



# LOGISTICS HOLDINGS CORP.

July 30, 2020

**SECURITIES AND EXCHANGE COMMISSION**

PICC Complex, Roxas Boulevard, Pasay City

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.  
*Director, Markets & Securities Regulation Department*

Atty. Rachel Esther J. Gumtang-Remalante  
*Director, Corporate Governance & Finance Department*

**PHILIPPINE STOCK EXCHANGE, INC.**

6/F PSE Tower  
5<sup>th</sup> Avenue corner 28<sup>th</sup> Street  
Bonifacio Global City, Taguig City

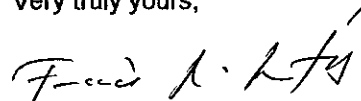
Attention: Ms. Janet A. Encarnacion  
*Head, Disclosure Department*

Gentlemen:

In compliance with SEC Memorandum Circular No. 15 Series of 2017, we submit herewith AyalaLand Logistics Holdings Corp.'s Integrated Annual Corporate Governance Report (I-ACGR) for calendar year 2019.

Thank you.

Very truly yours,



**FRANCIS M. MONTOJO**  
Chief Finance Officer and Compliance Officer



## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2019**
2. SEC Identification Number **163671**
3. BIR Tax Identification No. **000-804-342-000**
4. Exact name of issuer as specified in its charter **AyalaLand Logistics Holdings Corp.**
5. **Metro Manila, Philippines**  
Province, Country or other jurisdiction of  
incorporation or organization
6.  (SEC Use Only)  
Industry Classification Code:
7. **3<sup>rd</sup> Floor, Glorietta 5, Ayala Center, Makati City**  
Address of principal office
8. **1223**  
Postal Code
8. **(632)8884-1106**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	COMPLIANT	<p>The Corporation's Board is composed of individuals with academic qualifications, professional experience, and expertise that is relevant to the property industry.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2019)</b>                      &gt; Item 9. Directors and Executive Officers of the Registrant &gt; pages 24-26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>2019 Annual Integrated Report (Annual Report)</b>                      &gt; Corporate Governance&gt; Board Matters&gt; Table of designation, years appointed and expertise of the Directors (2019 Table of Directors)&gt; page 15  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>SEC 20-IS (Information Statement)</b>                      (for Annual Stockholders' Meeting (ASM) on 12 April 2019)</p>	

		<p>&gt; Item 5-Directors and Executive Officers&gt; page 5;  &gt; Annex A &gt; pages 14-16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p> <p><b>SEC 20-IS (for 2020 ASM)</b>  a) &gt;Item 5-Directors and Executive Officers&gt; pages 5-6;  b) &gt;Annex B&gt; pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	<p>COMPLIANT</p>	<p>The Corporation's Board is composed of a diverse mix of individuals with finance, real estate, legal or management background, consistent with its policy to ensure diversity of experience and background of directors.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>  a) &gt; Corporate Governance&gt;Directors' Profiles&gt; pages 11-13;  b) &gt; Corporate Governance&gt; Board Matters&gt; Table of designation, years appointed and expertise of the Directors&gt;page 15  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	

		<p><b>SEC Form 17-A (2019)</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; Pages 24-26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<p>3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.</p>	COMPLIANT	<p>All directors possess the qualifications and none of the disqualifications as provided in the Manual on Corporate Governance.</p> <p>The directors attend training annually as disclosed in the Corporation's Annual Report and Definitive Information Statement.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>  &gt; Corporate Governance&gt; Board Matters&gt; Training and Development &gt;pages 17-18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>Revised Manual on Corporate Governance (2020) (CG Manual 2020)</b>  &gt; Article III – Governance &gt; Item 1.3 – Qualification &gt; Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 1.2</b>			
<p>1. Board is composed of a majority of non-executive directors.</p>	COMPLIANT	<p>The Board is composed of a majority of non-executive directors.</p>	

		<p><b>Reference:</b>  <b>2019 General Information Sheet (GIS) and Amended GIS</b>  &gt;2019 GIS (filed on May 10, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf</a></p> <p>&gt; 2019 Amended GIS (filed on May 15, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p> <p><b>2019 Annual Report</b>  &gt; Corporate Governance&gt; Board Matters&gt; 2019 Table of Directors&gt; page 15  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>Board of Directors</b>  &gt;ALLHC website&gt;About Us&gt;Board of Directors  <a href="https://www.ayalalandlogistics.com/board-of-directors/">https://www.ayalalandlogistics.com/board-of-directors/</a></p>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	The Corporation’s Board Charter and Manual on Corporate Governance provide policy for training and continuing professional development of directors.  Chairman to ensure training of directors.	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  a) Article III – Governance &gt; Item 2.3 – Specific Responsibilities of each Director &gt; paragraph i &gt; Page 11  b) Article IV – Management &gt; Item 2.1 – Chairman of the Board &gt; Paragraph i &gt; Page 24  c) Article III – Governance &gt; Item 3.3 Corporate Governance Committee &gt; Paragraph d &gt; Page 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 4.4 – The Chairman of the Board &gt; Paragraph i &gt; Page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
<p>2. Company has an orientation program for first time directors.</p>	<p>COMPLIANT</p>	<p>The Corporate Secretary ensures proper onboarding of all directors by conducting orientation for its new directors. The orientation covers information on the business of the company, its mission/vision, duties and responsibilities of directors, and policies affecting directors. Copies of ALLHC’s Articles of Incorporation and By-laws, CG Manual, relevant charters of the Board Committees, relevant Company policies are provided to the new director. There were no new directors in 2019.</p> <p><b>Reference:</b></p>	



		<p><b>CG Manual 2020</b></p> <p>a) Article III – Governance &gt; Item 2.3 – Specific Responsibilities of each Director &gt; paragraph i) &gt; Page 11</p> <p>b) Article IV – Management &gt; Item 2.1 – Chairman of the Board &gt; Paragraph i &gt; Page 24</p> <p>c) Article IV-Management &gt; Item 2.4- Secretary &gt; paragraph i &gt; page 26</p> <p>d) Article V –Audit, Risk and Compliance &gt; Item 5-Compliance System &gt; paragraph h &gt; page 31</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>2019 Annual Report</b></p> <p>&gt;Corporate Governance&gt; Governance Structure&gt; Corporate Secretary&gt; page 14</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>It is the responsibility of the Chairman of the Board to set continuing training opportunities for all directors. The Compliance Officer ensures that there is relevant training program for all directors.</p> <p><b>Reference:</b></p> <p><b>Board Charter</b></p> <p>&gt; Section 4.4 – The Chairman of the Board &gt; Paragraph i &gt; page 8;</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	

		<p><b>CG Manual 2020</b>  &gt; Article V-Audit, Risk Oversight and Compliance&gt; Section 5-Compliance System&gt; paragraph h&gt;page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>2019 Annual Report</b>  &gt; Corporate Governance&gt;Board Matters&gt; Training and Development&gt; pages 17-18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>Certificate of Attendance of Directors in Corporate Governance Seminars</b> (posted in the website)  &gt; Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors and Key Officers  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf</a>   <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/ICD-Certificate-of-Participation-NGo-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/ICD-Certificate-of-Participation-NGo-2019.pdf</a>   <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/FUY-Corporate-Governance-Seminar-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/FUY-Corporate-Governance-Seminar-2019.pdf</a></p>	
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<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Board encourages a mix of competent directors, each of whom can add value and contribute independent judgment in the formulation of sound corporate strategies and policies. The required knowledge, abilities and experience needed to successfully manage the Corporation are considered in the selection of candidates for the Board.</p> <p>In 2019, the Board consists of one (1) female director and eight (8) male directors.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 1.2 – Diversity &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <b>2019 Annual Report</b> a) >Corporate Governance> Board Matters>Competency and Diversity> page 14 b) Profile of Ms. Maria Rowena Victoria M. Tomeldan>page 12 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	

Optional: Recommendation 1.4			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	<p>COMPLIANT</p>	<p>The Company has a policy on the board diversity.</p> <p><b>CG Manual 2020</b>            &gt; Article III – Governance &gt; Item 1.2 – Diversity &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
Recommendation 1.5			
<p>1. Board is assisted by a Corporate Secretary.</p>	<p>COMPLIANT</p>	<p>In 2019, the Board was assisted by the following Corporate Secretaries:</p> <ul style="list-style-type: none"> <li>(i) Corporate Secretary- June Vee D. Monteclaro-Navarro</li> <li>(ii) Asst. Corporate Secretaries- Nimfa Ambrosia L. Perez-Paras Marthe Lois V. Cordia Francis Paolo P. Tiopianco</li> </ul> <p>The Corporate Secretary is a separate individual from the Compliance Officer and is not a member of the Board.</p> <p><b>Reference:</b>  <b>2019 GIS and Amended GIS</b>            &gt;2019 GIS (filed on May 10, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf</a></p>	

		<p>&gt; 2019 Amended GIS (filed on May 15, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article IV – Management &gt; Item 2.4 – Secretary &gt; pages 26-27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>The Corporate Secretary and Assistant Corporate Secretaries attend trainings on corporate governance. For 2019, they attended the corporate governance seminar on 9 August 2019.</p> <p><b>Reference:</b>  <b>Certificate of Attendance of Directors and Key Officers to Corporate Governance Seminars</b> (posted in website)  &gt; Investor Relations&gt; Disclosures&gt; Certificate of Attendance in Corporate Governance Seminars dated 9 August 2019&gt; pages 7-10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf</a></p>	

Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>The Board is assisted by the Compliance Officer, Ms. Francis M. Montojo. The qualifications, duties and functions of the Compliance Officer are provided in the CG Manual.</p> <p><b>Reference:</b>  <b>2019 GIS and Amended GIS</b>            &gt;2019 GIS (filed on May 10, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf</a></p> <p>&gt; 2019 Amended GIS (filed on May 15, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p> <p><b>2019 Annual Report</b>            &gt; Our Leaders&gt; Senior Leaders&gt; Management Committee&gt;page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>CG Manual 2020</b>            &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 5– Compliance System &gt; page 32</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>COMPLIANT</p>	<p>The Compliance Officer is among the top 4 senior officers of the Corporation. The Corporation has no Senior Vice President.</p> <p>For 2019, the Compliance Officer was also the Treasurer and Chief Finance Officer of the Corporation.</p> <p><b>Reference:</b>  <b>2019 GIS and Amended GIS</b>  &gt;2019 GIS (filed on May 10, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf</a></p> <p>&gt; 2019 Amended GIS (filed on May 15, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p> <p><b>Organizational Chart</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Organizational-Chart-as-of-July-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Organizational-Chart-as-of-July-2020.pdf</a></p> <p><b>SEC Form 17-A (2019)</b>  &gt; Item 10. Executive Compensation &gt; Summary Compensation Table &gt; pages 29-30</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p>The Compliance Officer is not a member of the Board of Directors.</p> <p><b>Reference:</b>  <b>2019 GIS and Amended GIS</b>  &gt;2019 General Information Sheet (filed on May 10, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/POPI-2019-GIS.pdf</a></p> <p>&gt; 2019 Amended General Information Sheet (filed on May 15, 2019) &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 5– Compliance System  &gt; Page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>The Compliance Officer attends corporate governance trainings. She attended a corporate governance seminar on 9 August 2019.</p> <p><b>Reference:</b></p>	



		<p><b>Certificate of Attendance of Directors and Key Officers to Seminars</b> (posted in website)</p> <p>&gt; Investor Relations&gt; Disclosures&gt; Certificate of Attendance in Corporate Governance Seminar dated 9 August 2019&gt; page 6</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/certificates-of-attendance-Aug-9-2019.pdf</a></p>	
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**Principle 2:** The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

**Recommendation 2.1**

<p>1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.</p>	<p>COMPLIANT</p>	<p>Directors are provided with agenda and materials several days before the meetings of the Board and Board Committees.</p> <p>The directors participate and ask questions during the meetings of the Board and Board Committees.</p> <p>All directors act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Art. III-Governance&gt;Sec. 2.3-Specific Responsibilities of Each Director &gt;pages 10-11</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
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		<p><b>2019 Annual Report</b>  &gt;Corporate Governance&gt;Board Matters&gt; Attendance in Meetings&gt; pages 16-17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>The Board oversees the development of the business objectives and strategy. Management presents the goals, objectives, strategies and performance to the Board.</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p>The Board, through the Audit Committee, reviews the operations and financial performance of the Corporation every quarter.</p> <p>The Board had six (6) meetings in 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Art. III-Governance&gt;Sec. 2.1 General Responsibilities of the Board&gt;page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>2019 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Directors' Attendance in Meetings of the Board and Committees in 2019&gt;page 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	

**Supplement to Recommendation 2.2**

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p>The existing vision, mission and core values of the Corporation are listed below.</p> <p>Due to the shift in its business operations, the Corporation is in the process of reviewing and updating its vision, mission and core values to align it with its objective to be the country's top real estate logistics and industrial parks company.</p> <p>Changes are implemented if necessary after considering updates in the business strategy and objectives.</p> <p><b><u>Mission</u></b> We are committed to:</p> <ul style="list-style-type: none"><li>• Strengthen our position in existing markets by focusing our efforts in the retention and expansion of our existing core businesses.</li><li>• Seek business opportunities and synergies which complement and enhance our existing core businesses.</li><li>• Provide our employees, our greatest resource, every opportunity for them to excel in their respective fields and achieve their hopes, goals and career aspirations.</li><li>• Provide superior management practices that will allow our subsidiaries to deliver quality products and services, achieve long-term growth and profitability and create shareholder value.</li></ul>	
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		<p><b><u>Vision</u></b>  “Creating Wealth, Enriching Lives”</p> <p><b><u>Values</u></b></p> <ul style="list-style-type: none"> <li>• Customer Delight  We provide best value products and services to gain customer loyalty</li> <li>• Unity  We are united in our pursuit of our goals through effective confluence of our individual talents and passion for excellence.</li> <li>• Integrity  We strive to do things right, with integrity and honesty at all times and all situations</li> <li>• Resilience and Determination  We will never give up until our goals are achieved.</li> </ul>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluate and monitor implementation of such strategies.</p> <p>Management submits its plans and strategies to the Board. Management reports to the Board, the status of the implementation of the strategies and results of operations at least every quarter.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Art. III-Governance&gt;Sec. 2.2-Specific Duties of the Board &gt;Item e&gt;page 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	

