



SEC FORM - I-ACGR

# INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2022**
  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** 6.  (SEC Use Only)  
Province, Country or other jurisdiction of Industry Classification Code:  
incorporation or organization
  7. **3<sup>rd</sup> Floor, Glorietta 5, Ayala Center, Makati City** **1224**  
Address of principal office 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	Provide information or link/reference to a document containing information on the following: 1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors 2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance	
2. Board has an appropriate mix of competence and expertise.	COMPLIANT		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	COMPLIANT	<p><i>The Corporation's Board is composed of a diverse mix of individuals with academic qualifications, professional experience, and expertise that are relevant to the property industry.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; pages (pp.) 25-27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt; Our Leaders &gt; Profiles of Directors &gt; pp. 27-29;  &gt; Corporate Governance &gt; Board Matters &gt; 2022 Table of Directors showing designation, year elected and expertise (Board Skills Matrix) &gt; page (p.) 54  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><i>All directors possess the qualifications and none of the disqualifications as provided in the Manual on Corporate Governance (revised February 2022) (CG Manual).</i></p>	

		<p><i>The directors attend training annually as disclosed in the Corporation's 2022 Integrated Report.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.3 Qualification, Items 1.4 and 1.5-Disqualifications &gt; pp. 5-8  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Policies and Practices&gt; Process and Criteria for Board Nominations&gt; p.59;  &gt; Corporate Governance&gt; Board Matters&gt; Training and Continuous Education &gt;p. 56  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships  <p><i>The Board is composed of a majority of non-executive directors, with eight (8) non-executive directors and one (1) executive director.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt; Corporate Governance&gt; Board Matters&gt; 2022 Table of Directors -Designation of Directors&gt; p. 54  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</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	Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.  <p><i>The Corporation's CG Manual and Board Charter provide the policy for training and continuing</i></p>	

		<p><b>professional development of directors.</b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.18 – Policy on Training of Directors &gt; p. 14  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Charter</b>  &gt; Item 2.6- Training of Directors &gt; p. 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>	
2. Company has an orientation program for first time directors.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.</p>	
3. Company has relevant annual continuing training for all directors.	COMPLIANT	<p><b>The Compliance Officer ensures proper onboarding of directors by conducting an orientation for its new directors. The orientation covers information on the Corporation's business, mission/vision, duties and responsibilities of directors, Articles of Incorporation and By-laws, CG Manual, relevant charters of the Board Committees, relevant company policies.</b></p> <p><b>In 2022, no orientation was conducted as no new director was elected.</b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article IV-Management &gt; Item 3.6-Compliance Officer &gt; paragraph a&gt; p. 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>The Corporation's Compliance Officer ensures that the directors attend relevant annual continuing training program.</b></p>	

		<p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Training and Continuing Education&gt; paragraph 2&gt;p. 56  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Certificate of Attendance in Corporate Governance Seminars</b> (posted on the website)  &gt; Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors dated October 18, 2022&gt; pp.1-9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy.</p> <p>Indicate gender composition of the board.</p> <p><i>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.</i></p> <p><i>Diversity in the Board covers gender, age, ethnicity, culture, skills, competence, and knowledge. The Board regularly reviews its composition to be responsive to the requirements of the Company.</i></p> <p><i>In 2022, there were two (2) female directors and seven (7) male directors in the Board.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance&gt; Item 1.2 –Diversity&gt; p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	

		<p><b>2022 Integrated Report</b>            &gt;Corporate Governance&gt; Board Matters&gt;Skills, Competency and Diversity&gt; p. 53;            &gt;Our Leaders&gt; Board of Directors&gt;Profiles of directors Ms. Maria Rowena Victoria M. Tomeldan and Ms. Cassandra Lianne S. Yap&gt; pp. 28-29  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	COMPLIANT	<p>Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p><i>The Corporation has a policy on the board diversity in terms of background, gender and other relevant factors, and appropriate representation for women.</i></p> <p><i>With respect to gender, the Corporation shall strive that its Board shall be composed of at least two (2) female directors by 2025.</i></p> <p><i>In 2022, there were two (2) female directors and seven (7) male directors in the Board.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>            &gt; Article III – Governance&gt; Item 1.2 -Diversity&gt; p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>            &gt;Corporate Governance&gt; Board Matters&gt;Skills, Competency and Diversity&gt; p. 53  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	

Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	COMPLIANT	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions.	
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT	<p><i>In 2022, the Board was assisted by the following Corporate Secretaries:</i></p> <p>(i) <b>Corporate Secretary -</b>  <b>June Vee D. Montecarlo-Navarro+</b>  +passed away on 25 April 2023</p> <p>(ii) <b>Asst. Corporate Secretaries -</b>  <b>-Nimfa Ambrosia L. Perez-Paras</b>  <b>-Francis Paolo P. Tiopianco</b> (resigned effective 4 Feb. 2022)</p> <p><i>The Corporate Secretary is a separate individual from the Compliance Officer and is not a member of the Board.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article IV-Management &gt; Item 3.5-Corporate Secretary &gt; pp. 23-24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; p. 29  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.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>Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered.</p> <p><i>The Corporate Secretary and Assistant Corporate Secretary attend trainings on corporate governance. They attended the annual corporate governance training on October 18, 2022.</i></p>	

