endorsement of the Nomination Committee and approval of the shareholders obtained during the Annual Shareholders' Meeting.	

		LTG Revised Manual on Corporate Governance Article III.I.1.2.3 (page 13) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf Respective qualifications of Board members on LTG website https://ltg.com.ph/leadership/	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	NON-COMPLIANT		The separate roles of the Chairman and CEO are clearly defined despite these positions being held by one and the same person. Dr. Lucio C. Tan. On the other hand, as CEO per Company By-Laws, the Chairman of the Board shall concurrently sit as CEO and shall be responsible for leading the development and execution of the Company's long term strategy with a view to creating shareholder value. The CEO, in LTG circumstances, shall not form part of Management and lead with the development of the Company's vision and strategy, as well as set the tone and position the brand image of the

			Company (Section III.K, Revised Corporate Governance Manual) LTG Revised Manual on Corporate Governance Article III.K (page 15) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	Despite one personality, Dr. Lucio C. Tan, holding Chairman and CEO positions in the Company, both roles are clearly defined. As Chairman, Dr. Tan shall manage and provide leadership of the Board of Directors. (Article III.K.1, Revised Manual on Corporate Governance). As CEO, Dr. Tan shall lead the development of the Company's vision and strategy and set the tone and position for the Company's brand image. (Article III.K.4) LTG Revised Manual on Corporate Governance Article III.K.1 and 4 (page 15) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	While the Chairman is not Independent, the Board, in accordance with Article III I 1.2 of the Company's Revised Corporate Governance Manual, is not required to	

		designate a lead director among the Independent Directors except when the Management of the Company exceeds ten (10) persons. LTG Revised Manual on Corporate Governance Article III.I.1.2 (page 13) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	For the past years, no Director has had any material interest in a transaction which would affect the Company. Nevertheless, the Company's RPT Policy would necessarily require him/her to abstain from taking part in any deliberation on the transaction. LTG Related Party Transactions Policy Article V.3.5 Conflict of Interest arising from RPTs (page 8) https://ltg.com.ph/related-party-transactions-policy/	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	The Audit and Risk Management Committee conducts meetings with the Company's external auditor and heads of the internal audit and without the presence of the executive officers.	

		On 08 November 2019, the Audit and Risk Management Committee conducted an executive session with SGV & Co. without the presence of any member from the Management.	
2. The meetings are chaired by the lead independent director.	COMPLIANT	The meetings are chaired by the Audit and Risk Management Committee Chairman, Mr. Johnip G. Cua, who is an independent director.	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	COMPLIANT	Dr. Lucio C. Tan has been the only CEO of the Company. Qualifications of Board members on LTG website https://ltg.com.ph/leadership/ 2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	Last July 20, 2020, in compliance with the recommendations of the Securities and Exchange Commission, the Company conducted the self-assessment evaluation procedure for its Board of Directors and the Committee members for the year 2019-2020.	
2. The Chairman conducts a self-assessment of his performance.			
3. The individual members conduct a self-assessment of their performance.			

4. Each committee conducts a self-assessment of its performance.	COMPLIANT	Since the Company has only recently implemented the recommended evaluation process for its Directors and Committee members, there is yet no need to engage the services of an external facilitator until the third year of compliance with this item.	
5. Every three years, the assessments are supported by an external facilitator.			
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	The Company has created a form to be filled out by the Chairman, Directors and all members of the Committee in the determination of their effective performance.	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The Company's Board allows for a feedback mechanism from the Shareholders during the Q&A session of the Annual Stockholders' Meeting. For easier access to the Company by the shareholders, and in compliance with the Company's Revised Manual on Corporate Governance, the Investor Relations Officer, whose contact details are available in the Company's website at https://ltg.com.ph/contact/, shall receive feedback, complaints, and queries from shareholders and covey the same to the proper department for the appropriate response.	
Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.			

Recommendation 7.1			
1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	The Company's Code of Business Conduct and Ethics, created for the purpose of setting out the standards of professional and ethical conduct expected of the Directors, Officers and the Employees of the Corporation, is uploaded in its website at https://ltg.com.ph/code-of-business-conduct-ethics/. Said Code complements the Company's Revised Corporate Governance Manual as well as the Securities and Exchange Commission ("SEC") Memorandum Circular No. 19, Series of 2016.	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	The Board, senior management and the employees were properly informed of the Code of Business Conduct and Ethics through (1) memoranda sent to officers; and (2) discussions during Board meetings.	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	The Company's Code of Business Conduct and Ethics is uploaded in its website at https://ltg.com.ph/code-of-business-conduct-ethics/.	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Under the Company's Code of Business Conduct and Ethics, uploaded in its website at https://ltg.com.ph/code-of-business-conduct-ethics/, it is provided that the Corporation does not condone any act of bribery or corruption of government officials in order to facilitate transactions or obtain favors. Moreover, its Revised Corporate Governance Manual likewise provide that	

		any person convicted by final judgment or order by a competent juridical or administrative body of an offense involving moral turpitude, fraud, embezzlement, theft, estafa, counterfeiting, misappropriation, forgery, bribery, false affirmation, perjury, or other fraudulent acts shall be permanently disqualified to be nominated/elected as a Director.	
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	To ensure strict compliance with the Company's Code of Business Conduct and Ethics, close monitoring is done by Management, together with the Company's Compliance Officer and Internal Audit. Periodic checks are also done by the Board and the Board Committees during their meetings. For all its Directors, Senior Management and employees, the Company adopts a policy of, among others, full and prompt disclosure for all cases of conflict of interest; it strictly requires the conduct of business and fair dealings; it highly discourages receipt of gifts from third parties that will tend to undermine the duties of the persons involved; and it highly encourages prompt conflict resolution. Further, to ensure its proper implementation and compliance, the Company disseminated the Code to all its employees, through	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		

		memoranda or otherwise. Violation of the provisions of the Code shall subject the violators to disciplinary actions, among others.	
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	The Company ensures the timely and immediate submission of necessary disclosures to regulatory agencies such as the Bureau of Internal Revenue (BIR), Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC). All disclosures made are immediately uploaded and made available on the Company website. To ensure the accuracy and timeliness of Company disclosures and reports, internal deadlines are set to allow such necessary disclosures and reports to course through and be approved by proper authorities. The Company likewise has an Investor Relations Officer whose contact details are made available in the Company website. The Board ensures that policies and procedures are adhered to by Management, through the internal controls. Finally, the external auditing process represents a verification process to stand as an	