		<p><b>Quarterly Reports</b>  &gt; SEC 17-Q dated 31 March 2019, 30 June 2019 and 30 September 2019  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-17Q-31-March-2019-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-17Q-31-March-2019-1.pdf</a>   <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/SEC-17-Q-30-June-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/08/SEC-17-Q-30-June-2019.pdf</a>   <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/SEC-Form-17-Q-30-Sept-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/SEC-Form-17-Q-30-Sept-2019.pdf</a></p>	
<b>Recommendation 2.3</b>			
<p><b>1.</b> Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>The Board is headed by a competent and qualified Chairperson.</p> <p>Qualifications and responsibilities of the Chairperson are provided in the CG Manual.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article IV- Management&gt;Item 2.1 Chairman&gt; pages 24-25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>2019 Annual Report</b>  &gt;Corporate Governance&gt;Directors' Profiles&gt; Chairman's profile&gt;page 11</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>The Board, through its Corporate Governance and Nomination Committee, together with the Management, is tasked to plan and recommend a succession plan for the board members and senior officers.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III – Governance &gt; Item 2.2 – Specific Duties of the Board &gt; Paragraph d &gt; page 9  b) &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance and Nomination Committee&gt; Paragraph d &gt; page 16  c)&gt; Article IV – Management &gt; Item 1 – General Responsibilities of Management&gt; Paragraph a) iv &gt; page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  a) &gt; Section 2- Membership &gt; Item 2.4 Vacancy &gt; page 4  b) &gt; Section 4- Powers, Duties and Responsibilities of the Board &gt; Item 4.2 – Specific Duties of the Board &gt; Paragraph d &gt; page 6</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a>  <b>Management Succession Policy</b> (posted in website) >Corporate Governance> Company Policies>Management Succession Policy <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/management-succession-policy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/management-succession-policy.pdf</a>	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	The Board has set 80 years old as retirement age for directors, subject to exceptions as may be approved by the Board. The Company's executives are employees, and subject to the retirement policy, of the parent company, Ayala Land, Inc. (ALI).  <b>Reference:</b> <b>CG Manual (2020)</b> >Art. III-Governance>Sec. 1.4 – Retirement Age> page 5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	The Board, through the Personnel and Compensation Committee (formerly, Compensation and Remuneration Committee), ensures that the compensation of individual directors and remuneration packages of key corporate officers are consistent with the Corporation's culture, strategy, and environment.	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt;Article III – Governance &gt; Item 3.4 – Personnel and Compensation Committee &gt; Paragraph a &gt; Page 17  b) &gt; Article III – Governance &gt; Item 2.5 – Compensation and Liability Insurance Coverage of Directors &gt; paragraph a &gt; page 12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 4.1-General Responsibilities of the Board &gt; paragraph d (v) &gt; page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	<p>COMPLIANT</p>	<p>The Board, through the Personnel and Compensation Committee, determines the amount of compensation which shall be of sufficient level so as attract and retain competent directors and officers to successfully run the business.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Item 3.4 (a), (b)- Personnel and Compensation Committee&gt;page 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	



<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>	<p>No director shall be involved in deciding his or her own remuneration.</p> <p>No member of the Personnel and Compensation Committee will act to fix his or her own compensation except for uniform compensation to directors for their services as a director.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III – Governance &gt; Item 2.5 – Compensation and Liability Insurance Coverage of Directors &gt; paragraph b &gt; page 12  b) &gt; Article III – Governance &gt; Item 3.4 – Personnel and Compensation Committee &gt; last paragraph&gt; page 18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2.5 (c)- Compensation and Liability Insurance of Directors &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
<b>Optional: Recommendation 2.5</b>			
<p>1. Board approves the remuneration of senior executives.</p>	<p>COMPLIANT</p>	<p>The Corporation’s Board approved the management fee paid to ALI which covers part of the salaries of the senior executives of the Corporation.</p> <p><b>Reference:</b></p>	

		<p><b>2019 Consolidated Audited Financial Statements</b> (posted in website)  &gt;Investor Relations&gt; Financial Performance and Stock Information&gt;&gt; 2019 AFS of ALLHC and Subsidiaries&gt; Notes to AFS&gt; Item 17- RPT&gt; compensation of key management personnel&gt;page 59  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf</a></p>	
<p>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.</p>	COMPLIANT	<p>The senior executives of the Corporation are employees of ALI and subject to employment contract and benefits of ALI. Compensation for these senior executives are billed to the Corporation through management fees. The Corporation has no claw back provision or deferred bonuses.</p> <p><b>Reference:</b>  <b>2019 Consolidated Audited Financial Statements</b> (posted in website)  &gt;Investor Relations&gt; Financial Performance and Stock Information&gt;&gt; 2019 AFS of ALLHC and Subsidiaries&gt; Notes to AFS&gt; Item 17- RPT&gt; Compensation of key management personnel &gt; page 59  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf</a></p>	
<b>Recommendation 2.6</b>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	COMPLIANT	<p>The Board has a formal and transparent nomination and election policy as disclosed</p>	

		<p>in the Board Charter.</p> <p>The names of the nominees for directors and their consent thereto are to be submitted to the Corporate Governance and Nomination Committee, through the Office of the Corporate Secretary, at least thirty (30) business days before the date of the stockholders' meeting when they are to be elected.</p> <p><b>Reference:</b>  <b>Board Charter</b>  &gt; Section 2.3- Election of Directors&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The nomination and election policy is disclosed in the CG Manual and Board Charter. The procedure for nomination and election was also disclosed in the Explanation of the Agenda items of the ASM Notice.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance Committee&gt; Paragraphs g-i &gt; pages 16- 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	

		<p><b>Board Charter</b>  &gt;Section 2.3- Election of Directors &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p> <p><b>Notice of 2019 ASM</b>  &gt; Notice of 2019 ASM&gt;Explanation of Agenda items&gt;Election of Directors&gt; Page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf</a></p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>COMPLIANT</p>	<p>Stockholders, including minority stockholders, may submit to the Corporate Governance and Nomination Committee, the nominations to the Board on or before the deadline set by the Board. The list of names of nominees to the Board, together with the written consent of the nominees shall be submitted to the Committee, through the office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting of the stockholders. The Committee will determine whether the nominees for directors, including nominees for independent directors, have all the qualifications and none of the disqualifications to serve as members of the Board before submitting the nominees for election of the stockholders.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and</p>	

		<p>Protection of Minority Shareholder &gt; Item 1.1 – Voting Right &gt; first and second paragraphs &gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2.3- Election of Directors &gt;page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p> <p><b>SEC 17-C dated 19 December 2018</b>  &gt; Deadline for submission of nominees for directors for the 2019 ASM&gt;Item 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/SEC-PSE-Result-of-BOD-Mtg_12.19.18.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/SEC-PSE-Result-of-BOD-Mtg_12.19.18.pdf</a></p> <p><b>SEC 17-C dated 18 December 2019</b>  &gt;Deadline for submission of nominees for directors for the 2020 ASM&gt; Item 5&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p>	
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>COMPLIANT</p>	<p>The Board, through the Corporate Governance and Nomination Committee, screens and shortlists all candidates nominated to become a member of the Board to ensure that all candidates/ nominees for election as directors at the</p>	

		<p>ASM are qualified and possess none of the disqualifications as provided in the By-laws, Manual on Corporate Governance and relevant laws, rules and regulations.</p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b>  &gt; Item 3 – Responsibilities &gt; Paragraphs 3.6 to 3.9 &gt;Page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance Committee&gt; Paragraphs g and h&gt; pages 16- 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>5. Board nomination and election policy includes an assessment of the effectiveness of the Board’s processes in the nomination, election or replacement of a director.</p>	<p>COMPLIANT</p>	<p>The Board, through the Corporate Governance and Nomination Committee, annually reviews its performance through self-assessment, with respect to the fulfillment of its functions and responsibilities which include nomination, election and replacement of directors.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance and Nomination Committee&gt; paragraph I &gt;page 17</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>COMPLIANT</p>	<p>The Board, through the Corporate Governance and Nomination Committee, screens and shortlists all candidates nominated to become a member of the Board to ensure that all candidates/nominees to be nominated for election as directors are qualified as provided in the CG Manual and Board Charter.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt;Art. III-Governance&gt; Item 1-Board of Directors&gt; Item 1.1-Composition&gt; page 4;  b) &gt;Art. III-Governance &gt;Item 1.2-Diversity&gt; page 4  c) &gt;Art. III-Governance&gt; Item 1.3-Qualifications &gt; page 5;  d) &gt;Article III – Governance &gt; Item 3.3-Corporate Governance and Nomination Committee&gt; Paragraphs g and h&gt; pages 16-17;  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2 –Membership&gt; Sec. 2.1-Composition&gt;pages 1-3</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	NOT APPLICABLE		The Committee may recommend nominees to the Board. For this purpose, it may use professional search firms and other external sources. No new director in 2019.
<b>Recommendation 2.7</b>			
1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	COMPLIANT	<p>The Board, through the Related Party Transactions Review Committee*(RPT Committee), has the overall responsibility to ensure that there is a group-wide policy for RPTs and for other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.</p> <p>*Before the creation of the RPT Committee in December 2019, the then Audit and Risk Committee reviewed and approved RPTs.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Art. III-Governance&gt;Item 3.6-Related Party Transactions Review Committee&gt; pages 19-20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Related Party Transactions Review Committee Charter</b>  &gt;Item 2-Roles and Responsibilities &gt;</p>	



		<p>paragraphs a to h&gt; pages 1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf</a></p> <p><b>Related Party Transactions Policy</b>  a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  b) &gt;Item 7- Approval of RPTs and Material &gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a>RPTs&gt;page 7</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p>The RPT Policy includes review and approval of the material RPTs by the RPT Committee.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5- 6;  &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6- 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	<p>The Policy encompasses all entities within the group, considering the terms, business purpose, benefits and other details of the related party transaction, including the description of the transaction, affected periods to be disclosed in the financial statements, amounts, and such other information necessary for better</p>	

		<p>understanding of the effect of the proposed transaction.</p> <p><b>Reference:</b>  <b>2019 Consolidated Audited Financial Statements</b> (posted in website)  &gt;Investor Relations&gt; Financial Performance and Stock Information&gt;&gt; 2019 AFS of ALLHC and Subsidiaries&gt; Notes to AFS&gt; Item 17- RPT&gt; pages 52- 59  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf</a></p> <p><b>Related Party Transactions Policy</b>  &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6  &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6- 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
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**Supplement to Recommendations 2.7**

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for</p>	<p>COMPLIANT</p>	<p>The RPT Policy* clearly defines material or significant RPTs that will have to be endorsed to the Board for approval, as well as RPTs that are considered transactions in the ordinary course of business, and the review of which is delegated to management.  All RPTs approved by the Board are disclosed in the relevant financial reports of the Corporation as required under International Accounting Standard 24 on</p>	
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<p>disclosure and approval.</p>		<p>Related Party Disclosures and other applicable disclosure requirements.</p> <p><i>*The RPT Policy was updated on 14 October 2019 in compliance with the new SEC guidelines. The latest version of the policy was approved by the Board on 18 December 2019.</i></p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt; Item 5 - Related Party transactions Delegated to Management&gt; pages 4-5;  b) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  c) &gt;Item 7- Approval of RPTs and Material RPTs&gt;page 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p>All RPTs and Material RPTs shall be reviewed by the RPT Committee and approved by at least two-thirds (2/3) vote of the Board of Directors, with at least a majority of the independent directors voting to approve the same. In case that the majority of the independent directors' vote is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p> <p>In 2019, no RPT was submitted for the approval of the stockholders.</p> <p><b>Reference:</b></p>	

		<p><b>Related Party Transactions Policy</b>          &gt;Item 7-Approval of RPTs and Material RPTs&gt; paragraph 2&gt; pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<b>Recommendation 2.8</b>			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>The Board elects officers which include the President/CEO, Compliance Officer and Chief Audit Executive and Chief Risk Officer.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article III – Governance &gt; Item 2.2 – Specific Duties of the Board &gt; Paragraphs b, c, j (vii)&gt; pages 9-10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>          a) &gt; Section 4.1- General Responsibilities of the Board&gt;paragraph d (iii)&gt;page 5          b) &gt;Section 4.2- Specific Duties of the Board &gt; paragraphs b, c, j (vii) &gt; pages 5-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p> <p><b>Audit Committee Charter</b>          &gt;Section 2-Internal Audit&gt; paragraph 2.2&gt; page 3</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>COMPLIANT</p>	<p>The Board is primarily responsible for the performance of the management and conducts an annual assessment of the President/CEO and the Management.</p> <p>The CRO, CAE and Compliance Officer all report to the Board which assesses the performance of these officers.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III- Governance &gt; Item 2.2 – Specific Duties of the Board &gt; Paragraph c&gt; page 9;  b) &gt;Art. V-Audit, Risk Oversight, Compliance&gt; Item 2-Internal Audit&gt; Appointment and Responsibilities of the Chief Audit Executive&gt; page 30;  c) &gt;Art. V-Audit, Risk Oversight, Compliance&gt; Item 4-Risk Oversight&gt; Responsibilities of the Chief Risk Officer&gt; pages 31- 32;  d) &gt;Art. V-Audit, Risk Oversight, Compliance&gt; Item 5-Compliance System&gt; Duties of Compliance Officer&gt; page 32;  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	

Recommendation 2.9			
<p>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.</p>	COMPLIANT	<p>The Board establishes the vision, mission, objectives, strategies and policies for the management of the Corporation, as well as the mechanism to monitor and measure performance against the set objectives.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt;Art. III-Governance&gt; Section 2.1-General Responsibilities of the Board&gt; Paragraph b&gt; page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	COMPLIANT	<p>The Corporation's Performance Management System aims to systematically and periodically monitor results against established individual or organizational goals and thus improve the overall performance and potentials of the company and its employees. The system allows the Company to be linked to employee rewards and compensation. Performance of the individual, department and the company as a whole bears the greatest weight in determining annual merit increases.</p> <p>Before the start of the calendar year, the Board sets the Corporation's objectives and goals. Management sets Key Result Areas (KRA) and Key Process Indicators (KPI) to achieve the objectives. Management and</p>	