		<p><b>Reference:</b>  <b>Certificate of Attendance in Corporate Governance Seminars</b> (posted on the website)  &gt;Investor Relations&gt;Disclosures&gt;Certificate of Attendance dated October 18, 2022&gt; pp. 13-14  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf</a></p>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	NON-COMPLIANT	Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	<p><i>To the extent possible, the Corporate Secretary tried to distribute the materials for Board meetings at least five (5) business days before the meeting as provided in the Board Charter. Sometimes, materials were distributed a few days before meeting date due to necessary updates in the agenda items.</i></p> <p><b>Reference:</b>  <b>Board Charter</b>  &gt; Item 5.1- Meetings, Quorum and Actions&gt; paragraph d&gt; p. 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT	Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT	<p><i>The Board is assisted by the Compliance Officer, Ms. Francis M. Montajo. The qualifications, duties and functions of the Compliance Officer are provided in the CG Manual.</i></p>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p><i>The Compliance Officer is among the top four (4) senior officers of the Corporation. The Compliance Officer has adequate authority in the Corporation. She is the concurrent Chief Finance Officer and Chief Risk Officer of the Corporation.</i></p> <p><i>The Compliance Officer is not a member of the Board of Directors.</i></p>	

		<p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article IV-Management &gt; Item 3.6-Compliance Officer &gt; p. 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; p. 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Compliance Officer&gt; p. 53  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p><b><i>The Compliance Officer attends corporate governance trainings. She attended a corporate governance seminar on October 18, 2022.</i></b></p> <p><b>Reference:</b>  <b>Certificate of Attendance in Corporate Governance Seminars</b> (posted on the website)  &gt;Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Ms. Montojo dated October 18, 2022&gt; p. 12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/05/Certificates-of-Attendance-18-October-2022.pdf</a></p>	

<p><b>Principle 2:</b> 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.</p>			
<p><b>Recommendation 2.1</b></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.	COMPLIANT	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p><i>The directors act in the best interest of the Corporation in a manner characterized by transparency, accountability, and fairness.</i></p> <p><i>The directors attend and participate in the meetings of the Board and Board Committees. Directors are provided with agenda and materials before the meetings so they can discuss and make informed decisions on matters presented during the meetings.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III- Governance&gt; Item 1.15- Specific Responsibilities of Each Director&gt; paragraphs b and h&gt; pp. 12-13  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Committees&gt; 2022 Accomplishments of the Board Committees&gt; pp. 56-58  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<p><b>Recommendation 2.2</b></p>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p>	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p><i>The Board oversees the development of the business objectives and strategy.</i></p>	

		<p><i>The Board discusses the objectives, strategies, and performance of the company during its meetings.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III-Governance&gt;Sec. 1.12 General Responsibilities of the Board for Good Governance&gt;pp. 10-11  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Board of Directors and Board Committees&gt;p.52;  &gt;Corporate Governance&gt; Board Matters&gt; 2022 Board of Directors' Attendance in Meetings&gt; p.55;  &gt;Corporate Governance&gt; Board Committees&gt; Accomplishments of the Board Committees&gt; Committee Composition and Attendance in Meetings&gt; pp. 56-58  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	COMPLIANT	<p>Indicate frequency of review of business objectives and strategy</p> <p><i>The Corporation has defined and updated vision, mission, and core values. The Corporation reviews its mission, vision every year.</i></p> <p><b>Reference:</b>  <b>ALLHC website</b>  &gt;About Us&gt; Vison-Mission and Core Values  <a href="https://www.avalalandlogistics.com/corporate-profile/">https://www.avalalandlogistics.com/corporate-profile/</a></p>	

		<p><b>2022 Integrated Report</b>      &gt;Vision-Mission and Core Values&gt; p. 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Board Charter</b>      &gt;Section 4- Powers, Duties and Responsibilities&gt;      paragraph b&gt; p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p> <p><i>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluates and monitors implementation of such strategies.</i></p> <p><i>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 as provided in the quarterly reports.</i></p> <p><b>Reference:</b></p> <p><b>CG Manual</b>      &gt; Article III-Governance&gt;Sec. 1.14-Specific Duties of the Board of Directors &gt;Item e&gt;p. 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Quarterly Reports</b>      &gt; SEC 17-Q dated 31 March 2022, 30 June 2022 and 30 September 2022  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/1Q-2022-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/1Q-2022-ALLHC-SEC-17-Q.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/08/2Q-2022-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/08/2Q-2022-ALLHC-SEC-17-Q.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/11/3Q-2022-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/11/3Q-2022-ALLHC-SEC-17-Q.pdf</a></p>	
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<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><b><i>The Board is headed by a competent and qualified Chairperson. The responsibilities of the Chairperson are provided in the CG Manual.</i></b></p> <p><b><i>The Corporation's Chairman is Mr. Bernard Vincent O. Dy.</i></b></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>            &gt;Our Leaders&gt; Board of Directors&gt; Profile of Mr. Bernard Vincent O. Dy&gt; p. 28;</p> <p>&gt;Corporate Governance&gt; Governance Structure&gt; The Chairman, Vice Chairman, and President and Chief Executive Officer&gt; paragraphs 1-2&gt; p. 52  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>CG Manual</b>            &gt;Article III-Governance&gt; Item 1.7-Chairman of the Board&gt; p.8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p> <p><b><i>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.</i></b></p> <p><b>Reference:</b></p> <p><b>CG Manual</b>            &gt; Article III – Governance &gt; Item 1.14 – Specific</p>	