		independent third party to intermediate the Company and Government-mandated standards. LTG Page in PSE Electronic Disclosure Registry https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12 LTG Investor Relations Program https://ltg.com.ph/investor-relation-program/ Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/ LTG Revised Manual on Corporate Governance Article IV Board Committees (pages 16 to 23) Article VI Management (pages 24 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Audit and Risk Management Committee Charter	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	The Company ensures to submit in a timely manner to regulatory bodies, and immediately thereafter make such available on Company website immediately upon acknowledged acceptance of its regulatory bodies: BIR, SEC, PSE. Internal deadlines ahead of schedule are set to ensure that disclosures and reports course through proper approval channels to balance accuracy and timeliness. LTG Page in PSE Electronic Disclosure Registry https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12 Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/	
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration;	COMPLIANT	The Company's Annual Financial Report (17-A) was prepared by the LTG Accounting Team, reviewed by both the internal audit team and the independent external auditor,	

cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.		endorsed to the Audit and Risk Management Committee and thereafter submitted to the Board for final approval. 2019 LTG Annual Financial Report (17-A) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf 2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	The Company's Revised Corporate Governance Manual, Article III.D.14.j, provides that a member of the Board of Directors is obligated to disclose or report to the Company any dealings in the Company's shares within three (3) business days. The Company has disclosed with the SEC and the PSE on 08 July 2019 and 30 August 2019 the changes in the shareholdings of its President, Mr. Michael G. Tan on 03 July 2019 and 29 August 2019, respectively. LTG Revised Manual on Corporate Governance Article III.D.14.j (page 8)	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT		

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	The shareholdings of directors and management are provided in the Company's Definitive Information Statement submitted to the Securities and Exchange Commission (SEC) and subsequently disclosed to the Philippine Stock Exchange (PSE). The Company's top 100 shareholders was likewise disclosed to the PSE. 2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2020 Announcement of LTG Share Buyback Program https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-March-10.-Material-Information.-Buy-Back-Program..pdf LTG Share Transactions and Public Ownership Report https://ltg.com.ph/ownership/	
Recommendation 8.3			

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	Directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended are made available in Company's website at https://ltg.com.ph/leadership/ Certification of Independent Directors https://ltg.com.ph/certification-of-independent-directors/	
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		
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	To determine the remuneration of the CEO and the most highly compensated management officers in the Company, consideration is basically anchored on the set of skills they possess and their value to the Company, per Article IV.B.3.1 to 8 of the Revised Manual on Corporate Governance. However, the subsidiaries, which are matured companies where salaries and remuneration processes are supervised and monitored by the respective Nomination and Remuneration Committees and vetted by the respective Corporate Governance Committees, have their respective salary structures and remuneration policies. The officers running the offices for said purpose are the most qualified professionals in the field. Moreover, the systems, policies and	

		procedures are in accordance with the best policies and practices in the industry. The Board members, on the other hand, receive a fixed allowance per month and a per diem for every meeting attended. LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	The Directors of the Company receive an allowance of P30,000.00 a month and a per diem of P25,000.00 for every Board meeting and P15,000.00 for every Committee meeting attended. Other than the stated allowance and the per diem of the Directors, no other standard arrangements are received by the Directors of the Company as compensation, directly or indirectly, for any services provided as a Director, including any additional amounts payable for Committee participation or special assignments, for the last completed fiscal year and the ensuing year. The allowance and per diems of Directors are disclosed in the Information Statement furnished to the stockholders before each Annual Shareholders' Meeting. Although the stockholders do not approve the total remuneration of the Board, any questions thereon may be raised during the Annual Shareholders' Meeting. LTG Revised Manual on Corporate Governance Article IV.B (page 16 to 17) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Nomination and Compensation Committee Charter	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Nomination-and-Compensation-Committee-Charter.pdf LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) Part III.10 Control and Compensation Information > Executive Compensation (page 74) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT		Page 74 of the Company's Annual Financial Report (17-A) provides a Summary Compensation Table for the highest paid officers of the Company and likewise enumerates the allowances and per diems received by its directors. 2019 LTG Annual Financial Report (Form 17-A) Part III.10

			Control and Compensation Information > Executive Compensation (page 74) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	The Company has established a Related Party Transactions Policy. Policy, wherein the Audit and Risk Management Committee shall have authority to exercise oversight functions over Related Party Transactions. These oversight functions include the Committee's duty of reviewing and passing upon related party transactions before they are elevated to the Board; and evaluating, on an ongoing basis, the existing relations between and among businesses and counterparties to ensure that all Related Parties are continuously identified, RPTs are monitored, and subsequent changes in relationships with counterparties, from non-related to related and vice versa, are captured. The materiality threshold is set at ten percent (10%) of the Company's total assets based on its latest audited financial statement – total assets based on its total consolidated assets. No conflict of interests was reported in the year 2019. LTG Related Party Transactions Policy	

		Article IV Board and Senior Management Oversight (pages 5 to 7) https://ltg.com.ph/related-party-transactions-policy/ LTG Board Committees General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	In the normal course of business, the Company and its subsidiaries transact with various related parties. Detailed disclosures are discussed in Note 22 of the Notes to Consolidated Financial Statements.	