		<p>personnel’s performance is measured against the set KRAs and KPIs at the end of the year.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Art. III-Governance&gt; Section 3.4- Personnel and Compensation Committee&gt; paragraph a &gt;page 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 2.10</b>			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>The Board ensures the presence and adequacy of internal control mechanisms for good governance.</p> <p>The Board, through the Audit Committee, monitors the presence and adequacy of internal control system.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article II – Governance &gt; Item 2.1 – General Responsibilities of the Board &gt; Paragraph d &gt; items i to viii&gt; pages 8-9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Audit Committee Charter</b>          a) &gt; Item B –Statement of Policy &gt;items 3,4,5&gt; page 2;</p>	

		<p>b) &gt; Item D-Roles and Responsibilities &gt; Item 1- Financial Reporting, Item 2-Internal Audit and Item 3- External Audit&gt; pages 3-5</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>COMPLIANT</p>	<p>The minimum internal control mechanisms for the Board's oversight responsibility include reviewing conflict-of-interest situations and providing appropriate remedial measures for the same.</p> <p>The Board has also adopted a governance policy on conflict of interest as one of its preventive measures.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt;Article III – Governance &gt; Item 2.1 – General Responsibilities of the Board &gt; Paragraph d.ii &gt; page 8  b) &gt; Article VI- Disclosure and Transparency&gt; Item 3-Governance Policy on Conflict of Interest &gt; Paragraphs a to d&gt; page 34  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt;ALLHC website&gt; Corporate Governance&gt; Company Policies&gt; Conflict of Interest Policy&gt;Item 3-Policy Provision and Item 4-</p>	



		Sanction> pages 1-4 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a>	
3. Board approves the Internal Audit Charter.	COMPLIANT	<p>The Internal Audit Charter was approved by the then Audit and Risk Committee on February 13, 2017 and ratified by the Board on March 16, 2017.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Board Committees&gt;Internal Audit Charter&gt; paragraph 2 of the introduction &gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p> <b>Audit Committee Charter</b> > Section D – Roles and Responsibilities > Item 2-Internal Audit> Paragraph 2.1> page 3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	COMPLIANT	The Board, through the Board Risk Oversight Committee*, is tasked to review the adequacy of the Corporation’s risk management framework/process and monitor the risk management activities of the Corporation and evaluate the effectiveness of the risk mitigation strategies and action plans.	

		<p>*Prior to the creation of <i>this committee on 18 December 2019, the risk management function was handled by the Audit and Risk Committee (now Audit Committee).</i></p> <p><b>Reference:</b>  <b>Board Risk Oversight Committee Charter</b>  &gt; Section 2 – Authority, Roles and Responsibilities of the Committee&gt; pages 1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p> <p><b>Enterprise Risk Management</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf</a></p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>The underlying premise of enterprise risk management is that every entity exists to provide value for its stakeholders. The Corporation faces uncertainty which presents both risk and opportunity, with potential to erode or enhance value.</p> <p>The Corporation launched an ERM exercise, aligned with that of its parent company, firmly embedded into its corporate planning process, which constantly seeks to identify, assess and address all the risks inherent and external to the business that could potentially affect the performance of the Corporation. The ERM exercise was completed in March 2017 and is continuously conducted and monitored</p>	

		<p>annually.</p> <p>For 2019, the top risks identified by the Corporation are (i) marginalization,(ii) government/political risk, and (iii) regulatory.</p> <p><b>Reference:</b>  <b>SEC 17-A (2019)</b>          &gt;Item 1 B-Business of the Issuer&gt; paragraph (xv)-Risks&gt;pages 7-8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	<p>The Board Charter formalizes and clearly states the roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role and serves as a guide to the performance of the directors of their functions.</p> <p>The Corporation’s Board Charter is available on its website.</p> <p><b>Reference:</b>  <b>Board Charter</b>          &gt;ALLHC website&gt;About Us&gt;Board of Directors&gt; Board Charter  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
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	<p>The Board's Insider Trading Policy (updated on 14 October 2019) identifies the covered persons, type and examples of material information and trading blackout periods.</p> <p><b>Reference:</b>  <b>Insider Trading Policy</b>            &gt;ALLHC website&gt;Corporate Governance&gt;Company Policies&gt; Insider Trading Policy&gt;pages 1-4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf</a></p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	<p>The Company prohibits the granting of loans to directors as provided in the Related Party Transactions Policy (revised as of 18 December 2019)</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>            &gt;Item 10-Conflicts of Interest and Disclosure Requirements for Directors, Officers and Employees&gt; Item 10.4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	<p>The Company discloses the actions which require approval of the Board which include the Corporation's vision, mission, objectives, strategies, policies, material RPTs, internal control system as provided in its Board Charter and company policies.</p>	

		<p><b>Reference:</b></p> <p><b>Board Charter</b></p> <p>a) &gt;Item 4 –Powers, Duties and Responsibilities&gt; Item 4.1-General Responsibilities of the Board&gt; paragraphs b, d (i), (iii), (iv), (v), (vii)&gt; pages 5-6</p> <p>b) &gt; Item 4- Power, Duties and responsibilities&lt; Item 4.2-Specific Duties of the Board&gt; paragraphs c, d, e, j (i), (ii), k&gt; pages 6-7</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p> <p><b>Related Party Transactions Policy</b></p> <p>a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;</p> <p>b) &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6- 7</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
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**Principle 3:** Board committees should be set up to the extent possible to support the effective performance of the Board’s functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.

**Recommendation 3.1**

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>COMPLIANT</p>	<p>The Board is supported by 8 committees that focus on specific functions to support in the optimal performance of its roles and responsibilities in accordance with its By-laws and principles of good governance.</p>	
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		<p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; Pages 12-21  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Committees</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Board Committee  <a href="https://www.ayalalandlogistics.com/board-committees/">https://www.ayalalandlogistics.com/board-committees/</a></p>	
<b>Recommendation 3.2</b>			
<p>1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p>	<p>COMPLIANT</p>	<p>The Audit Committee supports the Board in its oversight role over the Corporation's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.</p> <p>The Audit Committee recommends the appointment and removal of the Corporation's external auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  a) &gt;Item B- Statement of Policy &gt; page 1;  b) &gt; Item D- Roles and responsibilities &gt; Paragraphs 1-Financial reporting; Paragraph 2-Internal Audit; Paragraph 3-External Auditors &gt; pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	

<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	<p>COMPLIANT</p>	<p>The Audit Committee is composed of majority of independent directors, including the Chairman of the Committee.</p> <p>With the appointment of Cassandra Lianne S. Yap, independent director, as member of the Audit Committee on 14 May 2020, vice Augusto D. Bengzon, all members of the Audit Committee are independent directors.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 18 December 2019</b>  &gt; SEC 17-C dated 18 December 2019&gt; List of Committees&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p> <p><b>2020 Amended GIS dated 14 May 2020</b>  &gt;List of Directors and Officers&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/AyalaLand-Logistics-Holdings-Corp.-Amended-GIS-2020-for-PSE.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/AyalaLand-Logistics-Holdings-Corp.-Amended-GIS-2020-for-PSE.pdf</a></p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	<p>COMPLIANT</p>	<p>The members of the committee serve as directors in other companies and majority have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>  a) &gt;Corporate Governance&gt; Directors'</p>	

		<p>Profiles&gt; Profiles of Augusto Bengzon, Rex A. Mendoza, Renato O. Marzan, Maria Rowena M. Tomeldan&gt; pages 12-13</p> <p>b) &gt;Corporate Governance&gt; Board Matters&gt;2019 Table of Designation, Years appointed and expertise&gt; page 15</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>The Chairman of the Audit Committee, Mr. Rex Ma. A. Mendoza, is not the Chairman of the Board or of any other committee.</p> <p><b>Reference:</b>  <b>SEC 17-C (Results of the Organizational Meeting of the Board)</b>  &gt;SEC 17-C dated 12 April 2019&gt;Item 1- Election of Board Committees and Memberships&gt;page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a></p> <p><b>2019 Annual Report</b></p> <p>a) &gt; Corporate Governance&gt; Board Committees&gt; 2019 Table of Composition of Committees&gt; page 18;</p> <p>b) &gt;Corporate Governance&gt; Board Committees&gt;Audit Committee&gt; page 19</p>	



		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>All non-audit services to be conducted by the external auditor must be presented to the Audit Committee for approval and must be disclosed as stated in its Charter.</p> <p>Non-audit services of external auditor refer to the counting and validation of votes during the 2019 ASM. The Audit Committee approved the non-audit service since it was to be rendered by another group of the external auditor, and not by the same group which conducted the audit of the Corporation.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt;  Item 3-External Audit&gt; Paragraph 3.7 &gt;  Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>SEC Form 17-A (2019)</b>  &gt; Item 8. – Information on Independent Accountants and Other Related Matters&gt;  Section (c)-All Other Fees&gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	NON-COMPLIANT		Members of the Management are invited to join the meetings between the Audit Committee and the External Auditor to ensure that management responses are immediately obtained pertaining to the agenda being discussed. The external auditor met with the Audit Committee and Management on August 8, 2019.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meets at least four times during the year.	COMPLIANT	<p>The Audit Committee had 8 meetings in 2019.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>          &gt;Corporate Governance&gt;Committee matters&gt; Attendance in Meetings&gt; Page 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>The Audit Committee is tasked to set up the Internal Audit Group, including the appointment of the Chief Audit Executive (CAE). The Committee, having appointed the CAE, shall also concur in his/her replacement, re-assignment or dismissal. The CAE shall set up the qualification criteria for internal auditors, subject to the approval of the Board through the Committee.</p> <p>The Corporation's CAE as at December 31, 2019 is Ms. Maria Divina Y. Lopez.</p>	

		<p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt;  Item 2 – Internal Audit &gt; Paragraph 2.2 &gt;  page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<b>Recommendation 3.3</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance and Nomination Committee (formerly Corporate Governance Committee) is tasked to oversee the implementation of the corporate governance framework of the Corporation. The Committee assists the Board of Directors in the screening and short listing of all candidates nominated to become a member of the Board. It checks the qualifications (i.e., academic qualifications, training, expertise) of each of the nominees as provided in the Manual on Corporate Governance vis-a vis the requirements of the business of the Corporation.</p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b>  a) &gt;Item 1- Purpose&gt; paragraphs 1 and 2&gt; page 1  b) &gt;Item 3-Responsibilities&gt; paragraphs 3.1 to 3.14&gt; pages 2-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf</a></p>	

		<p><b>SEC 17-C (2019 Results of the ASM and Organizational Meeting of the Board)</b>  &gt;SEC 17-C dated 12 April 2019&gt;pages 3-4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a></p> <p><b>SEC 17-C (2020 Results of the ASM and Organizational Meeting of the Board)</b>  &gt;SEC 17-C dated 13 April 2020&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>NON-COMPLIANT In 2019</p> <p>COMPLIANT in 2020</p>		<p>In 2019, the Corporation only had two (2) independent directors given the nature and size of its operations. The Corporate Governance and Nomination Committee had two (2) independent directors and one (1) executive director as members.</p> <p>It is the position of the Board that having the Lead independent director in the Committee is sufficient given the Corporation's size, risk profile and nature of operations. The lead independent director actively participates in all the meetings of the committee.</p> <p><b>Reference:</b>  <b>SEC 17-C</b></p>

			<p>&gt;SEC 17-C dated 18 December 2019&gt;list of committees&gt; Corporate Governance and Nomination Committee members&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p> <p>In 2020, the Corporation has three (3) independent directors. At present, the Corporate Governance and Nomination Committee is composed of all independent directors.</p> <p><b>Reference:</b>  <b>SEC 17-C (2020 Results of the ASM and Organizational Meeting of the Board)</b></p> <p>&gt;SEC 17-C dated 13 April 2020&gt; Results of the organizational meeting of the Board&gt; Item 1- Election of Chairpersons and members of Committees&gt; Corporate Governance and Nomination Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>
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<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>NON-COMPLIANT In 2019</p>		<p>In 2019, the Chairman of the Corporate Governance and Nomination Committee was not an independent director. There was no requirement under the 2017 Manual on Corporate Governance that the chairman be an independent director.</p> <p><b>Reference:</b> <b>CG Manual (2017)</b> &gt;Article III-Governance&gt; Section 3-Board Committees&gt; Corporate Governance Committee&gt; paragraph 1&gt;page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf</a></p> <p>In 2020, all three (3) members of the Committee are independent directors, including the Chairman.</p> <p><b>Reference:</b> <b>SEC 17-C (2020 Results of the ASM and Organizational Meeting of the Board)</b> &gt;SEC 17-C dated 13 April 2020&gt; results of the organizational meeting of the Board&gt; Item 1- Election of Chairpersons and Members&gt; Corporate Governance and Nomination</p>
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			Committee>page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	The Corporate Governance and Nomination Committee had 5 meetings in 2019.  <b>Reference:</b> <b>2019 Annual Report</b> >Corporate Governance>Board Matters> Directors' Attendance in Meetings of the Board and Committees in 2019> page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	The Board established a BROC which is responsible for oversight of the Corporation's Enterprise Risk Management system.  <b>Reference:</b> <b>Board Risk Oversight Committee Charter</b> > Section 2 – Authority, Roles and Responsibilities > Items (a), (b) and (c)> page 1 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a>	