		<p>Duties of the Board of Directors&gt; paragraph d &gt; p. 11</p> <p>&gt; Article III – Governance &gt; Item 2.2 – Corporate Governance and Nomination Committee&gt; paragraphs d and k &gt; p. 15</p> <p>&gt; Article IV – Management &gt; Item 1 – General Responsibilities of Management&gt; paragraph iv &gt; p. 21</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Charter</b></p> <p>&gt; Section 2- Membership &gt; Item 2.4 Vacancy &gt; p. 3</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p> <p><b>Management Succession Policy</b> (posted on website)</p> <p>&gt;Corporate Governance&gt; Company Policies&gt;Management Succession Policy</p> <p><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></p>	
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT	<p><b>The Corporation's Manual on Corporate Governance set directors' retirement age at 80 years old, subject to exceptions as may be approved by the Board.</b></p> <p><i>In 2022, the Board approved the nomination and election of Mr. Felipe Yap who was 84 years old at the time of his re-election as director. The Board took into account Mr. Yap's experience, expertise and knowledge about the company which can benefit the Board and Corporation.</i></p> <p><b>The Corporation's executives are employees, and subject to the retirement policy, of the parent company, Ayala Land, Inc. (ALI).</b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III-Governance&gt;Sec. 1.4 – Retirement Age&gt;</p>	

		<p>p. 6  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT	<p><i>The Board, through the Personnel and Compensation Committee, ensures that the compensation of individual directors and remuneration packages of key corporate officers align with the Corporation's culture, strategy, and environment.</i></p> <p><i>The Board, through the Personnel and Compensation Committee, adopts a policy which relates remuneration with performance.</i></p> <p><i>The Corporation also provides variable pay such as performance-based bonus which is directly linked to the individual employees' key deliverables set at the start of the year.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III – Governance &gt; Item 2.3 – Personnel and Compensation Committee &gt; paragraphs a and b&gt;  p. 16;  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Matters&gt;  Remuneration&gt; p. 55;  &gt; Social Engagement&gt; Compensation and Rewards&gt;  paragraph 2&gt; p. 49  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	

		<p><i>No director shall be involved in deciding his or her own remuneration during his incumbent term.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.17 – Compensation and Liability Insurance Coverage of Directors &gt; paragraph b&gt; p. 13  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2.5- Compensation&gt; paragraph 2&gt; p. 4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>	
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.	COMPLIANT	<p>Provide proof of board approval</p> <p><i>The key management personnel of the Corporation are employees of ALI. The compensation of said personnel are billed by ALI to the Corporation and forms part of systems cost.</i></p> <p><b>Reference:</b>  <b>2022 Consolidated Audited Financial Statements</b> (posted on website)  &gt;Investor Relations&gt; Disclosures&gt; Audited Financial Statements&gt; 2022 Consolidated AFS of ALLHC and Subsidiaries&gt; Note 19-Related Party Transactions&gt; Compensation of key management personnel&gt;p. 57  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf</a></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.	NOT APPLICABLE	<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p> <p><i>The senior executives of the Corporation are employees of ALI and subject to the employment contracts and benefits of ALI.</i></p>	

		<p><i>Compensation of these senior executives are partly covered by the systems cost billed by ALI to the Corporation. Hence, the claw back provision or deferred bonuses are not applicable on the remuneration of senior executives.</i></p> <p><b>Reference:</b>  <b>2022 Consolidated Audited Financial Statements</b>  &gt;Investor Relations&gt; Disclosures&gt; Audited Financial Statements&gt; 2022 Consolidated AFS of ALLHC and Subsidiaries&gt; Note 19-Related Party Transactions&gt; Compensation of key management personnel&gt;p. 57  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf</a></p>	
<b>Recommendation 2.6</b>			
1. Board has a formal and transparent board nomination and election policy.	COMPLIANT	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	COMPLIANT	Provide proof if minority shareholders have a right to nominate candidates to the board	
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	COMPLIANT	Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT	<i>The Board has a formal and transparent nomination and election policy as disclosed in the Board Charter and Corporate Governance and Nomination Committee Charter.</i>	
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	COMPLIANT	<i>Stockholders, including minority stockholders, may submit to the Corporate Governance and Nomination Committee, nominations to the Board and their nominees' consent on or before the deadline set by the Board, which is at least thirty (30) business days before the date of the stockholders' meeting when they are to be elected.</i>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		

		<p><b>Reference:</b></p> <p><b>Board Charter</b>            &gt; Section 2- Membership&gt; Item 2.3 Election of Directors&gt; p. 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>            &gt;Section 4- Process and Criteria for Nominations to the Board&gt; pp. 3-4            &gt;Section 5- Nominees for Election&gt; p. 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p> <p><b>CG Manual</b>            &gt; Article VIII- Stockholders' Rights and Protection of Minority Stockholders Interests&gt; Item 1.1 – Voting Right&gt; p. 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-C dated 16 December 2021</b>            &gt;Deadline for submission of nominees for directors for the 2022 ASM&gt; item 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/12/ALLHC-SEC-PSE-Result-of-BOD-Mtg_12.16.21-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/12/ALLHC-SEC-PSE-Result-of-BOD-Mtg_12.16.21-cmbd.pdf</a></p> <p><b>SEC Form 17-C dated 6 December 2022</b>            &gt;Deadline for submission of nominees for directors for the 2023 ASM&gt; Item 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/SEC-PSE-Results-of-the-BOD-Mtg-12.6.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/SEC-PSE-Results-of-the-BOD-Mtg-12.6.22.pdf</a></p> <p><b><i>The Corporate Governance and Nomination Committee, screens and shortlists all candidates nominated to be a director to ensure that all candidates/ nominees for election as directors at the annual stockholders' meeting (ASM) are qualified and</i></b></p>	
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		<p><i>possess none of the disqualifications as provided in the By-laws, CG Manual and relevant laws, rules and regulations.</i></p> <p><i>The Corporate Governance and Nomination Committee ensures that the qualities of the nominated and elected directors are aligned with the company's strategic directions and the requirements of the Corporation. They consider the diverse professional backgrounds, gender, age, ethnicity, culture, skills, competence, and knowledge of the nominees for directors.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Matters&gt;Skills, Competency and Diversity&gt; Table of Board of Directors designation, date first elected and Expertise&gt;p. 54  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><i>The Corporate Governance and Nomination Committee makes an annual self-assessment of the performance of its functions and responsibilities which include nomination, election and replacement of directors.</i></p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b>  &gt;Section 7- Performance Evaluation&gt; pp. 5-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	COMPLIANT	Identify the professional search firm used or other external sources of candidates <p><i>The Corporate Governance and Nomination Committee can recommend qualified individuals for nomination and election to the Board. For this purpose, it can use professional search firms and other external</i></p>	