		2019 LTG Annual Financial Report (17-A) Notes to the Financial Statements Note 22 (pages 106 to 107) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	Pursuant to Section 3.6 of the Company's Code of Business Conduct and Ethics, all directors and key officers shall disclose to the Board of Directors or to the Audit and Risk Management Committee, as the case may be, any material transaction or relation that would result in actual or potential conflict of interest, pursuant to Article VI policies and procedures given existence of a possible conflict of interest. Article VI of the Company's Related Party Transactions Policy provides for the guidelines/elements to deal with or avoid RPTs. LTG Related Party Transactions Policy Article VI General Policies and Procedures https://ltg.com.ph/related-party-transactions-policy/ LTG Board Committees General Summary of LTG's Executive Committee, Nomination and Compensation Committee, Corporate Governance	

		Committee, Audit and Risk Management Committee https://ltg.com.ph/board-committees/ LTG Audit and Risk Management Committee Charter Article 4.4 (pages 8 to 9) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.3 (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Code of Business Conduct and Ethics https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf	
Optional : Recommendation 8.5			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	The Company adheres to industry standards and practices. Hence, the transactions have been fairly evaluated and long term contracts have not been entered into. Without any long term supplier contracts, the Company is free	

		to source its desired material from any third-party suppliers should the need arise. Moreover, the Company ensures that all contracts entered or intended to be entered into are conducted fairly and at arm's length, as provided in its Related Party Transactions Policy. LTG Related Party Transactions Policy Article I Policy Statement (page 2) Article IV Board and Senior Management Oversight (pages 5 to 7) https://ltg.com.ph/related-party-transactions-policy/	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	All material facts or events necessitating disclosure to the PSE may be viewed and downloaded from the Company's website. Moreover, the Company's Revised Manual on Corporate Governance, Article IX on Disclosure and Transparency, provides that "In addition to the full disclosure policy of the Philippine Stock Exchange, the Board of Directors of the Company is committed to promoting timely, fair and transparent disclosures of material events affecting the Company." LTG Page in PSE Electronic Disclosure Registry	

		https://edge.pse.com.ph/companyDisclosures/form.do?cmpy_id=12 Corporate filings with the Philippine Stock Exchange (PSE) and Securities and Exchange Commission (SEC) https://ltg.com.ph/results-of-stockholder-meetings-and-organizational-meetings-of-board/ LTG Revised Manual on Corporate Governance Article IX (pages 20 to 21) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	General policy guidance of LTG's RPT Policy requires the Company to ensure that RPTs are transacted on arm's length basis: fair, under the best interest of the company, and at a price similarly offered to third parties. Given that price is of primary concern, Article VI.4.1 of the said Policy allows the hiring of an external independent party to evaluate the fairness of the transparent price. Accordingly, the Company may seek the evaluation of legitimate independent accredited institutions. It is important to note that] the subsidiary bank strictly implements an independent evaluation of its assets and, where necessary,	

		it conducts strict bidding to get the best value for its assets. LTG Related Party Transactions Policy Article VI.4.1 General Policies and Procedures (page 10) https://ltg.com.ph/related-party-transactions-policy/	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	At present, the Company does not have any shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact its control, ownership, and strategic direction.	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT		
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		
3. Company's MCG is posted on its company website.	COMPLIANT		
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	The Company has recently updated its Revised Manual on Corporate Governance last 11 February 2020, a copy thereof is	

		submitted to the SEC and uploaded in its website. LTG Revised Manual on Corporate Governance https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	COMPLIANT	The Company's vision and mission guide our corporate objectives: financial performance, economic, and societal contribution. LTG's Vision is to be a world-class conglomerate at the forefront of Philippine economic growth, successfully maintaining a strong presence and dominant position in key Philippine industries while ensuring continuous benefits to its consumers, communities, employees, business partners, and shareholders. Anchored to its Vision, the Company commits to these mission statements: 1. To increase stockholder values through long-term growth in its major business groups.	

		2. To continuously improve the value of its products and services and to provide consumers with more and better choices. 3. To build the largest, most effective distribution network and widest customer reach in the Philippines. 4. To leverage on synergies between its various business to continuously improve revenues and cost structure. 5. To enhance the welfare of its employees and the communities where it lives and works. The latest reviews were made on 15 January 2019 and 17 January 2020. LTG Website (About > Our Company > Mission and Vision) https://ltg.com.ph/vision-and-mission/ 2019 LTG Annual Report (Inside Front Cover) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
b. Financial performance indicators	COMPLIANT	2019 LTG Annual Report (page 2)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) pages 63 to 66 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
c. Non-financial performance indicators	COMPLIANT	2019 LTG Annual Report Sustainability Report (pages 133 to 152) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) Part I Business and General Information (pages 4 to 53) Sustainability Report (pages 280 to 342) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
d. Dividend Policy	COMPLIANT	2019 LTG Annual Report (page 35) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

		LTG Revised Manual on Corporate Governance Article VII.E (page 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	2019 LTG Annual Report (pages 28 to 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) pages 67 to 71 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf Respective profiles of LTG Board Directors on corporate website https://ltg.com.ph/leadership/	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	2019 LTG Annual Report (pages 30 to 31) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
g. Total remuneration of each member of the board of directors	NON-COMPLIANT		Page 74 of the Company's Annual Financial Report (17-A) provides a Summary

			Compensation Table for the highest paid officers of the Company and likewise enumerates the allowances and per diems received by its directors. 2019 LTG Annual Financial Report (Form 17-A) Part III.10 Control and Compensation Information > Executive Compensation (page 74) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	COMPLIANT	Page 139 of the Company's Annual Report provides that the Company's Corporate Governance Committee, together with its Compliance Officer and Corporate Secretary, ensure that the Company is able to consistently comply, and aim to go beyond compliance, with all conditions set by Philippine regulatory bodies and legislation, as well as international standards.	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	COMPLIANT	In the said report, it is provided that during board meetings, all its subsidiaries are well represented by their respective Chief Financial Officers and Chief Operating Officers who shall report on the operational results of each subsidiary. Thereafter, when there is no need for further clarifications, the Board approves the same. 2019 LTG Annual Report (page 30)	

		Audit and Risk Management Committee > Enumerated Committee Resolutions https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	COMPLIANT	2019 LTG Annual Financial Report (Form 17-A) page 80 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
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).	COMPLIANT	2019 LTG Annual Financial Report (Form 17-A) pages 25 to 35 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
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	Consistent with the Audit and Risk Management Charter Article 4.2, the Audit and Risk Management Committee exercises Audit Oversight Functions which include the recommendation to the Board the appointment, dismissal, replacement and re-appointment of the External Auditors, duly accredited by the regulators (subject to stockholders ratification), based on fair and transparent criteria such as, but not limited to, core values, culture and high regard for	

		excellence in audit quality and independence. The Committee also recommend the compensation of the external auditor in relation to the scope of its duties and all audit engagement fees and terms. Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
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	During the Company's Annual Stockholders' Meeting held last 07 May 2019, the stockholders confirmed and ratified all acts and resolutions of the Board of Directors and Management for the year ended 31 December 2018, which included, among others, the appointment of the Auditing firm SGV & Co. as external auditor for the year 2019-2020.	