<p>2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The BROC has 3 members, majority of whom are independent directors, including the Chairman.</p> <p><b>Reference:</b>  <b>SEC 17-C</b>          &gt;SEC 17-C dated 18 December 2019&gt;list of committees&gt;BROC&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p> <p><b>Board Committees</b>          &gt;ALLHC website&gt; Corporate Governance&gt;Board Committee&gt;BROC  <a href="https://www.ayalalandlogistics.com/board-committees/">https://www.ayalalandlogistics.com/board-committees/</a></p>	
<p>3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.</p>	<p>COMPLIANT</p>	<p>The Chairman of the BROC is not the chairman of the Board or of any other committee.</p> <p><b>Reference:</b>  <b>SEC 17-C</b>          &gt;SEC 17-C dated 18 December 2019&gt;list of committees&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p> <p><b>SEC 17-C (2020 Results of ASM and organizational meeting of the Board)</b>          &gt; Disclosure dated 13 April 2020&gt; Results of Organizational meeting&gt; Item 1- Election</p>	



		of Chairpersons and members of the Committees> BROCC> page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>	
4. At least one member of the BROCC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	At least one member of the BROCC, the Lead Independent director, Mr. Rex Ma. A. Mendoza, has experience on risk and risk management.  <b>Reference:</b> <b>SEC 17-C</b> > Disclosure dated 13 April 2020- ASM Results and Organizational meeting> page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>  <b>2019 Annual Report</b> >Corporate Governance> Board Matters> 2019 Table of Designation, Years Appointed and Expertise> Mr. Rex Ma. A. Mendoza> page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	The Board has established a RPT Review Committee which is tasked to review all material RPT transactions of the company.  <b>Reference:</b> <b>CG Manual 2020</b> >Art. III-Governance>Sec. 3.6-Related	

		<p>Party Transactions Review Committee&gt; Page 19-20 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC 17-C dated 18 December 2019</b> &gt;SEC 17-C dated 18 December 2019&gt; list of committees&gt; BROC&gt;page 1 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>In 2019, the RPT Review Committee was composed of two (2) independent directors, and one (1) non-executive director. The Chairman is an independent director.</p> <p><b>Reference:</b> <b>SEC 17-C</b> &gt;SEC 17-C dated 18 December 2019&gt; list of committees&gt; RPT Review Committee&gt; page 1 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p> <p>In 2020, all members of the RPT Committee are independent directors.</p>	

		<p><b>Reference:</b>  <b>SEC 17-C</b>          &gt; SEC 17-C dated 13 April 2020- Results of Organizational meeting&gt; Item 1-Election of Chairpersons and Members of the Committees&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	<p>ALLHC's Board committees have their respective committee charters which provide their respective purposes, memberships, structures, operations, which serve as standards for evaluating performance of the committees through self-assessment.</p> <p><b>Reference:</b>  <b>Executive Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Executive-Committee-Charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Executive-Committee-Charter-signed.pdf</a></p>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<p><b>Audit Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Corporate-Governance-and-Nomination-Committee-Charter-2020.pdf</a></p>	

		<p><b>Personnel and Compensation Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Personnel-and-Compensation-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Personnel-and-Compensation-Committee-Charter-2019.pdf</a></p> <p><b>Board Risk Oversight Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p> <p><b>Related Party Transactions Review Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf</a></p> <p><b>Sustainability Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Sustainability-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Sustainability-Committee-Charter.pdf</a></p>	
<p>3. Committee Charters were fully disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>Committee Charters are disclosed in the Corporation's website.</p> <p>Please refer to response in Recommendation 3.6- Items 1-2 above.</p> <p><b>Reference:</b>  <b>Board Committee Charters</b>  &gt;ALLHC website&gt; Corporate Governance&gt;Board Committees&gt; Board Committee Charters</p>	

<https://www.ayalalandlogistics.com/board-committees/>

**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**

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>COMPLIANT</p>	<p>The directors attended in person or through tele-conferencing the meetings of the Board, Board Committees and stockholders held in 2019 as shown in the minutes of the meetings and in the Annual Report.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>          &gt;Corporate Governance&gt;Board Matters&gt; Attendance of Directors in Meetings of the Board and Committees in 2019&gt; pages 16-17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p><b>Minutes of ASM dated 12 April 2019</b>          &gt;Attendance of Directors during the ASM&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>The meeting materials are sent to the directors several days before the Board meeting to give them time to review the materials and to prepare their questions. The directors access the materials online.</p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Article IV- Management&gt; Item 2.4- Secretary&gt; Item f&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	COMPLIANT	<p>Before deciding on any matter brought before the Board, each director should evaluate the issues, ask questions and seek clarifications as appropriate. The chairman of the meeting asks the members if they have questions on each item taken up.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Article III- Governance&gt; Item 2.3-Specific Responsibilities of each Director&gt; Item (c)&gt; page 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 4.2</b>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	COMPLIANT	<p>The Corporation shall ensure that adequate time and attention is given to the fulfillment of each director's duties. Independent directors shall hold no more than five (5) board seats or directorships in any group of publicly-listed companies and executive directors shall hold no more than two (2) board seats in listed companies outside the</p>	

		<p>ALLHC group.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 1.7 – Policy on Multiple Board Seats &gt; Page 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC 20-IS</b> (for 2019 ASM)  &gt;Annex A –Information on the Directors and Officers&gt; pages 14-16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p>	
<b>Recommendation 4.3</b>			
<p>1. The directors notify the company’s board before accepting a directorship in another company.</p>	<p>COMPLIANT</p>	<p>Under the Corporation’s CG Manual, it is the specific responsibility of each director to notify the Board before accepting directorship in another company.</p> <p>No member of the Board reported new directorship in 2019. The directors disclosed their directorships in the SEC Form 17-A and Information Statement.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 2.3 – Specific Responsibilities of each Director &gt; Paragraph j &gt; Page 11</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	The Corporation's Maria Rowena M. Tomeldan does not serve in more than two boards of listed companies outside of the group.  <b>Reference:</b> <b>SEC Form 17-A</b> > Item 9. Directors and Executive Officers of the Registrant > Profile of Maria Rowena M. Tomeldan> Page 26 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a>	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	The Board sets its meetings at the start of the year and these are held at least every quarter. For the year 2019, there were 6 Board meetings held.  <b>Reference:</b> <b>2019 Annual Report</b> >Corporate Governance> Board Matters> Attendance in Board meetings> page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
3. Board of directors meet at least six times during the year.	COMPLIANT	The Board had 6 meetings in 2019.  <b>2019 Annual Report</b> >Corporate Governance> Board	



		Matters>Attendance of Directors in Meetings of the Board and Committees in 2019> page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	The quorum requirement for its Board decisions was increased to two-thirds (2/3) of the number of directors. More than 2/3 of the directors attend the meetings.  <b>Reference:</b> <b>CG Manual 2020</b> >Article III-Governance> Section 1.7-Board Meetings and Quorum Requirements> Item a> page 7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	

**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.	NON-COMPLIANT in 2019		In 2019, the Board only had two (2) independent directors, namely: 1. Rex Ma. A. Mendoza - (Lead Independent Director) 2. Renato O. Marzan  The Board believed that having two (2) independent directors is sufficient given the Corporation's
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			<p>size, risk profile and nature of its operations.</p> <p><b>Reference:</b>  <b>SEC 17-C</b>  &gt;SEC 17-C dated 12 April 2019&gt;  Item 7-Election of Directors&gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 5.1 Independent Directors &gt; paragraph 2 &gt; page 20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p>In 2020, the Company has three (3) independent directors.</p> <p><b>SEC 17-C</b>  &gt; SEC 17-C dated 13 April 2020-ASM Results and Organizational meeting&gt; Item 4-Election of Directors&gt;pages 1- 2</p>
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			<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>All independent directors possess the qualifications and none of the disqualifications to hold their respective positions.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; PART III – Control and Compensation Information &gt; Item 9. Directors and Executive Officers of the Registrant &gt; Page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 1.3 – Qualification &gt; Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors’ ability to vote independently.	COMPLIANT	The Corporation has no shareholder agreements, by-laws provisions, voting trust holders of 5% or more or other arrangements that constrain the directors’ ability to vote independently.	

		<p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Item 11. Security Ownership of Certain Beneficial Owners and Management &gt; Item iii-Voting Trust Holders of 5% or More &gt; page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<b>Recommendation 5.3</b>			
<p>1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).</p>	<p>COMPLIANT</p>	<p>In 2019, the Company has two (2) independent directors. No independent director has served for more than a cumulative term of nine (9) years.</p> <p>Mr. Rex Ma. Mendoza was first elected as an independent director on February 26, 2016 and serves as such until the present.</p> <p>Mr. Renato O. Marzan was first elected as an independent director of the Corporation on January 13, 2017 and serves as such until the present.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; Page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>2019 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt;Table of Date of Appointment and Expertise&gt;page 15</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p>Independent directors may serve for a cumulative period of not more than nine (9) years. After serving for nine years, he shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as non-independent director or independent director in other companies outside of the business conglomerate, where applicable.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 5.1– Independent Director &gt; Paragraph 4 &gt; Page 20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2.1 Composition &gt; paragraph 6 &gt; pages 1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders’ approval during the annual shareholders’ meeting.	COMPLIANT	<p>The Corporation does not allow retention of an independent director after serving nine (9) years. The provision is a permanent bar.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 5.1–</p>	

		Independent Director > Paragraph 4 > Page 21 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p>The positions of Chairman of the Board and President/Chief Executive Officer are held by separate individuals.</p> <p>On 12 April 2019, Mr. Jose Emmanuel H. Jalandoni was elected Chairman and Ms. Maria Rowena M. Tomeldan was elected President/CEO.</p> <p><b>Reference:</b> <b>SEC 17-C</b> &gt;SEC 17-C dated 12 April 2019&gt; Item 7- Election of Directors&gt; page 4 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a></p> <p><b>2019 Amended GIS</b> &gt;Amended GIS filed on May 15, 2019&gt;Directors/Officers&gt;page 3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/AYALALAND-LOGISTICS-HOLDINGS-CORP.-Formerly-POPI-AMENDED-GIS-2019.pdf</a></p>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined	COMPLIANT	The roles, responsibilities and duties of the Chairman of the Board and President/Chief	

responsibilities.		<p>Executive Officer are stated in the Corporation's CG Manual.</p> <p>The Chairman presides at all meetings of the Board and stockholders.</p> <p>The President acts as chairman in the absence of the Chairman and Vice Chairman. The President ensures the implementation of policies and objectives set by the Board.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article IV – Management &gt; Item 2.1– Chairman of the Board &gt; Page 23  b) &gt; Article IV – Management &gt; Item 2.3 – President &gt; Page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Amended By-laws</b>  &gt;Amended By-laws (as of 9 May 2019) &gt; Article IV-Officers &gt;Sections 2 and 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws_5.9.19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws_5.9.19.pdf</a></p>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	<p>The Chairman is not an independent director.</p> <p>The Board has designated Mr. Rex Ma. A. Mendoza as the lead independent director</p>	

		<p>for 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 5.2 Lead Director &gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC Form 17-C dated 12 April 2019</b>  &gt;SEC 17-C dated 12 April 2019&gt; Results of Organizational meeting of the Board&gt;Item 3-Election of Officers, and Item 2- Designation of Lead Independent Director &gt;page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a></p>	
<b>Recommendation 5.6</b>			
<p>1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.</p>	<p>COMPLIANT</p>	<p>There have been no cases of directors having any material interest in any transaction affecting the Corporation.</p> <p>Directors and officers have to disclose any possible conflict of interest matter. The personal interest of directors and officers cannot prevail over the Corporation’s interest and they cannot derive profit or advantage by virtue of their position in the Corporation.</p> <p>The Corporation’s directors and key officers</p>	



		<p>are required to abstain or inhibit themselves from participating in deliberations of items where they are conflicted.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Art. VI-Disclosure and transparency&gt;Item 3-Governance of Conflict of Interest&gt; Paragraphs b and c&gt;page 34  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	NON-COMPLIANT		Members of the Management are invited to join the meetings between the NEDs and the external auditor to ensure that management responses are immediately obtained pertaining to the agenda being discussed. The meetings with external auditors are held during the meetings of the Audit Committee, chaired by the lead independent director.
2. The meetings are chaired by the lead independent director.	COMPLIANT	<p>The NEDs had 1 meeting without any executives present on 18 December 2019. It was chaired by the lead independent director.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>          a) &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt;</p>	

		<p>page 15;  b) &gt;Corporate Governance&gt; Board Matters&gt;Table of Directors' Attendance in Meetings of the Board and Committees in 2019&gt; page 17  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.			
<b>Principle 6:</b> The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	<p>The ALLHC Board, its Chairman, individual members and committees conduct an annual self-assessment of its performance. A printed self-assessment form was accomplished manually by each director each year. In 2019, the Board engaged a third party facilitator, AON Singapore, to conduct the self-assessment of the Board through an on-line assessment survey. Also, an online version of the self-assessment form for the Board committees was developed in 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 6 – Performance Assessment &gt; Page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-</a></p>	

		<a href="#">2020.pdf</a>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT	<b>2019 Annual Report</b> >Corporate Governance> Board Matters>Annual Self-Assessment> paragraphs 1 and 3>page 17 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment of its performance.	COMPLIANT		
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT		To strengthen the objectivity of the assessment, the Board engaged a third party facilitator, AON Singapore, to handle the 2019 self-assessment of the Board as provided in the CG Manual. The self-assessment by third party facilitator will be done every 3 years starting 2019.  <b>Reference:</b> <b>2019 Annual Report</b> >Corporate Governance> Board Matters>Annual Self-Assessment>paragraph 3> page 17 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>
<b>Recommendation 6.2</b>			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	COMPLIANT	The Board has in place a performance appraisal system to determine the performance of the Board, the individual directors, committees through self-assessment form.  <b>Reference:</b> <b>CG Manual 2020</b>	

		<p>&gt; Article III – Governance &gt; Item 6 – Performance Assessment &gt; Page 23</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>2. The system allows for a feedback mechanism from the shareholders.</p>	<p>COMPLIANT</p>	<p>The feedback mechanism from the stockholders is through the Question &amp; Answer portion during the annual stockholders’ meeting.</p> <p><b>Reference:</b>  <b>ASM Minutes dated 12 April 2019</b>          &gt;Item 13-Other Matters&gt;page 10-11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p> <p>There is an Inquiry portion in the Corporation’s website,  <a href="https://www.ayalalandlogistics.com">https://www.ayalalandlogistics.com</a>          which stockholders can use to send their questions or comments.</p> <p>The Contact Us portion in the website provides the telephone number and email address of the Corporation:  <a href="mailto:corporate@ayalalandlogistics.com">corporate@ayalalandlogistics.com</a>          which the shareholders can use to communicate their comments regarding the company, its programs or its directors.</p> <p>Investor concerns or queries may be</p>	