		<p><i>sources to find qualified nominees.</i></p> <p><i>All incumbent directors were nominated for re-election in 2022 so there was no need for a professional search firm.</i></p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b>  &gt; Section 4-Process and Criteria for Nominations to the Board&gt; last paragraph&gt; p. 4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	
<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>Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs</p> <p>Identify transactions that were approved pursuant to the policy.</p>	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	COMPLIANT	<p><i>The Board, through the Risk Management and Related Party Transactions 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.</i></p>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	COMPLIANT	<p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III – Governance &gt; Item 2.5 – Risk Management and Related Party Transactions Committee &gt; paragraphs k, l, m and n&gt; p. 19  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><i>The RPT Policy includes review and approval of the material RPTs by the RPT Committee to ensure fairness and arm's length dealing.</i></p> <p><i>The Policy encompasses all entities within the group,</i></p>	

		<p><i>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 understanding of the effect of the proposed transaction.</i></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt;Item 2 -Statement of Policy and Coverage&gt; p. 1  &gt;Item 4- Identification and Review of Material RPTs&gt;  p. 3  &gt;Item 7- Approval of RPTs and Material RPTs &gt;p. 6  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p>	
<b>Supplement to Recommendations 2.7</b>			
1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	COMPLIANT	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p><i>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, the review of which is delegated to management.</i></p> <p><i>All RPTs approved by the Board are disclosed in the relevant financial reports of the Corporation as required under International Accounting Standard 24 on Related Party Disclosures and other applicable disclosure requirements.</i></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt; Item 5 - Related Party Transactions Delegated to Management&gt; p. 4;  &gt; Item 6- Identification and Review of Material RPTs&gt;  p. 5;  &gt; Item 7- Approval of RPTs and Material RPTs &gt;p. 6  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p>	
2. Board establishes a voting system whereby a majority	COMPLIANT	Provide information on voting system, if any.	

<p>of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>		<p><i>All RPTs and Material RPTs shall be reviewed by the RMRPTC 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.</i></p> <p><i>In 2022, the RMRPTC approved the purchase of land by the Corporation's subsidiary from a related party. No RPT was submitted for approval of the stockholders.</i></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt;Item 7- Approval of RPTs and Material RPTs &gt; p. 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.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>	COMPLIANT	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p>Identify the Management team appointed</p> <p><i>The Board elects the officers which include the President/CEO, Chief Operating Officer, Chief Finance Officer, Compliance Officer, and Chief Risk Officer. The Audit Committee appoints the Chief Audit Executive (CAE) and the appointment is submitted to the Board for ratification.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.14 – Specific Duties of the Board of Directors&gt; paragraph c&gt; p. 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC 17-C dated 21 April 2022</b>  &gt;Results of the Organizational meeting &gt; Item 3&gt;</p>	

		pp.2-3 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Ora-BOD_4.21.22-cmbd.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Ora-BOD_4.21.22-cmbd.pdf</a>	
2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><b><i>The Board is primarily responsible for the performance of management and conducts an annual assessment of the President/CEO and the Management team.</i></b></p> <p><b><i>The Board also monitors the performance of the Compliance Officer, CRO and CAE based on their duties and responsibilities.</i></b></p> <p><b>Reference:</b></p> <p><b>CG Manual</b></p> <ul style="list-style-type: none"> <li>&gt; Article III- Governance &gt; Item 2.2 – Specific Duties of the Board &gt; paragraph m&gt; p. 12</li> <li>&gt;Article VI-Audit, Risk Oversight and Compliance&gt; Item 3-Risk Oversight&gt; Functions of the Chief Risk Officer&gt; p. 27</li> <li>&gt;Article IV- Management&gt; Item 3.6-Compliance Officer&gt; p.24</li> </ul> <p><a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Charter</b></p> <ul style="list-style-type: none"> <li>&gt;Section 4-Powers, Duties and Responsibilities of the Board&gt; paragraph q&gt; p. 6</li> </ul> <p><a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>	
<b>Recommendation 2.9</b>			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	
2. Board establishes an effective performance	COMPLIANT		

<p>management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>		<p><b>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.</b></p> <p><b>Reference:</b>  <b>CG Manual</b>          &gt;Article III-Governance&gt; Section 1.12-General Responsibilities of the Board&gt; paragraph b&gt; p. 10  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>The Corporation's Performance Management System monitors results against established individual or organizational goals set and thus improve the overall performance and potentials of the company and its employees. The system allows the Corporation to be linked to employee rewards and compensation. The performance of the individual, department and the company as a whole, bears the greatest weight in determining annual merit increases or performance bonuses.</b></p> <p><b>Management sets Key Result Areas (KRA) and Key Process Indicators (KPI) to achieve the objectives set by the Board. Management and employees' performance is measured against these set deliverables at the end of the year.</b></p> <p><b>Reference:</b>  <b>CG Manual</b>          &gt;Article III-Governance&gt; Section 2.3-Personnel and Compensation Committee&gt; paragraph a &gt;p. 16  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 2.10</b>			
1. Board oversees that an appropriate internal control system is in place.  2. The internal control system includes a mechanism for	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	