		Audit and Risk Management Charter Article 4.2.1 to 2 serve as principal structure for the Audit Oversight Functions of the Committee. Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.1 (pages 18 to 19) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	The Company's Revised Manual on Corporate Governance Article V.B.2 provides that the resignation, dismissal, or cessation of engagement of an External Auditor shall be reported in the Company's annual report explaining in detail the reason/s for such move (e.g. disagreement on accounting principles and practices, financial statement disclosure, or auditing scope or procedure). In case of the removal of the External Auditor, the reasons for removal or change shall be disclosed to the regulators and the public through the Company website and required disclosures.	

		In 2019, no valid reason/s arose which would necessitate the removal or change of the external auditor. An external auditor tender process for 2019 was likewise conducted in 2018, in compliance with the Securities and Exchange Commission's (SEC) Code of Corporate Governance for Publicly Listed Companies in the Philippines, which require that the external auditor and/or auditing firm should be changed, or the lead and concurring partners be rotated every five (5) years or earlier. LTG Revised Manual on Corporate Governance Article V.B.2 (page 23) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG External Auditor Tender Process https://ltg.com.ph/tender-process-policy/ https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	In compliance with Rule 68 (3)(B)(ix) of the Securities Regulation Code, the Company's Revised Manual on Corporate Governance Article V.B.4 provides that the independent accounting firm or its handling partner shall be replaced every five (5) years or earlier.	

		Moreover, in its Charter Article 4.2.5, the Audit and Risk Management Committee's functions include ensuring that the rotation process of External Auditors or firms are observed and implemented. Audit and Risk Management Committee Charter Article 4.2.5 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article V.B.4 (page 22) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant	COMPLIANT	Article IV Section 2 of the Audit and Risk Management Committee Charter provides that the Committee's Audit Oversight function shall include, among others, (1) discussing with the External Auditor, prior to the commencement of the audit, the nature, scope and expenses of the audit, and ensuring the proper coordination if more than one audit firm is involved in the activity to secure proper coverage and minimize duplication of efforts; (2) considering the independence and effectivity of the External Auditor, including reviewing the range of services provided in	

Philippine professional and regulatory requirements.		the context of all consulting services bought by the Company; (3) meeting with the External Auditors, without the presence of the Company's Management, at least annually to verify that the External Auditors act independently, and is given unrestricted access to all records, properties and personnel to enable it to perform its audit functions; and (4) evaluating and determining the non-audit work, if any, of the External Auditor, and the periodic review of the non-audit fees paid to them in relation to their significance to the total annual income of the latter and to the Company's overall consultancy expenses. The Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. In 2018, the Company has started to implement its policy on External Auditor Tender Process which includes the provision for periodic assessment of the performance of external auditor. The results of the tender process were made applicable for the year 2019. Audit and Risk Management Committee Charter Article 4.2 (page 4 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT		

		LTG Revised Manual on Corporate Governance Article IV.C.3 (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG External Auditor Tender Process https://ltg.com.ph/tender-process-policy/ https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	The Audit and Risk Management Committee ensures that its external auditor has adequate quality control procedures. It shall recommend to the Board, per its Charter Article 4.2, the appointment, dismissal, replacement and re-appointment of the External Auditor on the basis of core values for audit quality excellence, technical competence, independence, effectivity of process, and reliability of audit reports. Such procedures are mandated by the Committee to be reported by its External Auditors during the Committee meetings. The Company started to implement its Policy on External Auditor Tender Process in 2018, which includes the provision for periodic assessment of the performance of external	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT		

		auditor. The results of the tender process were made applicable for the year 2019. Audit and Risk Management Committee Charter Article 4.2.2 (page 4 to 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.e (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG External Auditor Tender Process Evaluation Criteria (page 3) https://ltg.com.ph/tender-process-policy/ https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/External-Auditor-Tender-Process-Policy.pdf	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	By virtue of its Charter (Article 4.2.9) and Revised Manual on Corporate Governance (Article IV.C.3.g), the Committee shall disallow any non-audit work that will conflict with the duties of the External Auditor or may pose a threat to its independence. The Committee is obligated to disclose, if allowed, matters relating to the non-audit services performed by the External Auditor.	

		The non-audit services is disclosed on Item 7.c (page 16) of the Company's Amended Definitive Information Statement. Audit and Risk Management Committee Charter Article 4.2.9 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.g (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Definitive Information Statement Item 7.c Information on Independent Accountant and other Related Matters > All Other Fees (page 16) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
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	The Committee keeps itself up to date for any potential conflict of interest situations which could be viewed as impairing the external auditor's objectivity (Audit and Risk Management Committee Charter Article 4.2.4). The external auditors are mandated to confirm their independence every year.	

		Audit and Risk Management Committee Charter Article 4.2.4 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Revised Manual on Corporate Governance Article IV.C.3.c (page 18) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	A computation of the audit and non-audit fees paid to the External Auditors is disclosed on Item 7a and 7c, pages 15 to 16 of the Company's Amended Definitive Information Statement. Moreover, the Annual Report, under the heading 'External Auditor', provides information on audit fees paid to the External Auditors. 2019 Definitive Information Statement Item 7 Information on Independent Accountant and other Related Matters https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2019 LTG Annual Report (page 32)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	The Company's external auditor is Sycip Gorres Velayo & Co. (SGV & Co.) with office address at 6760 Ayala Avenue, Makati City, 1226 Metro Manila, Philippines Martin C. Guantes Partner-In-Charge CPA Certificate No. 88494 SEC Accreditation No. 0325-AR-4 (Group A), 23 August 2018, valid until 22 August 2021 Tax Identification No. 152-884-272 BIR Accreditation No. 08-001998-52-2018, 26 February 2018, valid until 25 February 2021 PTR No. 8125242, 07 January 2020, Makati City	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	SGV & Co. was subjected to SOAR inspection on 12-23 November 2018. The names of the members of the engagement team were provided by SGV & Co. to the SEC during the SOAR inspection.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	The Company established its Sustainability Reporting Framework in 2019 and prepared its first Sustainability Report for 2019 which was approved by the Board on March 10, 2020. 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/ 2019 Sustainability Report, as attached to the Company's Annual Report 17A (pages 280 to 342) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	The Company's Sustainability Report is prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, and the sustainability reporting guide provided by the Philippine SEC in Memorandum Circular No. 4, series of 2019. The report is also aligned to the 17 United Nations (UN) Sustainable Development Goals (SDGs). 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	

		2019 Sustainability Report, as attached to the Company's Annual Report 17A (pages 280 to 342) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	In 2019, the Company conducted four (4) analysts' briefings for Full Year 2019 Results, First Quarter 2019 results, First Half 2019 Results and Nine (9) Months 2019 Results. The briefing for Full Year 2019 Results was scheduled for 19 March 2020, but postponed indefinitely due to the enhanced community lockdown imposed by the Philippine government. LTG disclosed the schedule of these briefings to the PSE at least a week before the briefing date. These were attended by analysts from different brokerages and local funds. Regular press releases are disclosed to the PSE and SEC and distributed to the media, on quarterly and annual earnings results as well as events that may have a significant impact on the operations of the Company and its subsidiaries.	