		<p>addressed to the Investor Relations Officer. Details of contact persons are provided in the website.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article VII – Disclosure and Transparency          &gt; Item 4.2 – Investor Relations Function &gt;          Page 36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
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**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**

<p>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.</p>	COMPLIANT	<p>The Board adopted a Code of Business Conduct and Ethics, which provides standards for professional and ethical behavior.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>          &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	COMPLIANT	<p>A copy of the Code may be accessed by the Board, Management and employees through the Corporation’s website.</p>	

		<p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	
<p>3. The Code is disclosed and made available to the public through the company website.</p>	COMPLIANT	<p>The Code is posted in the Corporation's website and available to the public.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	
<b>Supplement to Recommendation 7.1</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.</p>	COMPLIANT	<p>The Corporation has anti-corruption programs as provided in the Code of Ethics and Business Conduct and its internal policies on conflict of interest and related party transactions.</p> <p>Employees are expected to exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery of any form.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b></p>	

		<p>&gt; Code of Business Conduct and Ethics &gt; Bullet 4</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p> <p><b>Conflict of Interest Policy</b> &gt;Item 3-Areas of Conflict of interest&gt;Item 3.2.9-Acceptance of Gifts and Bribes&gt;page 3</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	
<b>Recommendation 7.2</b>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	<p>COMPLIANT</p>	<p>The Board, through the Human Resources Department, implements and monitors compliance by the senior management and employees with the Code. The Corporation's Compliance Officer implements and monitors compliance by the Board of Directors with the Code and the Manual on Corporate Governance.</p> <p>The Human Resource Department and the Compliance Officer monitor compliance with internal policies.</p> <p><b>Reference:</b> <b>Code of Business Conduct and Ethics</b> &gt; Code of Business Conduct and Ethics &gt; Bullet 4 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	

2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT	<p><b>Company Policies</b>  &gt;ALLHC Website&gt;Corporate Governance  &gt; Company Policies  <a href="https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies">https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies</a></p>	
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**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	<p>The Corporation, through the investor relations function, provide timely report to shareholders and complies with the disclosure policies and procedures, rules and regulations of the regulatory bodies such as the SEC, Philippine Stock Exchange (PSE) and Bureau of Internal Revenue.</p> <p>Copies of structured and unstructured reports such as the Information Statement (SEC 20-IS), audited financial statements, Annual Report (SEC 17-A), Quarterly Reports (SEC 17-Q), and Current Reports (SEC Form 17-C) are promptly posted on the Corporation's website to enable the stockholders to easily access information on the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article VI – Disclosure and Transparency &gt; Item 1 – Disclosure Policy and Material Information &gt; Item</p>	
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		<p>4.1-Management Responsibility for Information&gt; paragraph c&gt; page 35  b) &gt;Art.VI-Disclosure and Transparency&gt; Item 4.2-Investor Relations Function&gt; page 36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Reports in the website</b>  &gt;ALLHC website&gt;Investor Relations&gt; Reports  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	
<b>Supplement to Recommendations 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>COMPLIANT</p>	<p>The SEC Form 20-IS (Information Statement) which contains the 2019 consolidated audited financial statements was disclosed to the public (via posting on PSEedge and the Corporation’s website) on March 10, 2020 or seventy (70) days after the end of the calendar year.</p> <p>The interim quarterly reports were filed within forty five (45) days from end of each quarter in 2019.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (Information Statement) for 2020 ASM</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	

		<p><b>PSE Disclosure</b></p> <p>&gt;ALLHC 2020 Information Statement and Amended IS  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473ceb6407</a></p> <p><a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36fbbd20de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36fbbd20de8473ceb6407</a></p> <p><b>Quarterly Reports</b></p> <p>&gt; SEC 17-Q dated 31 March 2019  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6942ada6d8fad28fefdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6942ada6d8fad28fefdfc15ec263a54d</a></p> <p>&gt;SEC 17-Q dated 30 June 2019  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=5afaacdc8531bcdbebfdc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=5afaacdc8531bcdbebfdc15ec263a54d</a></p> <p>&gt;SEC 17-Q dated 30 September 2019  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=f21e90e6195de0c2efdfc15ec263a54d">https://edge.pse.com.ph/openDiscViewer.do?edge_no=f21e90e6195de0c2efdfc15ec263a54d</a></p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company’s controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders’ voting power and overall equity position in the company.</p>	<p>COMPLIANT</p>	<p>The Corporation discloses the shareholdings of controlling shareholders.  The Corporation recognizes the rights of minority shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management&gt;  Item (i) Security Ownership of Record and</p>	

		<p>Beneficial Ownership of More than 5%  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article VII– Shareholders’ Right and Protection of Minority Interest&gt; Item 1.1- Voting Right&gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 8.2</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation’s directors and officers are required to report their trades involving shares of the Corporation to the Office of the Compliance Officer within 3 business days under the Insider Trading Policy (revised as of October 14, 2019) and Charter of the Board.</p> <p><b>Reference:</b>  <b>Insider Trading Policy</b>  &gt; Insider Trading Policy &gt; Item 3 – Compliance and Reporting &gt; Paragraph 3.2 – Reporting &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf</a></p> <p><b>Board Charter</b>  &gt;Section 3- Board Independence and Conflict of Interest &gt; paragraph 3 &gt; page 4</p>	

<p>2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.</p>	<p>COMPLIANT</p>	<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a></p> <p><b>Actual Dealings of Directors and Officers Involving the Corporation's Shares</b>  &gt; ALLHC website&gt;Investor Relations&gt; Reports&gt;SEC Forms 23-A and 23-B for 2019  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	
<b>Supplement to Recommendation 8.2</b>			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	<p>COMPLIANT</p>	<p>The Corporation discloses the trading of the Corporation's shares by the directors, officers and controlling shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Item 11- Security Ownership of Certain Beneficial Owners and Management &gt; Items (i) and (ii)&gt; page 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>SEC Form 23-B (Statement of Change in Beneficial Ownership) filed in 2019</b>  &gt; ALLHC website&gt; Investor Relations&gt; Reports&gt; SEC Forms 23-A/23-B (Statement of Beneficial Ownership) filed by Directors, Officers and Controlling Stockholders in 2019  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	

		<p>The Corporation discloses the shareholdings of its directors, management and top 100 stockholders</p> <p><b>Top 100 Stockholders</b>  &gt;ALLHC website&gt;Investor Relations &gt; Disclosures&gt;Top 100 Stockholders/Top 100 PCD Participants&gt;Top100 Stockholders as of 31 March 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-Top-100-SH-Report_March-31-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-Top-100-SH-Report_March-31-2020.pdf</a></p>	
<b>Recommendation 8.3</b>			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	COMPLIANT	<p>The academic qualifications, industry knowledge, professional experience, expertise and relevant trainings and shareholdings of directors are fully disclosed.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>  a) &gt;Corporate Governance&gt;Directors' Profiles&gt;pages 11-13;  b) &gt;Corporate Governance&gt;Board Matters&gt;Training and Development &gt; pages 17-18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their</p>	COMPLIANT	<p>The Corporation fully discloses the academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of key officers.</p>	

judgment.		<p><b>Reference:</b>  <b>2019 Annual Report</b>  a) &gt;Corporate Governance&gt;Directors' Profiles&gt;pages 11-13;  b) &gt;Corporate Governance&gt;Board Matters&gt;Training and Development &gt; pages 17-18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	<p>The Corporation provides a clear disclosure of Board remuneration. As per By-Laws of the Corporation, subject to approval of the stockholders, the directors receive per diems for their attendance in the meetings of the Board and its committees. The per diems must be guided by reasonableness and industry practice.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Item 10. Executive Compensation &gt; Section A (General)&gt; paragraph (a)(i), (ii)&gt; pages 30-31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>Minutes of the ASM of 13 January 2017</b>  &gt;Item 11&gt; Resolution No. S-07-17 &gt;page 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf</a></p>	

<p>2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.</p>	<p>NOT APPLICABLE</p>		<p>The present executives of the Corporation are employees of the parent company, ALI and do not receive compensation directly from the Corporation.</p>
<p>3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.</p>	<p>COMPLIANT</p>	<p>The Corporation discloses in the Annual Report the per diems received by each director.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>          &gt;Corporate Governance&gt; Board Matters&gt; Table of Gross Remuneration of Directors in 2019&gt; page 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p> <p>The Corporation discloses in the Information Statement the compensation received by the CEO and four most highly compensated executive officers in the aggregate for confidentiality reasons.</p> <p>The CEO (an executive director) does not receive compensation from the Corporation. Retirement benefits of ALI executives are covered by their employment contracts with ALI.</p> <p><b>Reference:</b>  <b>SEC 20-IS (for 2020 ASM)</b>          &gt;Item 6- Compensation of Directors and Executive Officers&gt; Item a-Executive Compensation and Item b-Compensation of Directors&gt;pages 7-8</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p>The Corporation disclosed its RPT Policy on its website.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Company Policies&gt;RPT Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p> <p>There was no case where the director with conflict of interest was involved in related party transaction which required any director to abstain from any discussion or voting.</p>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<p>The Corporation disclosed all material and significant RPTs reviewed and approved during the year in the consolidated financial statements attached to the SEC 17-A.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; 2019 Consolidated Audited Financial Statements &gt; Note 17 – Related Party Transactions &gt; pages 52-59 of Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	



**Supplement to Recommendation 8.5**

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>The directors are required to disclose any potential conflict of interest immediately to the Corporation.</p> <p>The Corporation's conflict of interest policy ensures that the personal interest of the directors or officers shall not prevail over the interest of the Corporation. They cannot derive profit or have any advantage as result of their position in the Corporation or engage in activities which compete with, or is contrary to, the interest of the Corporation.</p> <p><b>Reference:</b> <b>CG Manual 2020</b> &gt; Article VI – Disclosures and Transparency &gt; Item 3 – Governance Policy on Conflict of Interest &gt; Page 34 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Conflict of Interest Policy</b> &gt;Item 3.1 –Disclosure&gt;page 1 &gt;Item 3.2.1 to 3.2.9- Areas of Conflict of Interest&gt;pages 1-3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p> <p><b>Board Charter</b> &gt;Item 3-Board Independence and Conflict of Interest &gt; paragraphs 3-4&gt; page 4</p>	
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		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/board-charter-signed.pdf</a>	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	<p>The Corporation ensures that all RPTs are conducted at arm's length basis and at normal prices, and will inure to the benefit of the Company and its subsidiaries.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt;Item 2 - Statement of Policy and Coverage &gt; page 1;  b) &gt;Item 6.2&gt;page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p> <p><b>SEC Form 17-A</b>  &gt;Item 12 Certain Relationships and Related Transactions&gt; paragraph 1&gt;pages 32-33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<b>Recommendation 8.6</b>			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	<p>The Corporation's Manual on Corporate Governance, provides that all material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders and other stakeholders shall be publicly and timely disclosed.</p> <p>All material information, i.e., business, operational, financial, is accurately and</p>	

		<p>timely disclosed through SEC Form 17-C (Current Report), SEC 17-Q (Quarterly Reports) and SEC 17-A (Annual Report).</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VI – Disclosures and Transparency  &gt; Item 1.2 – Material Information&gt; Page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC Form 17-C</b> (posted in website)  &gt; Investor Relations&gt; Reports&gt; SEC 17-C filed in CY 2019  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>In case of mergers and acquisitions, the Board may appoint an independent party to evaluate the fairness of the transaction price.</p> <p><b>Reference:</b>  <b>Related Party Transaction Policy</b>  &gt;Item 6-Identification and Review of Material RPTs&gt; Item 6.1-Guidelines in ensuring arm’s length terms in material RPTs&gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	<p>)</p>

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	<p>All material agreements that may impact the control, ownership and strategic direction of the Corporation are disclosed on the website.</p> <p>There are no voting trust agreements or such similar agreements involving holders of more than 5% of the capital stock of the Corporation.</p> <p><b>Reference:</b>  <b>SEC 17-A</b>            &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management &gt; Item iii-Voting Trust Holders of 5% or More&gt; page&gt;32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>The Corporation's corporate governance policies, programs and procedures are contained in its CG Manual.</p> <p>The Corporation's CG Manual was submitted to SEC on May 31, 2017 and PSE on even date in compliance with SEC requirements.</p>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	<p>The Corporation filed on July 23, 2020 an updated version of the Corporation's CG Manual and posted it on its corporate website.</p>	
3. Company's MCG is posted on its company website.	COMPLIANT	<p><b>Reference:</b></p>	

		<p><b>Manual on Corporate Governance (2017)</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf</a></p> <p><b>Submission to PSE</b>  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CCUxwzMy.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CCUxwzMy.dpbs</a></p> <p><b>CG Manual 2020</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Manual on Corporate Governance  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Submission to PSE (2020)</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=488da9c1b7b2b5360de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=488da9c1b7b2b5360de8473cebbd6407</a></p>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	The Corporation submitted its CG Manual (revised as of 14 May 2020) to SEC and PSE on July 23, 2020. The revised Manual is posted in the Corporation’s website.  <b>Reference:</b> <b>CG Manual 2020</b> >ALLHC website>Corporate Governance>Manual on Corporate Governance	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	COMPLIANT	All material information, i.e., business, operational, financial, is disclosed in the 2019 Integrated Annual Report posted in the website. <b>2019 Annual Report</b> >ALLHC website>Investor Relations>Annual Reports <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
a. Corporate Objectives	COMPLIANT	<b>Reference:</b> <b>2019 Annual Report</b> >Our Company> Brand Story> page 2 (from cover page) <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>  <b>SEC Form 17-A</b> > Item 6. Management Discussion and Analysis or Plan of Operation > Review of 2019 Consolidated Results of Operations versus 2018> Prospects of the Future > Page 14 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a>	

b. Financial performance indicators	COMPLIANT	<p><b>2019 Annual Report</b> &gt;Financial Performance Indicators&gt;Page 7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
c. Non-financial performance indicators	COMPLIANT	<p><b>2019 Annual Report</b> &gt;Non-financial indicators&gt;&gt;Page 7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
d. Dividend Policy	COMPLIANT	<p><b>2019 Annual Report</b> &gt;Corporate Governance&gt;Policies &amp; Practices&gt;Dividends&gt;paragraph 2&gt; page 20 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	<p>The age, academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors were disclosed.</p> <p><b>SEC Form 17-A</b> &gt; Item 9. Directors and Executive Officers of the Registrant &gt; pages 24-26 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>2019 Annual Report</b> &gt;Corporate Governance&gt;Directors' Profiles&gt;pages 11-13 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	