<p>monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>		<p><b><i>The Board, through the Audit Committee, monitors the presence and adequacy of internal control system.</i></b></p> <p><b><i>The role and responsibilities of the Audit Committee are provided in the Audit Committee Charter.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.12 – General Responsibilities of the Board &gt; paragraph d &gt; items i to vii &gt; pp. 10-11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Audit Committee Charter (2019)</b>  &gt; Item B –Statement of Policy&gt;items 3, 4&gt; p.1  &gt; Item D-Roles and Responsibilities &gt; Item 2-Internal Audit &gt; pp. 3-4  <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><b>Audit Committee Charter (as amended on February 28, 2023)</b>  &gt;Item C-Roles and Responsibilities&gt; Item 1-Oversight on Risk Management and Internal Controls&gt; p. 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b><i>The Board's oversight responsibility includes review of internal control framework implemented by management for fraud prevention and detection under the ALI Group Business Integrity Program. The Board has adopted a governance policy on conflict of interest as one of its preventive measures.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.12 – General Responsibilities of the Board for Good Governance&gt; paragraph d, ii &gt; p. 10</p>	
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		<p>&gt; Article V- Governance Policy on Conflict of Interest &gt; p.25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt; Corporate Governance&gt; Company Policies&gt; Conflict of Interest Policy&gt;Item 3- Policy Provisions&gt; pp. 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></p>	
3. Board approves the Internal Audit Charter.	COMPLIANT	<p>Provide reference or link to the company's Internal Audit Charter</p> <p><i>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.</i></p> <p><i>The Internal Audit Charter was updated by the Audit Committee on November 4, 2020, and ratified by the Board on November 11, 2020.</i></p> <p><i>The Audit Committee approved the amendment of the Internal Audit Charter on February 13, 2023, and ratified by the Board on February 28, 2023.</i></p> <p><b>Reference:</b></p> <p><b>Internal Audit Charter (2020)</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Internal Audit Charter (as of February 28, 2023)</b>  &gt;Corporate Governance&gt; Board Committees&gt; Internal Audit Charter  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf</a></p>	
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility	

to effectively identify, monitor, assess and manage key business risks.		on the establishment of a sound enterprise risk management framework and how the board was guided by the framework.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	COMPLIANT	<p>Provide proof of effectiveness of risk management strategies, if any.</p> <p><b><i>The Board, through the RMRPTC, reviews the adequacy of the Corporation's risk management framework/ process and monitors the risk management activities of the Corporation and evaluates the effectiveness of the risk mitigation strategies and action plans.</i></b></p> <p><b><i>The CRO is the ultimate champion of the ERM.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>          &gt;Article III – Governance &gt; Item 2 – Board Committees&gt; sub-item 2.5 Risk Management and Related Party Transactions Committee&gt; paragraphs a-i &gt; p. 19          &gt;Article Vi-Audit, Risk Oversight and Compliance&gt; Section 3-Risk Oversight&gt;paragraph 2&gt; p. 27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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><b><i>The Corporation has an enterprise risk management (ERM) program 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 is regularly conducted.</i></b></p> <p><b><i>The Corporation's ERM program has a top-down driven, bottom-focused approach which is focused on the coordination between top management and</i></b></p>	

		<p><i>business units in identifying the key risk factors. The top management together with the business unit will develop risk mitigation strategies to address the key risk factors for better risk management.</i></p> <p><i>For 2022, the top 3 risks identified by the Corporation are: (1) marginalization due to competition, (2) project execution and timely delivery, and (3) government/political.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Risk Management &gt; pp. 62-63  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.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>Provide link to the company's website where the Board Charter is disclosed.</p> <p><i>The Board Charter 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.</i></p> <p><b>Reference:</b>  <b>Board Charter</b>  &gt;About Us&gt;Leadership&gt;Board of Directors&gt; Board Charter  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.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		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p> <p><i>The Insider Trading Policy (as of April 2022) identifies the prohibited acts, covered persons, type and examples of material information and trading blackout periods.</i></p> <p><b>Reference:</b>  <b>Insider Trading Policy</b>  &gt;Corporate Governance&gt;Company Policies&gt; Insider</p>	

		Trading Policy <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf</a>	
<b>Optional: Principle 2</b>			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	<p><b>The Corporation prohibits the granting of loans to directors as provided in the RPT Policy.</b></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt;Item 10-Conflicts of Interest and Disclosure Requirements for Directors, Officers and Employees&gt;  sub-item 10.4&gt; p. 7  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p>	
2. Company discloses the types of decision requiring board of directors' approval.	COMPLIANT	<p><b>The Corporation discloses the actions which require approval of the Board which include the vision, mission, objectives, strategies, policies, material RPTs, internal control system of the Corporation as provided in its Board Charter and company policies.</b></p> <p><b>Reference:</b>  <b>Board Charter</b>  &gt;Section 4 –Powers, Duties and Responsibilities of the Board&gt; pp. 4-6  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p> <p><b>RPT Policy</b>  &gt;Item 7- Approval of RPTs and Material RPTs&gt;p. 6  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p>	
<p><b>Principle 3:</b> 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.</p> <p><b>Recommendation 3.1</b></p>			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	COMPLIANT	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p><b>The Board is supported by six (6) committees that focus on specific functions to support in the optimal</b></p>	