		LTG Investor Relations Program https://ltg.com.ph/investor-relation-program/ Company Notices of Analysts' Briefing https://ltg.com.ph/notice-of-analyst-briefing/	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		For further details on the documents, please visit:	
a. Financial statements/reports (latest quarterly)	COMPLIANT	Financial Reports (17-Q) https://ltg.com.ph/financial-reports-2/	
b. Materials provided in briefings to analysts and media	COMPLIANT	LTG Notices of Analysts' Briefing https://ltg.com.ph/notice-of-analyst-briefing/ Presentation Materials of LTG Analysts' Briefings https://ltg.com.ph/presentations/ President's Reports of LTG Analysts' Briefings https://ltg.com.ph/presidents-reports/ Press Releases Related to LTG Analysts' Briefings https://ltg.com.ph/news/	
c. Downloadable annual report	COMPLIANT	Historical Annual Reports https://ltg.com.ph/annual-reports/	

		Historical Annual Financial Reports (17-A) https://ltg.com.ph/financial-reports-2/	
d. Notice of ASM and/or SSM	COMPLIANT	Notices of Annual Stockholders' Meeting https://ltg.com.ph/notice-of-assm/	
e. Minutes of ASM and/or SSM	COMPLIANT	Minutes of Annual Stockholders' Meeting https://ltg.com.ph/minutes-of-stockholders-meeting/	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	Articles on Incorporation and Amended By-Laws https://ltg.com.ph/ariticles-of-incorporation/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	Please visit the Company website at https://ltg.com.ph/.	

Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	The Company's Revised Manual on Corporate Governance provides that the Board, as part of its primary duties and responsibilities (Article III.D.4) shall ensure that the Company has good internal control and information management systems that can provide accurate, timely, and clear financial picture. There should be a continuing review of the internal control system in order to maintain its adequacy and effectiveness. The review of the internal controls of the Company shall be conducted at least annually and the Audit and Risk Management Committee shall review, assess and evaluate the work and performance of the Internal Audit. LTG Revised Manual on Corporate Governance Article III.D (page 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Audit and Risk Management Committee Charter Article 1 (page 2)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	The Company has its enterprise risk management framework which includes the identification of risks the Company currently faces, and risk management activities and processes. Enterprise Risk Management Policy https://ltg.com.ph/enterprise-risk-management/	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	One of the basic functions of the Audit and Risk Management Committee, as provided by Article 4.1.6 of its Charter, is to oversee the compliance programs across all businesses and ensure compliance issues are addressed by the Senior Management and/or the respective Board of the company subsidiaries/affiliates on a timely basis. Audit and Risk Management Committee Charter Article 4.1.6 (page 4) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key	COMPLIANT	The Company requests IT services from its subsidiaries whenever necessary. The subsidiaries' IT department shall be	

risks are identified, managed and reported to the board.		responsible to ensure that all data and information of the Company is not leaked or otherwise prejudiced. The Company also has a Data Privacy Policy to ensure standard treatment and protection of company, employee, and customer data. Audit and Risk Management Committee Charter Article 4.2.7 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Data Privacy Policy https://ltg.com.ph/data-privacy-policy/	
Recommendation 12.2			
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.	COMPLIANT	The Company has an internal audit department headed by its Chief Audit Executive (CAE) who is in-charge of the Group's internal audit function. Revised Corporate Governance Manual Article VI.C.5 Chief Audit Executive https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Company's Revised Corporate Governance Manual Article VI(C)(5)	

		provides that the functions of the CAE include, among others, the establishment of a risk-based internal audit plan, including policies and procedures, to determine the priorities of the internal audit activity, which should be consistent with the organization's goals and the spearheading of the performance of the internal audit activity to ensure it adds value to the organization. CAE Profile on Company Website Executive Officers https://ltg.com.ph/leadership/ Revised Corporate Governance Manual Article VI.C.5 Chief Audit Executive https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board (page 2) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf 2019 Definitive Information Statement Item 5.b (page 12) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	The Internal Audit activity of the Company is governed by the Internal Audit Charter which covers the functions and the responsibility of the CAE including the outsourced services from third party providers, if any. Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Revised Manual on Corporate Governance Article VI.C.5 (page 28) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Audit and Risk Management Committee Charter Article 4.2 (pages 4 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf LTG Internal Audit Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is	COMPLIANT	The Company has a centralized internal audit function covering the audit of the Company and its subsidiaries except PNB which has its own internal audit. The internal audit	

assigned the responsibility for managing the fully outsourced internal audit activity.		functionally reports to the Company's Audit and Risk Management Committee and the respective subsidiaries' Audit Committee (except PNB). Moreover, in case of a fully outsourced internal audit activity, the Company's Internal Audit Charter includes Guidelines for Outsourcing Internal Audit Activities to External Experts which provides that: "The CAE shall ensure that the knowledge or inputs from the outsourced experts shall be assimilated into the Company to the greatest extent possible" "The CAE should review the work of external service providers to evaluate the adequacy of work performed and the sufficiency of information obtained to afford a reasonable basis for the conclusions reached and the resolution of exceptions or other unusual matters." LTG Internal Audit Charter https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/04/LTG-Internal-Audit-Charter-2018.pdf Audit and Risk Management Committee Charter	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf Corporate Organizational Chart & Corporate Structure https://ltg.com.ph/organizational-chart/ LTG Revised Manual on Corporate Governance Article VI.C.5 (page 28) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	The Company has its Audit and Risk Management Committee who exercises the functions of identifying, assessing, and monitoring key risk exposures. Audit and Risk Management Committee Charter Article 4.5 Risk Oversight Function (pages 7 to 8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/Audit-and-Risk-Management-Committee-Charter.pdf Enterprise Risk Management Policy https://ltg.com.ph/enterprise-risk-management/	

Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	There has been no instance where the Company was compelled to seek external technical support in risk management. The Company maintains that its Audit and Risk Management Committee, with the implementation of its Chief Risk Officer, effectively implements its Enterprise Risk Management Policy. Enterprise Risk Management Policy https://ltg.com.ph/enterprise-risk-management/	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	The Company appointed Mr. Jose Gabriel D. Olives as its Chief Risk Officer (CRO) last 09 July 2019. CRO Profile on Company Website Executive Officers https://ltg.com.ph/leadership/ LTG Revised Manual on Corporate Governance Article VI.c.6 (page 28) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	CRO Profile on Company Website Executive Officers https://ltg.com.ph/leadership/	

Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	The CAE attests in writing, through its Annual Report on the Internal Control Environment of the Company annually to be approved by the Audit and Risk Management Committee and endorsed to the Board, that the Company has a satisfactory internal control and compliance with policies, procedures and regulations with opportunities for further improvements particularly in areas of documentation on policies and procedures such as the recent requirements on non-financial reporting. This attestation was based on the performed activities of the Internal Audit and the outcome of reviews undertaken by the external reviewer, SGV & Co.	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	LTG Revised Manual on Corporate Governance Article VII The Shareholders (pages 29 to 33) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	

2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Shareholder rights are included in the Company's Revised Manual on Corporate Governance. LTG Revised Manual on Corporate Governance Article VII The Shareholders (pages 29 to 33) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT	Part VII (B) of the Company's Revised Manual on Corporate Governance provides that for the election of directors, the stockholder may vote such number of shares for as many persons as there are directors to be elected, or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected, or he may distribute them on the same principle among as many candidates as he shall see fit; provided the total number of votes cast by him shall not exceed the number of shares owned by him multiplied by the number of directors to be elected. LTG Revised Manual on Corporate Governance Article VII.B.5 (page 30)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Part VII (H) of the Company's Revised Manual on Corporate Governance enumerates the basic rights of its shareholders. LTG Revised Manual on Corporate Governance Article VII.H (page 32) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Part VII (B) of the Company's Revised Manual on Corporate Governance provides that voting shall be done orally, taking into account the number of shares represented by the voting shareholders. The Corporate Secretary or his/her duly authorized representative, to be assisted by the Company's independent accountant or by the representative of the External Auditor, shall conduct the counting of votes. LTG Revised Manual on Corporate Governance Article VII.B (page 30)	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT		

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Part VII (A) of the Company's Revised Manual on Corporate Governance, in accordance with its By-laws, grants its shareholders the right to call a Special Shareholders' Meeting by written notice to the Corporate Secretary at least ninety (90) days before the suggested date of the meeting. LTG Revised Manual on Corporate Governance Article VII.A (page 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Part VII of the Company's Revised Corporate Governance Manual enumerates the rights of the shareholders, including the treatment of minority shareholders. This includes, among others, the right to vote and the right to be furnished with relevant information as required by law about the Company on a timely and regular basis. Article VII The Shareholders (pages 29 to 33)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
7. Company has a transparent and specific dividend policy.	COMPLIANT	Part VII (E) of the Company's Revised Manual on Corporate Governance provides for its Dividend Policy. On 10 April 2019, the Company declared and authorized the distribution of Regular cash dividends of PhP0.15 per share and Special cash dividends of PhP0.15 per share to all stockholders of record as of 29 April 2019, which shall be paid out not later than 09 May, 2019. As the Company strictly adheres to the guidance of good corporate governance to distribute the Dividends within 30 days from the time it is approved and declared, the stockholders were paid on 09 May 2019, twenty-nine (29) days after it was approved and disclosed to the PSE. 2019 LTG Annual Report (page 35) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf LTG Revised Manual on Corporate Governance Article VII.E (page 31)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	Part VII (B) of the Company's Revised Manual on Corporate Governance provides that voting shall be done orally, taking into account the number of shares represented by the voting shareholders. The Corporate Secretary or his/her duly authorized representative, to be assisted by the Company's independent accountant or by the representative of the External Auditor, shall conduct the counting of votes. LTG Revised Manual on Corporate Governance Article VII.B (page 30) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf In 2019, the validation of the votes and proxies were attended to by the Corporate Secretary, her duly authorized representatives, the External Counsel and the Stock and Transfer Agents.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of	COMPLIANT	In 2019, written notice of the annual or special stockholders' meeting were sent to all	

Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.		stockholders of record at least thirty (30) days prior to the date of the meeting, in compliance with the requirements of the PSE and the SEC. The notices were sent out on 02 April 2019 and the Annual Stockholders' meeting was held last 07 May 2019. As part of the agenda of the meeting, shareholders' approval of remuneration or any changes therein were included in their ratification of all acts, transactions and resolutions by the Board and Management in 2018. 2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 07 May 2019 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-	

		Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	The Company's Information Statement and Notice of the Annual Stockholders' Meeting with proxy documents, are available at the Company's website. Notices of Annual Stockholders' Meeting https://ltg.com.ph/notice-of-assm/ 2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
b. Auditors seeking appointment/re-appointment	COMPLIANT		
c. Proxy documents	COMPLIANT		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	The Company provides the meeting agenda to its stockholders through the Notice to the Annual Stockholders' Meeting sent to them at least thirty (30) days prior to the scheduled meeting, attaching therewith a copy of the Company's Definitive Information Statement. Notices of Annual Stockholders' Meeting https://ltg.com.ph/notice-of-assm/	

		2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	The results of the meeting was made available on the same day, 07 May 2019 via the Philippine Stock Exchange's Online Disclosure System. The results may be viewed and downloaded from the Company's website. 2019 Definitive Information Statement https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Amended-Definitive-Information-Statement.pdf 2019 Results of Annual Stockholders' Meeting and Organizational Meetings of LTG Board https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-7.-Results-of-ASM-OBD-2019.pdf Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 07 May 2019 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf	