<p>f. Attendance details of each director in all directors meetings held during the year</p>	<p>COMPLIANT</p>	<p><b>2019 Annual Report</b> &gt;Corporate Governance&gt;Board Matters&gt; Table of Attendance in meetings of the Board and Committee in 2019&gt; pages 16-17 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>g. Total remuneration of each member of the board of directors</p>	<p>COMPLIANT</p>	<p><b>2019 Annual Report</b> &gt;Corporate Governance&gt;Board Matters&gt; Table of 2019 Gross Compensation of Directors&gt;page 16 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.</p>	<p>COMPLIANT</p>	<p>The Annual Report contains a statement on the Corporation's compliance with the Code of Corporate Governance, and where there is non-compliance, identifies and explains the reason therefor.</p> <p><b>Reference:</b> <b>2019 Annual Report</b> &gt;Corporate Governance&gt; Policies &amp; Practices&gt; Compliance pages 20-21 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<p>3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</p>	<p>COMPLIANT</p>	<p>The Board, through the Audit Committee, reviews the quarterly and annual financial and operational reports from Management. The Board ensures that the implementation of strategies are in accordance with good corporate governance practices and that internal control mechanism are in place.</p>	



		<p>On an annual basis, the Audit Committee reports to and assists the Board in fulfilling its oversight responsibility to the shareholders relating to:</p> <ul style="list-style-type: none"> <li>• the integrity of AyalaLand Logistics Holdings Corp.'s (the "Company") financial statements and the financial reporting process;</li> <li>• the appointment, re-appointment, remuneration, qualifications, independence and performance of the independent external auditors and the integrity of the audit process as a whole;</li> <li>• the effectiveness of the systems of internal control and the risk management process;</li> <li>• the performance and leadership of the internal audit function;</li> <li>• the Company's compliance with applicable legal and regulatory requirements; and</li> <li>• the preparation of a year-end report of the Committee for approval of the Board and to be included in the annual report.</li> </ul> <p>The Report of Audit Committee presented during its meeting on February 12, 2020, and was presented and approved by the Board of February 19, 2020.</p> <p><b>Reference:</b>  <b>SEC 17-A</b>  &gt; PART IV – Corporate Governance &gt; Item 13 – Corporate Governance &gt; Paragraph 3 &gt; Page 35</p>	
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<p>4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.</p>	<p>COMPLIANT</p>	<p>On an annual basis, the Audit Committee reports to and assists the Board in fulfilling its oversight responsibility to the shareholders relating to:</p> <ul style="list-style-type: none"> <li>• the integrity of AyalaLand Logistics Holdings Corp.'s (the "Company") financial statements and the financial reporting process;</li> <li>• the appointment, re-appointment, remuneration, qualifications, independence and performance of the independent external auditors and the integrity of the audit process as a whole;</li> <li>• the effectiveness of the systems of internal control and the risk management process;</li> <li>• the performance and leadership of the internal audit function;</li> <li>• the Company's compliance with applicable legal and regulatory requirements; and</li> <li>• the preparation of a year-end report of the Committee for approval of the Board and to be included in the annual report.</li> </ul> <p>The year-end Report of the Audit Committee dated 12 February 2020 was approved by the Board during its meeting on February 19, 2020.</p> <p><b>Reference:</b> <b>SEC 17-A (2019)</b></p>	

		<p>&gt; PART IV – Corporate Governance &gt; Item 13 – Corporate Governance &gt; Paragraph 3 &gt; Page 35</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-17-A-CY-2018.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-17-A-CY-2018.pdf</a></p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	COMPLIANT	<p>The key risks are discussed in the SEC 17-A and in the 2019 Notes to the Audited Financial Statements attached to the SEC 17-A.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2019)</b>          &gt;Item 1 B-Business of the Issuer&gt; Item xv-Risks&gt;pages 7-8          &gt; 2019 Audited Financial Statements&gt;Note 30 –Financial Instruments&gt; Financial Risk Management Objectives, Policies and Capital Management&gt; pages 77-80 of Notes</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<p><b>Principle 9:</b> 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.</p>			
<p><b>Recommendation 9.1</b></p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	COMPLIANT	<p>The Audit Committee is tasked to recommend the appointment and removal of the external auditors and the fixing of their remuneration to the Board.</p> <p>The Committee conducts an assessment of independence and professional</p>	

		<p>qualifications and competence of the external auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3.7 &gt; Pages 4-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>SEC Form 17-A</b>  &gt; Item 8 – Information on Independent Accountants and Related Matters&gt; Sub-item 2 &gt; page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<p>2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.</p>	<p>COMPLIANT</p>	<p>The appointment of the external auditor, SyCip Gorres Velayo &amp; Co., and fixing of its audit fees, were recommended by the Audit Committee, approved by the Board and ratified by the stockholders during the Annual Stockholders' Meeting on April 12, 2019.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 12 April 2019</b>  &gt; Item 12 – Appointment of External Auditor and Fixing of its Remuneration &gt; Page 10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p>	

<p>3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.</p>	<p>NOT APPLICABLE</p>	<p>The Corporation shall disclose any change or removal of the external auditor as provided in the Manual on Corporate Governance. There was no change in partner-in-charge of audit for 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article IV – Audit, Risk Oversight and Compliance &gt; Item 3 – External Audit &gt; Paragraph 3.1&gt; Page 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC Form 17-A</b>  &gt; Item 8 – Information on Independent Accountants and Other Related Matters&gt; Paragraph 2 &gt; Page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>The partner-in-charge of the external auditing firm assigned to the Corporation is rotated every five (5) years or earlier.</p> <p>No change in the partner-in-charge of the external auditor for 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article IV – Audit, Risk Oversight and Compliance &gt; Item 3 – External Audit &gt; Paragraph 3.4 – Rotation &gt; Page 31</p>	

		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>SEC Form 17-A</b>  &gt; Item 8 – Information on Independent Accountants and Other Related Matters&gt;  Paragraph 2 &gt; Page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<b>Recommendation 9.2</b>			
<p>1. Audit Committee Charter includes the Audit Committee’s responsibility on:</p> <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	<p>COMPLIANT</p>	<p>The Audit Committee is tasked to assess the independence and professional qualifications and competence of the external auditor and ensure that a rotation process is observed in the engagement of external auditor.</p> <p>The Audit Committee is responsible for reviewing and pre-approving the external auditor’s plans one (1) month before the conduct of external audit to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt;  Item 3-External Audit&gt; pages 4-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	

<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>COMPLIANT</p>	<p>The Audit Committee shall assess the performance of the external auditor and recommends appointment of external auditor every year.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt;Item D-Roles and responsibilities&gt; Item 3- External Audit&gt; paragraph 3.1&gt;pages 4-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<b>Supplement to Recommendations 9.2</b>			
<p>1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.</p>	<p>COMPLIANT</p>	<p>See response in Recommendation 9.2, Item 1</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Item 3.2 &gt; Paragraph 2 &gt; Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>COMPLIANT</p>	<p>See response in recommendation 9.2, Item 1.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Item 3.2 &gt; Paragraph 2 &gt; Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	

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	<p>Total non-audit fees for year 2019 are disclosed in SEC Form 17-A.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>            &gt; Item 8. – Information on Independent Accountants and Other Related Matters&gt; Paragraph 1 (c)- All Other Fees &gt; Page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
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	<p>The Audit Committee reviews and approves the proportion of audit versus non-audit work both in relation to their significance to the external auditor and in relation to the Corporation’s year-end financial statements, and total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the External auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>            &gt; Section D – Roles and Responsibilities &gt; Item 3.7 &gt; Page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	The Corporation discloses the nature of the non-audit services and non-audit fees paid and ensure that the non-audit fees do not outweigh the audit fees.	



		<p>For 2019, total audit fees is more than the total non-audit fee.</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Item 8 – Information on Independent Accountants and Other Related Matters&gt;  Paragraph 1 (c) &gt; Page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-17-A-CY-2018.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-17-A-CY-2018.pdf</a></p>	
<b>Additional Recommendation to Principle 9</b>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>COMPLIANT</p>	<p>Details of the appointed external auditor:</p> <p>Partner-in-Charge:  Mr. Carlo Paolo V. Manalang  SEC Accreditation No. 1625-A (Group A)  March 28, 2017 valid until March 27, 2020</p> <p>Audit Firm:  SyCip Gorres Velayo &amp; Co.  SEC Accreditation No. 0012-FR-5 (Group A),  November 6, 2018 valid until November 5, 2021</p> <p><b>Reference:</b>  <b>SEC Form 17-A</b>  &gt; Independent Auditor's Report attached to the 2019 consolidated Audited Financial Statements  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	

2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	NOT APPLICABLE		The Partner-in-Charge, Mr. Carlo Paolo Manalang, from SyCip Gorres Velayo & Co, has not been subjected to the SEC Oversight Assurance and Review (SOAR) Inspection Program. It is the SEC which selects the auditor.
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**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	<p>The Board has a disclosure and transparency policy on non-financial and sustainability reporting.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VI – Disclosure and Transparency  Item 1.3 – Non-financial and Sustainability Reporting &gt; Page 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	<p>As approved by the Sustainability Committee, the Corporation adopted the Sustainability Reporting Guidelines issued by SEC through Memorandum Circular No. 4, series of 2019 and prepared its 2019 Sustainability report using the reporting template prescribed under the Guidelines.</p> <p>The Guidelines reflects four (4) of the</p>	

		<p>globally accepted frameworks for reporting sustainability and non-financial information: the Global Reporting Initiative's Sustainability Reporting Standards, the International Reporting Council's Integrated Reporting Framework, the Sustainability Accounting Standards Board's Sustainability Accounting Standard and the recommendations of the Task Force on Climate-related Financial Disclosure.</p> <p><b>Reference:</b>  <b>SEC 17-A</b>          &gt;2019 Sustainability Report attached to SEC 17-A  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
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**Principle 11:** The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.

**Recommendation 11.1**

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>COMPLIANT</p>	<p>The Corporation holds one-on-one briefings with analysts and issues press releases to communicate material and timely information to the stockholders and other investors. The Corporation also answers queries from analysts through email.</p> <p><b>Reference:</b>  <b>Analyst/Media Briefings and Conferences in 2019:</b>          &gt;ALLHC website&gt; Investor relations&gt; Disclosures&gt;Analyst Presentations</p>	
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		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/2019-ALLHC-Analyst-Presentations.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/2019-ALLHC-Analyst-Presentations.pdf</a>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:		The Corporation has a website which disclose required reports and information.	
a. Financial statements/reports (latest quarterly)	COMPLIANT	<b>Reference:</b> <b>Financial Statements</b> <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHCS_CFS1219_AyalaLand-Logistics-Holdings-Corp_PDF-Signed-Copy.pdf</a>	
b. Materials provided in briefings to analysts and media	NON COMPLIANT		
c. Downloadable annual report	COMPLIANT	<b>SEC Form 17-Q</b> > SEC Form 17-Q for quarter ended 30 September 2019 and 30 March 2020 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/SEC-Form-17-Q-30-Sept-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/11/SEC-Form-17-Q-30-Sept-2019.pdf</a>	
d. Notice of ASM and/or SSM	COMPLIANT	<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/1Q-2020-ALLHC_SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/1Q-2020-ALLHC_SEC-17-Q.pdf</a>	
e. Minutes of ASM and/or SSM	COMPLIANT		
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	<b>Analyst Briefing Materials/ Press Release</b> <a href="https://www.ayalalandlogistics.com/press-room/">https://www.ayalalandlogistics.com/press-room/</a>  <b>Downloadable 2019 Annual Report</b> <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	

		<p><b>SEC Form 17-A</b>  &gt; For the Calendar Year ended 31 December 2019  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p> <p><b>Notice of Stockholders' Meeting</b>  a) &gt; Notice of ASM on April 12, 2019  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf</a></p> <p>b) &gt; Notice of ASM on April 13, 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf</a></p> <p><b>Minutes of ASM dated 12 April 2019</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p> <p><b>Minutes of ASM dated 13 April 2020</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p> <p><b>Articles of Incorporation and By-Laws</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws-5.9.19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws-5.9.19.pdf</a></p>	
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Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT	<p>The Corporation complies with the SEC-prescribed website template. This website is updated regularly and contains all the corporate information on the business and management, policies, corporate governance reports and disclosures of the Corporation.</p> <p><b>Reference: ALLHC website</b>  <a href="https://www.ayalalandlogistics.com/">https://www.ayalalandlogistics.com/</a></p>	
Internal Control System and Risk Management Framework			
<p><b>Principle 12:</b> To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.</p>			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>The internal audit activities promote internal control.</p> <p>The scope of internal audit work includes the review of risk management procedures, internal control systems, information systems and governance processes to ensure:</p> <ul style="list-style-type: none"> <li>• Safeguarding of Assets</li> <li>• Proper identification and management of risks</li> <li>• The appropriate level of internal control exists within the company to manage and mitigate risk</li> <li>• Policies, standards, procedures, and controls are adequately documented as needed</li> <li>• Interaction with the various governance groups occurs as</li> </ul>	

		<ul style="list-style-type: none"> <li>needed</li> <li>• Significant financial, managerial, and operating information is accurate, reliable, and timely.</li> <li>• Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations.</li> <li>• Resources are acquired economically, used efficiently, and adequately protected</li> <li>• Programs, plans, and objectives are achieved</li> <li>• Quality and continuous improvement are fostered in the organization's control process</li> <li>• Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.</li> </ul> <p>The internal control system is reviewed annually.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Section G – Scope of Work &gt; Page 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p> <p><b>2019 Internal Control and Compliance System Attestation</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-Internal-Control-and-Compliance-System-Attestation-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-Internal-Control-and-Compliance-System-Attestation-2019.pdf</a></p>	
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<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Corporation launched an EWRM exercise aligned with that of its parent company, firmly embedded into its corporate planning process, which constantly seeks to identify, assess and address all the risks inherent and external to the business that could potentially affect the performance of the Corporation. The ERM exercise was completed in March 2017 and is continuously conducted and monitored annually</p> <p>For 2019, the top two (2) risks identified by the Corporation are as follows:</p> <ul style="list-style-type: none"> <li>a. Marginalization</li> <li>b. Political/Governmental</li> <li>c. Regulatory</li> </ul> <p><b>Reference:</b>  <b>Enterprise Risk Management Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>COMPLIANT</p>	<p>The Corporation launched an EWRM exercise aligned with that of its parent company, firmly embedded into its corporate planning process, which constantly seeks to identify, assess and address all the risks inherent and external to the business that could potentially affect the performance of the Corporation. The ERM exercise was completed in March 2017 and is continuously conducted and monitored annually.</p>	