		<p><i>performance of its roles and responsibilities in accordance with its By-laws and principles of good governance.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 2 – Board Committees &gt; sub-items 2.1 to 2.6&gt; pp.14-20  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Committees</b>  &gt;Corporate Governance&gt;Board Committees  <a href="https://www.avalalandlogistics.com/board-committees/">https://www.avalalandlogistics.com/board-committees/</a></p>	
<b>Recommendation 3.2</b>			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>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.</i>  <i>The Audit Committee recommends the appointment and removal of the Corporation's external auditor.</i></p> <p><b>Reference:</b>  <b>Audit Committee Charter (2019)</b>  &gt;Item B- Statement of Policy &gt; p. 1;  &gt; Item D- Roles and Responsibilities &gt; External Audit&gt; sub-item 3.1 &gt; p. 4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Audit Committee Charter (amended as of February 28, 2023)</b>  &gt;Item C. -Roles and Responsibilities&gt;pp.2-6</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p> <p><b><i>The Audit Committee is presently composed of three (3) independent directors, including the Chairman of the Committee.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 2 – Board Committees &gt; sub-item 2.4-Audit Committee&gt; paragraph 1&gt;p.16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Committees&gt; Audit Committee&gt; paragraph 1&gt; p. 56;  &gt;Corporate Governance&gt; Board Committees&gt; Table of Committee Composition and Attendance in Meetings&gt; p. 58  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p><b><i>The members of the Audit Committee serve as directors in other companies and majority have relevant background, knowledge, and/or experience in the areas of accounting, auditing and finance.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Our Leaders&gt; Board of Directors&gt; Profiles of Rex A. Mendoza, Renato O. Marzan, Cassandra Lianne S.</p>	

		<p>Yap&gt; p. 29;          &gt;Corporate Governance&gt; Board Matters&gt;2022 Table          of Designation, Year elected and expertise&gt; p. 54  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p><i>The Chairman of the Audit Committee, Mr. Rex Ma. A. Mendoza, is not the chairman of the Board or of any other committees.</i></p> <p><b>Reference:</b></p> <p>2022 General Information Statement (GIS) dated May 17, 2022 (notarized)</p> <p>&gt; General Information Sheet dated May 17, 2022&gt; List of Directors and Officers&gt; p. 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf</a></p> <p><b>CG Manual</b></p> <p>&gt; Article III – Governance &gt; Item 2 – Board Committees &gt; sub-item 2.4-Audit Committee&gt; paragraph 1&gt;p. 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	<p>Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.</p> <p><i>All non-audit services to be rendered by the external auditor are presented to the Audit Committee for approval to ensure that these do not impair the auditor's independence.</i></p> <p><i>Non-audit services of external auditor include the counting and validation of votes during the 2022 ASM which was approved by the Audit Committee. This non-audit service was done by another team, different group which handled the financial statement audit of</i></p>	

		<p><b><i>the Corporation.</i></b></p> <p><b><i>In April 2022, the delegation to management of the approval of audit-related and non-audit services of the external auditor was approved by the Audit Committee.</i></b></p> <p><b>Reference:</b></p> <p><b>Audit Committee Charter (2019)</b>      &gt; Item D- Roles and Responsibilities &gt; sub-item 3- External Audit&gt; paragraph 3.7&gt; p. 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>Audit Committee Charter (amended as of February 28, 2023)</b>      &gt;Item C- Roles and Responsibilities&gt; Section 4- Oversight on Independent Audit&gt; paragraph b&gt;p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>      &gt; Item 8 – Changes in and Disagreements with Accountants on Accounting and Financial Disclosures&gt; External Audit Fees &amp; Services&gt; paragraph a, last paragraph&gt; p. 25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>2022 Integrated Report</b>      &gt;Financial Review&gt; Report of the Audit Committee to the Board of Directors dated February 13, 2023&gt; last item &gt;p. 70  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p><b><i>The Audit Committee met with external auditor without</i></b></p>	

		<i>any member of management present on October 27, 2022.</i>	
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meets at least four times during the year.	COMPLIANT	<p>Indicate the number of Audit Committee meetings during the year and provide proof</p> <p><i>The Audit Committee had four (4) meetings in 2022.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Matters&gt; 2022 Committee Composition and Attendance in Meetings&gt; Audit Committee&gt; p. 58  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.</p> <p><i>The Audit Committee is responsible for setting up the Internal Audit Group, including the appointment of the Chief Audit Executive (CAE). The Audit 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 Audit Committee.</i></p> <p><i>The Corporation's CAE as of December 31, 2022 is Ms. Annabeth R. Bernardo. She was appointed by the Audit Committee on February 11, 2021, and ratified by the Board on February 23, 2021.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Chief Audit Executive&gt; p. 53  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions	

<p>responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>		<p>Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.</p> <p><b><i>The Corporate Governance and Nomination Committee oversees the implementation of the corporate governance framework of the Corporation. The Committee assists the Board of Directors in the screening and shortlisting 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 and ensures that the nominee possesses none of the disqualifications as provided in the CG Manual and its By-laws.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 2– Board Committees &gt; sub-item 2.2-Corporate Governance and Nomination Committee&gt; paragraphs f and g&gt; p. 15  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  &gt;Item 1- Purpose&gt; p. 1  &gt;Item 3-Responsibilities&gt; sub-items 3.1-3.14 &gt; pp. 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p><b><i>The Corporate Governance and Nomination Committee is composed of three (3) members, all of whom are independent directors.</i></b></p> <p><b>Reference:</b>  <b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b></p>	