2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	Minutes of the Annual Stockholders' Meeting of LT Group, Inc. on 07 May 2019 https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-May-07.-Minutes-of-Annual-Stockholders-Meeting-on-May-7-2019.pdf	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	The Company sent necessary invite to SGV on 22 April 2019 or 15 days prior to the meeting to inform them of the date of the Annual Stockholders' Meeting. The External Auditor and Senior Officers of the Company and its subsidiaries attended the ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Part VIII of the Company's Revised Manual on Corporate Governance provides for the procedure to be followed should intra-corporate disputes arise. Alternative Dispute Resolution LTG Revised Manual on Corporate Governance Article VIII Alternative Dispute Resolution (pages 33 to 34) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	LTG Revised Manual on Corporate Governance Article VIII Alternative Dispute Resolution (pages 33 to 34) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Ms. Annabelle Arceo, is the Company's Investor Relations Officer. LTG Revised Manual on Corporate Governance Article VI Management > Investor Relations Officer (page 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Contact details of the Company IRO https://ltg.com.ph/contact/	
2. IRO is present at every shareholder's meeting.	COMPLIANT	The IRO was present during the Annual Shareholders' Meeting held last 07 May 2019.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	There have been no instances in 2019 where management has requested Board approval for anti-takeover measures or similar devices to entrench ineffective management or the existing controlling shareholder group.	

2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT		The Company has a public float of 25.64%, in compliance with the minimum regulatory public float.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	The Company has appointed an Investor Relations Officer to ensure active participation of shareholders with regard the activities and policies of the Company, in accordance with its Revised Manual on Corporate Governance. LTG Revised Manual on Corporate Governance Article VI Management > Investor Relations Officer (page 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Contact details of the Company IRO https://ltg.com.ph/contact/	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	However, in compliance with the recommendations of the SEC, and further to allow its stockholders to exercise their rights, the Company has allowed voting in absentia in its 2020 ASM and further amended its By-Laws to include such right.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation	COMPLIANT	The Company encourages its stakeholders to raise their issues and concerns as well as give	

between them and the company in creating wealth, growth and sustainability.		their suggestions for the betterment of the Company before, during and after the Annual Stockholders Meeting. Shareholder rights are enumerated on the Revised Manual on Corporate Governance. Article VII.C and D state both Shareholder Right to Inspect or Examine Corporate Records and the Right to Information. The Company also established an Investor Relations Program to allow cooperation between the Company and its stakeholders. Article VII The Shareholders (pages 29 to 33) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Revised Manual on Corporate Governance Article VI Management > Investor Relations Officer (page 29) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/ Contact details of the Company IRO, Stock and Transfer Agent, and General Queries https://ltg.com.ph/contact/	

Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	Part VII (H) of the Company's Revised Manual on Corporate Governance provides the right of the Stockholders to fair treatment and protection. LTG Revised Manual on Corporate Governance Article VII.H (page 32) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	The stockholders may voice their concerns and/or complaints for possible violation of their rights through the Corporate Secretary, Atty. Ma. Cecilia L. Pesayco, 2/F Allied Bank Center, 6754 Ayala Avenue, Makati City, Philippines, 8810-2451 and/or through the Investor Relations Officer, Ms. Annabelle D. Arceo, whose contact details are available on the website. 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/ Contact details of the Company IRO, Stock and Transfer Agent, and General Queries https://ltg.com.ph/contact/	
Supplement to Recommendation 14.3			

1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	Section VIII of the Company's Revised Manual on Corporate Governance provides for the Alternative Dispute Resolution. LTG Revised Manual on Corporate Governance Article VIII Alternative Dispute Resolution (pages 33 to 34) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	There is none. The Company does not seek any exemption from any law, rule or regulations especially when it refers to a corporate governance issue. Rather, the Company does its best to comply with the recommendations of the SEC in its pursuit of good corporate governance.	
2. Company respects intellectual property rights.	COMPLIANT	Item II (A)(3) of the Company's Revised Manual on Corporate Governance provides the Company's general policy which is to be *transparent* in its activities without sacrificing the confidentiality of its trade secrets, formulae, and other intellectual properties.	

		LTG Revised Manual on Corporate Governance Article II.A.3 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	The Company, being a holding company, delegated to its subsidiaries the task of ensuring that the customers' welfare is properly addressed. Accordingly, the subsidiaries ensure that their respective customers are able to get the value of their money and that their transactions are not unduly delayed. Nevertheless, Item 3.11 of the Company's Code of Business Conduct and Ethics likewise provide that "Customers of the Corporation shall be treated with respect and kindness. Transactions with clients shall be fair and in good faith. Discrimination based on race, religion, sex, gender, age, language or nationality shall at all times be prohibited." LTG Code of Business Conduct and Ethics Article 3.11 (page 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-	

		whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	There is no need for the Company to disclose any policy or practice which would address the supplier/contractor selection procedures since, as a conglomerate, the Company only shares the respective supplier/contractor selection practice of its subsidiaries. In engaging the services of a supplier/contractor, the Company uses as basis the applicant supplier/contractor's competency, qualification as well as the quality of its products. Moreover, the Company ensures that they are paid correctly and on time. Article VI.C.1.f of the Company's Revised Manual on Corporate Governance provides that it is the duty of the President/COO to fulfill corporate obligations to the Company's customers, suppliers, employees and shareholders. LTG Revised Manual on Corporate Governance Article VI.C.1.f (pages 24)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Article VI.C.1.f of the Company's Revised Manual on Corporate Governance provides that it is the duty of the President/COO to fulfill corporate obligations to the Company's customers, suppliers, employees and shareholders. LTG Revised Manual on Corporate Governance Article VI.C.1.f (pages 24) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Health, Safety and Welfare Policy https://ltg.com.ph/health-safety-welfare-policy/	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	The Company promotes advancement among its employees for consistently exceeding expectations over two years. The Board grants performance bonuses, when so warranted.	