		<p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 5 –Compliance System  &gt; paragraphs a, f, g&gt;Page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Optional: Recommendation 12.1</b>			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.			
<b>Recommendation 12.2</b>			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company’s operations.	COMPLIANT	<p>The Corporation has an independent internal audit group that reports to the Audit Committee.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Internal Audit Charter &gt; Section G – Scope of Work &gt; Pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>Ms. Maria Divina Lopez is the Chief Audit Executive of the Corporation.  The CAE’s overall responsibilities are disclosed in the Corporation’s Internal Audit Charter.</p>	

		<p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Section H – Overall Responsibility &gt; pages 5-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p>	
<p>2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.</p>	COMPLIANT	<p>Internal audit is done in-house. The CAE oversees and is responsible for the internal audit activity of the organization. Activities that will be outsourced to a third party service provider must be recommended by the CAE to the Audit Committee for approval.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Section H – Overall Responsibility &gt; Pages 5-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p> <p><b>Audit Committee Charter</b>  &gt; Item 2-Roles and responsibilities&gt; Item 2-Internal Control&gt; paragraph 2.4 &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<p>3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal</p>	COMPLIANT	<p>The internal audit function is 100% in-house. Even if be outsourced, the Corporation has a senior management personnel who is fully qualified to oversee the outsourced activity. The CAE, Ms. Lopez, is qualified to oversee</p>	

audit activity.		the activity.  <b>Reference:</b> <b>2019 Annual Report</b> >Corporate Governance> Governance Matters> Chief Audit Executive> page 14 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	The Corporation has a separate risk management function.  <b>Reference:</b> <b>CG Manual 2020</b> >Article III-Governance> Item 3-Board Committee> Item 3.5-Board Risk Oversight Committee>page 18-19 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>  <b>2019 Annual Report</b> Corporate Governance>Board Committees>Board Risk Oversight Committee> page 19 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such	NOT APPLICABLE		The Corporation has no external technical support in risk

<p>competence is not available internally.</p>			<p>management. At present, risk management is adequately performed by the Audit Committee through the Internal Audit Group.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/POPI-Internal-Audit-Charter-2017.pdf</a></p>
<b>Recommendation 12.5</b>			
<p>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).</p>	<p>COMPLIANT</p>	<p>The CAE is designated as the Chief Risk Officer (CRO) on a concurrent basis. The roles and responsibilities of the CRO is stated in the Corporation's CG Manual.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article IV – Audit, Risk Oversight and Compliance &gt; Item 4 – Risk Oversight&gt; pages 31-32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>	<p>The CRO has adequate authority, stature, resources and support to fulfill his responsibilities from the Board Risk Oversight Committee* and Management.  <small>*created on December 18, 2019</small></p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Article VI-Audit, Risk and Compliance&gt;Item 4-Risk Oversight&gt;pages 31-32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>2019 Annual Report</b>          &gt;Corporate Governance&gt; Governance Matters&gt; Chief Risk Officer&gt; page 14  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	
<b>Additional Recommendation to Principle 12</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation's CEO, CAE and Compliance Officer attest in writing that a sound internal control and compliance system is in place and working effectively.</p> <p><b>Reference:</b>  <b>2019 Attestation on the Internal Control and Compliance System</b>          &gt;Corporate Governance &gt; Enterprise Wide Risk Management&gt; Internal Control and Compliance System Attestation  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-Internal-Control-and-Compliance-System-Attestation-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-Internal-Control-and-Compliance-System-Attestation-2019.pdf</a></p>	

**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**

<p>1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>Shareholders' rights are disclosed in the Corporation's Manual on Corporate Governance.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>                  &gt; Article VII – Shareholders' Rights and Protection of Minority Shareholder &gt; Pages 37-39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<p>2. Board ensures that basic shareholder rights are disclosed on the company's website.</p>	<p>COMPLIANT</p>	<p>The basic shareholders' rights are posted in the Corporation's website.</p> <p>The Corporation's Manual on Corporate Governance is also posted in the Corporation's website.</p> <p><b>Reference:</b>  <b>Shareholders' Rights</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf</a></p> <p><b>CG Manual 2020</b>                  &gt; Article VII – Shareholders' Rights and Protection of Minority Shareholder &gt; Pages 37-39</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	COMPLIANT	<p>Each common share entitles the person in whose name it is registered to one vote.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders' Rights and Protection of Minority Shareholder &gt; Item 1.1 – Voting Right &gt; Page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>By-laws (amended as of 9 May 2019)</b>  &gt;Article II-Stockholders' Meetings&gt; Section 5-Proxies&gt; Page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws 5.9.19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws 5.9.19.pdf</a></p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	The Company has only common shares. Shareholders are treated equally or without discrimination. The Board, as far as practicable, gives minority shareholders the right to nominate candidates for the Board of Directors and propose the holding of meetings and the items for discussion in the agenda that relate directly to the business of the Corporation.	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 2 – Directors to Promote Shareholders’ Rights &gt; Paragraph 2 &gt; Page 39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>The Corporation has a secure and effective voting system. The Corporation used manual and electronic poll voting during its 2019 ASM.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 12 April 2019</b>  &gt; Item 4- Procedures for Discussion and Voting &gt;Page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p> <p><b>SEC 20-IS (for 2019 ASM)</b>  &gt;Item 19- Voting Procedure&gt;paragraph b &gt; page 13  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p>	
4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.	NOT APPLICABLE		The Corporation protects the rights of the minority shareholders although it has no supermajority or majority of the minority voting mechanism.



			<p>One share is entitled to one vote.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 2 – Directors to Promote Shareholders’ Rights &gt; Paragraph 2 &gt; Page 39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>
<p>5. Board allows shareholders to call a special shareholders’ meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.</p>	<p>COMPLIANT</p>	<p>The minority shareholders shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes and relate directly to the business of the Corporation.</p> <p>The By-laws recognize the right of stockholders to call for a special meeting. There was no call from the stockholders for a special meeting in 2019.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1- Shareholders’ Rights&gt; Item 1.4-Right to Information&gt; paragraph 2 &gt; page 38</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>  <b>Amended By-laws</b> > Article II- Stockholders' Meeting >Sec. 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/SEC-PSE-Amendment-of-By-Laws_4-11-17.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/SEC-PSE-Amendment-of-By-Laws_4-11-17.pdf</a>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	The Board clearly articulates and enforces policies with respect to treatment of minority shareholders.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VII – Shareholders' Rights and Protection of Minority Shareholder> pages 37-39 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
7. Company has a transparent and specific dividend policy.	COMPLIANT	The Board has not declared dividends for the last five (5) years. The last dividend declaration was in 1997.  The Corporation follows the provisions of its By-laws and the rules and regulations on dividends implemented by the SEC.  <b>Reference:</b> <b>SEC Form 17-A</b> > Part II > Item 5 C-Dividends >Page 12	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	<p>SyCip Gorres Velayo &amp; Co. was appointed independent party to validate the votes cast at the 2019 ASM.</p> <p><b>Reference:</b>  <b>SEC Form17-C dated 12 April 2019 (Voting Results)</b>  &gt; Matters taken up during the ASM&gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-2019-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-2019-ASM-Voting-Results.pdf</a></p>	
<b>Recommendation 13.2</b>			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	COMPLIANT	<p>The Corporation sent the Notice of ASM set on April 12, 2019 starting 15 March 2019 or twenty-eight (28) days before the ASM. The notice was also posted on the websites of the Company and the PSE.</p> <p><b>Reference:</b>  <b>SEC 20-IS (for 2019 ASM)</b>  &gt;2019 Notice/Agenda  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p> <p><b>Minutes of ASM dated 12 April 2019</b>  &gt;Item 2- Notice of Meeting&gt; paragraph 1&gt; page 1</p>	

		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p> <p>The Corporation sent the Notice of ASM set on 13 April 2020 on March 12, 2020 or 32 days before the ASM. A revised Notice of ASM with Definitive Information Statement was filed due to the change from a physical meeting to a meeting by remote communication as a result of the government-imposed Enhanced Community Quarantine (ECQ).</p> <p><b>Notice of ASM attached to SEC 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473ceb6407</a></p> <p><b>SEC 20-IS (for 2020 ASM)</b>  &gt;Notice/Agenda  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p> <p><b>Revised ASM Notice</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36f6dd20de8473ceb6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36f6dd20de8473ceb6407</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			

<p>a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)</p>	<p>COMPLIANT</p>	<p>Attached to the Notice of Annual Stockholders' Meeting is the Corporation's Definitive Information Statement (SEC 20-IS), which contains the profiles of directors.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2019 ASM)</b>  a) &gt; Item 5-Directors and Executive Officers&gt; Paragraph a) (i)&gt; page 5;  b) &gt;Annex A&gt; pages 14-16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p> <p><b>SEC Form 20-IS (for 2020 ASM)</b>  a) &gt;Item 5- Directors and Executive Officers&gt; Paragraph a) (i) &gt;pages 5-6;  b) &gt;Annex B&gt; pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<p>b. Auditors seeking appointment/re-appointment</p>	<p>COMPLIANT</p>	<p>Auditor seeking appointment is identified in the Explanation of the Proxy Form attached to the Notice of the ASM, and SEC 20-IS.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2019 ASM)</b>  a) &gt;Notice of ASM&gt; Explanation of Agenda items&gt; Page 2;  b) &gt; Item 7-Independent Public Accountants&gt; pages 9-10</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a>  <b>SEC Form 20-IS (for 2020 ASM)</b> a) >Notice of ASM> Explanation of Agenda items> Page 2; b) > Item 7-Independent Public Accountants> page 9 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a>	
c. Proxy documents	COMPLIANT	The proxy form is attached to the Notice of ASM.  <b>Reference:</b> <b>SEC Form 20-IS (for 2019 ASM)</b> >Notice of ASM> Explanation of Agenda items> Proxy <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a>  <b>SEC Form 20-IS (for 2020 ASM)</b> >Notice of ASM> Explanation of Agenda items> Proxy <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual	COMPLIANT	The Corporation provides an explanation of the agenda items which is attached to the	

<p>stockholders meeting</p>		<p>Notice of ASM.</p> <p><b>Reference:</b>  <b>Revised Notice of ASM set on 12 April 2019</b>          &gt;Revised ASM Notice&gt; Explanation of Agenda Items&gt; pages 2-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/POPI-ASM-Notice-12-April-2019-Revised.pdf</a></p> <p><b>Revised Notice of ASM set on 13 April 2020</b>          &gt;Revised ASM Notice&gt;Explanation of Agenda Items&gt; pages 2-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf</a></p>	
<b>Recommendation 13.3</b>			
<p>1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.</p>	<p>COMPLIANT</p>	<p>Matters taken up at the 2019 ASM were made publicly available through PSEedge and SEC 17-C (Current Report) on the same day of the ASM. The voting results were also posted in the Corporation's website.</p> <p><b>Reference:</b>  <b>SEC Form 17-C</b>          &gt;SEC Form 17-C dated 12 April 2019&gt; Voting results  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-2019-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-2019-ASM-Voting-Results.pdf</a></p> <p>&gt;SEC Form 17-C dated 12 April 2019&gt;Results of the ASM and Organizational Meeting</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/SEC-Form-17-C-Results-of-Annual-Stockholders-Meeting-and-Organizational-Meeting-of-the-Board-of-Directors.pdf</a>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>Minutes of the 2019 ASM was posted in the Corporation's website within five (5) calendar days from the date of the meeting.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 12 April 2019</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-4-12-2019-Final.pdf</a></p> <p><b>Minutes of ASM dated 13 April 2020</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p>The representatives of the external auditor, SyCip Gorres Velayo &amp; Co., were present at the ASM of the Company in 2019 and 2020.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2019 ASM)</b>  &gt;Item 7 (a)-Independent Public Accountants&gt; last paragraph &gt; page 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/03/Definitive-Information-Statement-2019-as-of-15-March-2019.pdf</a></p> <p><b>Minutes of ASM dated 13 April 2020</b>  &gt;Minutes of ASM dated 13 April 2020&gt;Item</p>	



		1-Call to Order> page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a>	
<b>Recommendation 13.4</b>			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	An alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner is made available to the stockholders.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VII - Shareholders' Rights and Protection of Minority Shareholder > Item 2 -Duty of Directors to Promote Shareholders' Rights > last paragraph > Page 39 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	The stockholder may avail of existing ADR procedures Under Republic Act No. 9825 or Alternative Dispute Resolution Act.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VII - Shareholders' Rights and Protection of Minority Shareholder > Item 2 -Duty of Directors to Promote Shareholders' Rights > last paragraph > Page 39 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p>The contact details of the IRO are as follows:</p> <p>Name: Ma. Rhodora dela Cuesta  Telephone: (632) 8884-1106  Email:  <a href="mailto:corporate@ayalalandlogistics.com">corporate@ayalalandlogistics.com</a> or  <a href="mailto:delacuesta.dolly@ayalalandlogistics.com">delacuesta.dolly@ayalalandlogistics.com</a></p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Disclosure and Transparency  &gt; Item 4.2 – Investor Relations Function &gt;  Page 36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
2. IRO is present at every shareholder’s meeting.	COMPLIANT	The IRO is present at every shareholders’ meeting.	
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	<p>The Corporation does not have anti-takeover measures and avoids anti-takeover measures or similar devices. An example is the one year term for directors. Every year, stockholders are given opportunity to elect new directors to nominate and elect new directors to prevent entrenchment of ineffective management by controlling shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2020 ASM)</b>  &gt;Item 5-Directors and Executive Officers&gt;pages 5-6; Annex B</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT		<p>As of 31 December 2019, the Corporation's public float was 26.62%. Total subscription of the parent company, Ayala Land , Inc. was 70.89%.</p> <p>The public float was at 32.72% in March 2019, at 26.83% and 26.62% in June 2019 and September 2019, respectively.</p> <p><b>Reference:</b>  <b>Public Ownership Report as of December 31, 2019</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/02/PSE-BIR-Public-Ownership-Report_12.31.19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/02/PSE-BIR-Public-Ownership-Report_12.31.19.pdf</a></p>
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	<p>The Board encourages active shareholder participation beyond the Annual Stockholders' Meeting by making the minutes of the stockholders' meeting available in the Corporation's website within five (5) business days from the end of the meeting.</p> <p>The Corporation has a corporate email through which the stockholders can post their questions or comments at any time.</p>	