		<p>&gt;Results of the Organizational Meeting &gt;Election of Chairpersons and Members of the Board Committees&gt; Corporate Governance and Nomination Committee&gt;p. 2  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p> <p><b>2022 Integrated Report</b></p> <p>&gt;Corporate Governance&gt;Board Committees&gt; Table of Committee Composition and Attendance in Meetings&gt; Corporate Governance and Nomination Committee&gt;p. 58</p> <p>&gt;Our Leaders&gt; Board of Directors&gt; Profiles of Messrs. Rex Ma. A. Mendoza, Renato O. Marzan and Ms. Cassandra Lianne S. Yap&gt; p. 29  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
3. Chairman of the Corporate Governance Committee is an independent director.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p><i>The Chairman of the Corporate Governance and Nomination Committee, Ms. Cassandra Lianne S. Yap, is an independent director.</i></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b></p> <p>&gt;Our Leaders&gt; Board of Directors&gt; Profile of Ms. Cassandra Lianne S. Yap&gt; p. 29;</p> <p>&gt;Corporate Governance&gt;Board Committees&gt; Table of 2022 Board of Directors, designation, date first elected and expertise &gt;p. 54  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	<p>Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.</p> <p><i>The Corporate Governance and Nomination Committee had two (2) meetings in 2022.</i></p>	

		<p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Committees&gt; Table on Committee Composition and Attendance in Meetings &gt; Corporate Governance and Nomination Committee&gt; p. 58  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<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	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p><i>The Risk Management and Related Party Transactions Committee (RMRPTC), which was created on November 9, 2021, performs the combined functions of, the BROC and the Related Party Transactions Review Committee.</i></p> <p><b>Reference:</b>  <b>Risk Management and Related Party Transactions Committee Charter</b>  &gt;Corporate Governance&gt; Board Committees&gt; Risk Management and Related Party Transactions Committee Charter&gt; Section 2 – Authority, Roles and Responsibilities &gt; pp.1-2  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf</a></p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p><i>The RMRPTC is composed of three (3) members, majority of whom are independent directors, including the Chairman. At present, all members of the RMRPTC are independent directors.</i></p> <p><b>Reference:</b>  <b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b></p>	

		<p>&gt;Results of the Organizational Meeting &gt; Election of Chairpersons and Members of the Board Committees&gt; Risk Management and Related Party Transactions Committee&gt;p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p> <p><b>Risk Management and Related Party Transactions Committee Charter</b></p> <p>&gt; Board Committees&gt; Risk Management and Related Party Transactions Committee Charter&gt; Section 1 – Membership&gt; p. 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf</a></p> <p><b>2022 Integrated Report</b></p> <p>&gt;Our Leaders&gt; Board of Directors&gt; Profiles of Renato O. Marzan, Rex Ma. A. Mendoza and Cassandra Lianne S. Yap&gt; p. 29;  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
3. The Chairman of the BROc is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the Chairman of the BROc</p> <p><b><i>The Chairman of the RMRPTC, Mr. Renato O. Marzan, is not the chairman of the Board or of any other committee.</i></b></p> <p><b>Reference:</b></p> <p><b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b></p> <p>&gt;Results of the Organizational meeting &gt; Election of Chairpersons and Members of the Board Committees&gt; Risk Management and Related Party Transactions Committee&gt;p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p> <p><b>2022 Integrated Report</b></p> <p>&gt;Our Leaders&gt; Board of Directors&gt; Profile of Renato</p>	

		O. Marzan> p. 29; <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC</p> <p><b><i>One (1) member of the RMRPTC, the Lead Independent Director, Mr. Rex Ma. A. Mendoza, has experience on risk and risk management.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>          &gt;Corporate Governance&gt; Board Matters&gt;2022 Table of Designation, Year elected and expertise&gt; p. 54          &gt;Our Leaders&gt; Board of Directors&gt; Profile of Rex A. Mendoza &gt; p. 29;  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<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	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><b><i>The Board established the RMRPTC which is tasked to review all material RPT transactions of the Corporation.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>          &gt; Article III – Governance &gt; Item 2 – Board Committees &gt; sub-item 2.5-Risk Management and Related Party Transactions Committee&gt; paragraphs k-o &gt;p.19  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Risk Management and Related Party Transactions Committee Charter</b>          &gt; Board Committees&gt; Risk Management and Related Party Transactions Committee Charter&gt; Section 2 – Authority, Roles and Responsibilities &gt;</p>	

		pp.1-2 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf</a>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p><i>The RMRPTC is composed of three (3) members, all of whom are independent directors, including the Chairman.</i></p> <p><b>Reference:</b></p> <p><b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b>  &gt; Results of the Organizational meeting &gt; Election of Chairpersons and Members of the Board Committees&gt; Risk Management and Related Party Transactions Committee&gt;p. 2  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Ora-BOD_4.21.22-cmbd.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Ora-BOD_4.21.22-cmbd.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Committees&gt;Risk Management and Related Party Transactions Committee&gt; Table on Committee Composition and Attendance in Meetings &gt; pp. 57-58  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.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>Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.</p> <p><i>Each Board committee has a charter which provides the committee's purpose, membership, responsibilities, procedures and processes which serve as standards in evaluating the performance of each committee</i></p>	

		<i>through self-assessment.</i>	
2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT	<p><b>Reference:</b></p> <p><b>Board Committee Charters</b>      &gt;Corporate Governance&gt; Board Committees&gt;      Committee Charters  <a href="https://www.ayalalandlogistics.com/board-committees/">https://www.ayalalandlogistics.com/board-committees/</a></p> <p><b>Executive Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Executive-Committee-Charter-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Executive-Committee-Charter-2021.pdf</a></p> <p><b>Audit Committee Charter</b>      (as of 2019)  <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>(as of February 28, 2023)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p> <p><b>Personnel and Compensation Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Personnel-and-Compensation-Committee-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Personnel-and-Compensation-Committee-Charter-Nov-2021.pdf</a></p> <p><b>Risk Management and Related Party Transactions Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Risk-Management-and-RPT-Committee-Charter-2021.pdf</a></p>	