		LTG Company Website Nomination and Compensation Committee https://ltg.com.ph/board-committees/ 2019 LTG Annual Report (page 31) Corporate Governance Report > Board Committees > Nomination and Compensation Committee https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 LTG Annual Financial Report (Form 17-A) Part III.10 Control and Compensation Information > Executive Compensation (page 74) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/03/2020-Mar-23-LTG-17A-December-31-2019.pdf 2019 LTG Annual Report (page 32) Corporate Governance Report > Board Remuneration: Compensation of Directors and Executive Officers https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf	

2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	The Company offers health care benefits covered by the health insurance provider of the Company. The Health, Safety and Welfare Policy, posted on the website, guides the Company employees regarding welfare concerns to ensure effectivity of employees in the workplace. LTG Health, Safety and Welfare Policy https://ltg.com.ph/health-safety-welfare-policy/ 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	Employees are made to attend seminars and training programs to enhance their knowledge and to acquire new information. The Health, Safety and Welfare Policy, posted on the website, guides the Company employees regarding welfare concerns to ensure effectivity of employees in the workplace. LTG Health, Safety and Welfare Policy https://ltg.com.ph/health-safety-welfare-policy/	

Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	The Company's Code of Business Conduct and Ethics (Article 3.13.1), in relation to its Revised Manual on Corporate Governance stipulates compliance with laws, rules and regulations. The Code also provides for the penalties to be imposed in case of violation of the Company's rules and regulations and its Manual. LTG Code of Business Conduct and Ethics Article 3.13 Compliance with Laws, Rules and Regulations https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	The Corporation, as a holding company, is tasked to oversee the proper management of its subsidiaries. For this reason, the conduct of the necessary trainings and seminars are implemented by its operating companies, in compliance with the SEC rules.	

		Likewise, the Company disseminates its own policies and programs to its employees through memoranda, when necessary. LTG Revised Manual on Corporate Governance Article IV (pages 16 to 23) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf LTG Code of Business Conduct and Ethics https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf LTG Health, Safety and Welfare Policy https://ltg.com.ph/health-safety-welfare-policy/ 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	The Company's Code of Business Conduct and Ethics (Article 3.13.1) provides that the Corporation does not condone any act of bribery or corruption of government officials in order to facilitate transactions or obtain favors.	

		3.13.2 Directors, Officers and Employees of the Corporation shall comply with all governmental laws, rules and regulations." Violators shall be penalized based on the penalties imposed under the Company's Revised Manual on Corporate Governance. In 2018, no incidents concerning the offering, paying and receiving bribes were reported. LTG Code of Business Conduct and Ethics Article 3.13 (page 6) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	The Company's Code of Business Conduct and Ethics provides for a whistle-blowing policy. LTG Code of Business Conduct and Ethics Article 4 (page 6 to 8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf 2019 Sustainability Report (Stand-alone)	

		https://ltg.com.ph/sustainability-reports/	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	Based on item 4.1.3 (1) (2) and (3) of the Company's Code of Business Conduct and Ethics, an employee shall report any known or suspected misconduct or violation of the Code to his or her immediate supervisor, who shall determine if there is reasonable ground to support the complaint. Upon his or her determination of the existence of reasonable ground, the immediate supervisor shall formalize the report in a written complaint and submit the same to the Human Resources Department. If the immediate supervisor is the subject of the complaint, the employee shall direct his or her complaint to the head of the Human Resources Department. Any complaint against a Director or Executive Officer received by the Human Resources Department shall be directed to the Corporate Governance Committee. LTG Code of Business Conduct and Ethics Article 4.1 (page 6 to 7) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	The Board ensures that all employees may be able to voice out their concerns without fear of retaliation. Hence, the establishment of the Non-retaliation Policy which is found in the Company's Code of Business Conduct and Ethics. In 2019, no circumstance arose which required the Board to enforce the policy. LTG Code of Business Conduct and Ethics Article 4 (page 6 to 8) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2018-Sep-4.-LTG-Code-of-Business-Conduct-and-Ethics.-whistle-blowing-conflict-of-interest-inisder-trading-RPT.pdf	

Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	The Company, through its foundation, Tan Yan Kee, gives back to the public by offering scholarship programs, training, donations and tree planting activities, among others. Tan Yan Kee Foundation Website http://www.tanyankee.org/ 2019 LTG Annual Report (pages 36 to 45) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	The Company, through its subsidiaries, is constantly adopting ways such as the use of reusable glass bottles to promote environment friendly products, boost efficiency measures within its office premises and plants, investing in environment-friendly materials for its buildings, build up waste management programs to lessen waste pollution, and the like. 2019 LTG Annual Report (pages 46 to 49)	

		https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	The Corporate Code of Conduct found under Article II.A.7 of the Company's Revised Manual on Corporate Governance, requires the Company to always be conscious of its social responsibility to its employees and to the communities in which it conducts its business. It shall always consider the environment in its operating strategy and initiatives. LTG Revised Manual on Corporate Governance Article II.A.7 (page 5) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2019/10/2019-Revised-Corporate-Governance-Manual.pdf Tan Yan Kee Foundation Website http://www.tanyankee.org/ 2019 LTG Annual Report (pages 36 to 45) https://ltg.com.ph/wp-content/uploads/bsk-pdf-manager/2020/06/2019-LT-Group-Inc.-Annual-Report.pdf 2019 Sustainability Report (Stand-alone) https://ltg.com.ph/sustainability-reports/	

IN WITNESS WHEREOF, we, have hereunto set our hands and seal at the City of Makati, Philippines, this __ day of AUG 10 2020.

LUCIO C. TAN Chairman and Chief Executive Officer	**MICHAEL G. TAN** President and Chief Operating Officer
JOHNIP G. CUA Independent Director	**MARY G. NG** Independent Director
WILFRIDO E. SANCHEZ Independent Director	**FLORENCIA G. TARRIELA** Independent Director
MA. CECILIA L. PESAYCO Corporate Secretary	**MARIVIC T. MOYA** Asst. Corporate Secretary & Compliance Officer

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
MAKATI, METRO MANILA) SS.

BEFORE ME, a notary public, for and in Makati City on this AUG 10 2020, personally appeared the following:

Name	I.D.	Date/Place Issued

WITNESS MY HAND AND SEAL, on the date and place first above written.

Doc. No.: 78
Page No.: 17
Book No.: II
Series of 2020.

FRANCIS MARION EDEL V. MONFORT
Notary Public until 31 December 2021
19th/F BDO Plaza, 8737 Paseo de Roxas, Makati City
PTR No 8117099, Makati City, 02 January 2020
IBP No 089370, Makati, 02 January 2020
Roll No 72189, Commission No. M-121