		<p>The Corporation has a Corporate Secretary, Compliance Officer and IRO who can assist the stockholders with their queries or concerns regarding the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article VII - Shareholders' Rights and Protection of Minority Shareholder &gt; Item 2 -Duty of Directors to Promote Shareholders' Rights &gt; 3rd paragraph &gt; Page 38  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	<p>The Company has secure electronic voting in absentia system for 2020 ASM.</p> <p><b>SEC 20-IS (for 2020 ASM)</b>          &gt;Item B-Control and Compensation Information&gt; Item 4-Manner of Voting&gt; paragraph c)&gt; page 3;          &gt;Annex A&gt; pages 13-14  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various	COMPLIANT	The Corporation adheres to a high level of	

<p>stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.</p>		<p>moral standards and unquestionable dealing with all its suppliers, customers, employees, shareholders and other business partners to lay down the foundation for long-term beneficial relationships which allow the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VIII - Stakeholders' Interest &gt; Page 39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Recommendation 14.2</b>			
<p>1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.</p>	<p>COMPLIANT</p>	<p>The Corporation, through the Board, established policies and procedures to promote fair treatment and protection of the stakeholders such as whistleblowing, insider trading, and conflict of interest which are posted in the Corporation's website.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VIII - Stakeholders' Interest &gt; Page 39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a>  <b>Company Policies</b>  &gt;ALLHC website&gt;Corporate Governance&gt;</p>	

		<p>Company Policies  <a href="https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies">https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies</a></p>	
<b>Recommendation 14.3</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation has a whistleblowing policy to allow stakeholders to communicate with the Corporation.</p> <p>The Board also established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or unit created to handle whistleblowing concerns.</p> <p>Stakeholders may reach the following personnel to voice their concerns and/or complaints for possible violation of their rights:</p> <p>Human Resources:  Marita Cabral  <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a></p> <p>Investor Relations:  Ma. Rhodora P. dela Cuesta  <a href="mailto:delacuesta.dolly@ayalalandlogistics.com">delacuesta.dolly@ayalalandlogistics.com</a>  +63 9175929623</p> <p>Internal Audit:  Alvin Angelo J. Anoos  <a href="mailto:anoos.alvin@ayalamalls.com.ph">anoos.alvin@ayalamalls.com.ph</a>  +63 9178264281</p>	

		<p><b>Reference:</b>  <b>Whistleblowing Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III - Governance &gt; Item 7 - Business Conduct and Ethics &gt; 2nd Paragraph &gt; Page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	COMPLIANT	<p>An alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner is made available to the stockholders.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII - Shareholders' Rights and Protection of Minority Shareholder &gt; Item 2 -Duty of Directors to Promote Shareholders' Rights &gt; last paragraph &gt; Page 38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or	COMPLIANT	The Corporation did not seek any exemption from the application of a law,	

<p>regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>		<p>rule or regulation.</p>	
<p>2. Company respects intellectual property rights.</p>	<p>COMPLIANT</p>	<p>The Corporation respects intellectual property rights and has not violated any intellectual property rights. There are no complaints filed against the Corporation pertaining to intellectual property rights. The Corporation filed for registration of its trademark with the Intellectual Property Office.</p>	
<p><b>Optional: Principle 14</b></p>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	<p>COMPLIANT</p>	<p>The Corporation adheres to a high level of moral standards and unquestionable dealing with all its suppliers, <u>customers</u>, employees, shareholders and other business partners to lay down the foundation for long-term beneficial relationships which allows the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VIII - Stakeholders' Interest &gt; Page 40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	



<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	<p>COMPLIANT</p>	<p>The Corporation adheres to a high level of moral standards and unquestionable dealing with all its <u>suppliers</u>, customers, employees, shareholders and other business partners to lay down the foundation for long-term beneficial relationships which allows the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VIII - Stakeholders' Interest &gt; Page 40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p>	
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**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**

<p>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.</p>	<p>COMPLIANT</p>	<p>The Board established policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in governance. The Board has an anti-corruption program and procedures which include Whistleblowing Policy, Insider trading Policy, and Conflict of Interest Policy.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III - Governance &gt; &gt; Item 7 -</p>	
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		<p>Business Conduct and Ethics &gt; Second Paragraph &gt; Page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Whistleblowing Policy</b>  &gt;Item 1-Statement of Policy&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p> <p><b>Insider Trading Policy</b>  &gt;Item 1-Statement of Policy&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt;Item 3&gt; Item 3.2.9-Acceptance of Gifts and Bribes&gt;page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	
<b>Supplement to Recommendation 15.1</b>			
<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>COMPLIANT</p>	<p>The Board approved in 2015 the Terms and Conditions of P250-million Employees Stock Ownership Plan (ESOWN) which was to be issued in 2 tranches from 2015 to 2018 to qualified regular employees of the Corporation as of 30 June 2015. The ESOWN has been subscribed and there were no further availments after December 2018.</p> <p><b>Reference:</b></p>	

		<p><b>SEC Form 17-A</b>  &gt;Item 10 B-Option Outstanding &gt; Page 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-SEC-17-A-CY-2019.pdf</a></p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>The Corporation seeks to provide services and programs designed to promote the well-being of employees such as health and safety, rest and recreation, economic security and family welfare.</p> <p>Programs for health, safety, and employee welfare are implemented to communicate and demonstrate a caring atmosphere in the work place.</p> <p>The Corporation maintains a medical and wellness program which provides for in-patient and out-patient benefits for the employees (through a Health Maintenance Organization provider).</p> <p><b>Reference:</b>  <b>Health, Safety, and Welfare Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/write-up-on-POPI-Health-Safety-and-Welfare-Programs.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/write-up-on-POPI-Health-Safety-and-Welfare-Programs.pdf</a></p>	
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p>Training efforts focus on the three core areas: 1) Personal Effectiveness; 2) Functional / Professional Skills; and 3) Leadership Skills.</p> <p>The Corporation also sends its employees to</p>	

		<p>public seminars to continuously equip them with the necessary technical or functional knowledge and expertise necessary for meeting the present and future demands for achieving the business objectives of the Corporation.</p> <p>In 2019, certain employees were asked to join trainings, workshops and seminars on topics such as:</p> <ol style="list-style-type: none"> <li>1. Basic Occupational Safety and Health (BOSH)</li> <li>2. Standard First Aid</li> <li>3. Construction Occupational Safety and Health (COSH)</li> <li>4. Fire prevention</li> <li>5. Leasing module</li> <li>6. Accounting for Non-Accountants</li> <li>7. Business Writing</li> <li>8. Budget Compliance</li> </ol>	
<b>Recommendation 15.2</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation has a Code of Business Conduct and Ethics.</p> <p>The Corporation promotes an environment that fosters and maintains a high level of self discipline among all employees. It recognizes that the ultimate responsibility for meeting prescribed standards of conduct and performance rests on each employee</p> <p><b>Reference:</b> <b>Code of Business Conduct and Ethics</b></p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>The Company has a Code of Business Conduct and Ethics which is disseminated to all employees. The Code is also available in the website of the Corporation.</p> <p>In addition, all employees are required to disclose annually any possible conflict of interest.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Employees and officers are expected to exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking or doing business with the Company and refuse any gift that might be considered as bribery of any form.</p> <p>There was no reported incident of corrupt practice committed by employees or officers.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Code-of-Business-conduct-and-Ethics.pdf</a></p>	

<b>Recommendation 15.3</b>			
<p>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</p>	<p>COMPLIANT</p>	<p>The Corporation has a whistleblowing policy to allow stakeholders to communicate with the Corporation.</p> <p>The Board also established a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or unit created to handle whistleblowing concerns</p> <p>Stakeholders may reach the following personnel to voice their concerns and/or complaints relating to violation of their rights and/or for referral to the appropriate party to handle such complaints:</p> <p>Human Resources:  Marita Cabral  <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a>  +63 9175220198</p> <p>Investor Relations:  Ma. Rhodora P. dela Cuesta  <a href="mailto:delacuesta.dolly@ayalalandlogistics.com">delacuesta.dolly@ayalalandlogistics.com</a>  +63 9175929623</p> <p>Internal Audit:  Alvin Angelo J. Anoos  <a href="mailto:anoos.alvin@ayalamalls.com.ph">anoos.alvin@ayalamalls.com.ph</a>  +63 9178264281</p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b></p>	

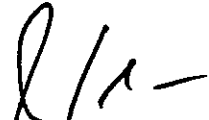
		<p>&gt;ALLHC website&gt;Corporate Governance&gt;Company Policies  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III - Governance &gt; Item 7 - Business Conduct and Ethics &gt; Second Paragraph &gt; Page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Manual-on-Corporate-Governance-revised-2020.pdf</a></p> <p><b>Contact Information in ALLHC website</b>  (found in lower portion of the page)  <a href="https://www.ayalalandlogistics.com">https://www.ayalalandlogistics.com</a></p> <p><b>Insider Trading Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/ALLHC-Insider-Trading-Policy-2019.pdf</a></p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>See explanation and reference in Recommendation 15.3 – Item 1.</p> <p>The Group Human Resources Dept. has informed employees about the Whistleblowing Policy. Employees may choose from any of the different reporting channels. The Whistleblowing Policy is also posted in the Corporation’s website.</p>	

<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	<p>COMPLIANT</p>	<p>The Business Integrity Channels are monitored by the Ethics Committee which reports directly to the Audit Committee.</p> <p>There was no reported incident under the Whistleblowing Policy in 2019.</p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p>	
<p><b>Principle 16:</b> The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p><b>Recommendation 16.1</b></p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation and its subsidiaries undertake Corporate Social Responsibility projects such as feeding programs, medical donations of medical supplies, small appliances to Missionaries of Charity and Home of Joy near Tutuban mall, donation of chairs and tables for community centers around Tutuban, community clean-up drives around Southpark mall in Alabang, and donation of an e-library in Naic, Cavite.</p> <p><b>Reference:</b>  <b>2019 Annual Report</b>          &gt;Sustainability&gt; Local Employment and Community Development&gt; Page 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	

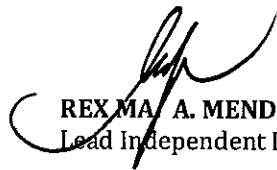


Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development			
2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	<p>The Corporation has adopted a three-pillar approach to sustainability, with 4 focus areas. These include growing our local economy through inclusive economic strategies; operating in a more eco-efficient manner; heightening our focus on pedestrian and transit connectivity; and improving the site resilience of our assets against disasters and other major risks.</p> <p><b>2019 Annual report</b>            &gt;ALLHC website&gt; Reports&gt; Annual Report&gt;2019 Annual Report&gt; Sustainability&gt;pages 8-9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/06/ALLHC-2019-Annual-Report.pdf</a></p>	

Signed on JUL 27 2020 at Makati City.



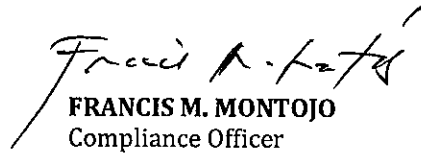
**JOSE EMMANUEL H. JALANDONI**  
Chairman of the Board



**REX MA. A. MENDOZA**  
Lead Independent Director



**CASSANDRA LIANNE S. YAP**  
Independent Director



**FRANCIS M. MONTOJO**  
Compliance Officer



**MARIA ROWENA M. TOMELDAN**  
President/CEO



**RENATO O. MARZAN**  
Independent Director



**JUNE VEE D. MONTECLARO-NAVARRO**  
Corporate Secretary

**ACKNOWLEDGMENT**

**BEFORE ME**, a notary public for and in the above jurisdiction, this JUL 27 2020, at Makati City, personally appeared the following:

Name	Valid ID	Date/Place Issued
Jose Emmanuel H. Jalandoni	Passport No. P1697725A	1-21-2017/DFA NCR South
Maria Rowena M. Tomeldan	Passport No. P7954199A	7-16-2018/DFA NCR South
Rex Ma. A. Mendoza	Passport No. P6999664A	5-2-2018/ DFA Manila
Renato O. Marzan	Passport No. P3161193B	9-12-2019/DFA NCR East
Cassandra Lianne S. Yap	Passport No. P5580593A	1-11-2018/DFA Manila
June Vee D. Monteclaro-Navarro	Passport No. P2934191B	9-2-2019/DFA Manila
Francis M. Montojo	Passport No. P3957008A	8-8-2017/DFA Iloilo

known to me and to me known to be the same persons who signed this I-ACGR and acknowledged to me that the same is their free and voluntary act and deed.

**WITNESS MY HAND AND SEAL** on the date and at the place first abovewritten.

Doc. No. 140 ;  
Page No. 29 ;  
Book No. XXXI ;  
Series of 2020.

Notarial DST pursuant to  
Sec.188 of the Tax Code  
affixed on Notary Public's copy



**ROBERTO T. ONGSIAKO**  
Notary Public - Makati City  
Appt. No. M-155 until December 31, 2020  
Roll of Attorneys No. 37041  
Lifetime IBP No. 02163 - RSM Chapter  
PTR No. 8116886MG - 01/02/2020 - Makati City  
MCLE Compliance No. VI -0005160 - 12/08/2017  
3<sup>rd</sup> Floor Tower One and Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City, Philippines