		<b>Sustainability Committee Charter</b> <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/02/Sustainability-Committee-Charter-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/02/Sustainability-Committee-Charter-2020.pdf</a>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><i>The committee charters are disclosed on the Company's website. Please refer to response in Recommendation 3.6 - Items 1-2 above.</i></p> <p><b>Reference:</b>  <b>Board Committee Charters</b>  &gt;Corporate Governance&gt;Board Committees&gt; Board Committee Charters  <a href="https://www.avalalandlogistics.com/board-committees/">https://www.avalalandlogistics.com/board-committees/</a></p>	

**Principle 4:** To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.

#### Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p> <p><i>The directors attended the 2022 meetings of the Board and Board Committees which were mostly conducted via remote communication. The 2022 ASM was conducted through remote communication.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Matters&gt; Meetings and Attendance&gt; p. 54  &gt;Corporate Governance&gt;Policies and Practices&gt; Virtual ASM&gt; pp. 59-60</p>	
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2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT	<p><i>The Office of the Corporate Secretary sends via electronic mail to the directors the meeting materials several days before the Board and committee meetings as provided in the Board and committee charters so they can review the materials and prepare for the meetings.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>      &gt;Article IV- Management&gt; Item 3.5 -Corporate Secretary&gt; paragraphs f and i &gt; p. 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p><i>Directors ask questions and seek clarification on items discussed during the meetings. Questions or clarifications made by the directors are recorded in the minutes of meetings of the Board and committees.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>      &gt;Article III- Governance&gt; Item 1.15-Specific Responsibilities of each Director&gt; paragraphs b and c&gt; p. 12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 4.2</b>			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for	COMPLIANT	Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.	

<p>minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>		<p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><i>Independent and non-executive directors are encouraged to 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 ALLHC group.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.10 – Policy on Multiple Board Seats &gt; p. 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>  &gt;Part III &gt;Item 9- Directors and Executive Officers of Registrant&gt; Directors and Officers&gt; Profiles of Directors&gt; pp.25-27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a>Profiles of Directors&gt; pp. 26-28</p>	
<b>Recommendation 4.3</b>			
<p>1. The directors notify the company's board before accepting a directorship in another company.</p>	COMPLIANT	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><i>It is the responsibility of each director to notify the Chairman and Corporate Governance and Nomination Committee before accepting directorship in another company.</i></p> <p><i>The directors disclosed their directorships in the SEC Form 17-A and Information Statement.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance &gt; Item 1.15 – Specific Responsibilities of each Director &gt; paragraph j &gt; p.13</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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	<p><i>The Corporation's President/CEO, Jose Emmanuel H. Jalandoni, does not serve in the board of listed companies outside of the Ayala group. He is Chairman of AREIT, Inc., a subsidiary of Ayala Land, Inc. and affiliate of the Corporation.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; Directors and Officers &gt; Profile of Jose Emmanuel H. Jalandoni &gt; p. 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	<p><i>The Board sets its meetings for the incoming year during the last meeting of Board of the current year. The 2022 schedule of meetings was approved by the Board on December 16, 2021 (Board Resolution No. B-34-2021).</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance &gt; Board Matters &gt; Meetings and Attendance and Table of Board of Directors Attendance &gt; pp. 54-55  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
3. Board of directors meet at least six times during the year.	COMPLIANT	<p>Indicate the number of board meetings during the year and provide proof  <i>The Board had six (6) meetings in 2022.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance &gt; Board Matters &gt; Meetings and Attendance and Table of Board of Directors Attendance &gt; pp. 54-55  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	

<p>4. Company requires as minimum quorum of at least 2/3 for board decisions.</p>	<p>COMPLIANT</p>	<p>Indicate the required minimum quorum for board decisions</p> <p><i>The quorum requirement of the Board is two-thirds (2/3) of the number of directors fixed in the Articles of Incorporation.</i></p> <p><i>In 2022, all meetings of the Board had 100% attendance except for one meeting. The directors voted unanimously on matters presented for approval.</i></p> <p><b>Reference:</b>  <b>Amended By-laws (2021)</b>  &gt;Article III-Directors&gt; Sec. 7. Quorum  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf</a></p> <p><b>CG Manual</b>  &gt;Article III-Governance&gt; Item 1.11-Board Meetings and Quorum Requirements&gt; paragraph a&gt; p. 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
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**Principle 5:** The board should endeavor to exercise an objective and independent judgment on all corporate affairs.

#### Recommendation 5.1

<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p><i>The Board has three (3) independent directors which constitute one-third of the Board.</i></p> <p><b>Reference:</b>  <b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b>  &gt; Item 5- Election of the Directors&gt; p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p>	
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		<p><b>CG Manual</b>          &gt;Article III-Governance&gt; Item 1.9-Independent Directors&gt; paragraph 1&gt; p. 8  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 5.2</b>			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><i>All independent directors possess the qualifications and none of the disqualifications to hold their respective positions.</i></p> <p><b>Reference:</b>  <b>2022 Information Statement (SEC Form 20-IS)</b>          &gt;Annex B-1 – Certification of Qualification of Independent Director of Messrs. Rex Ma. A. Mendoza, Renato O. Marzan and Ms. Cassandra Lianne S. Yap &gt;pp. 27- 31 of pdf file  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p> <p><b>CG Manual</b>          &gt; Article III – Governance &gt; Item 1.3 – Qualifications &gt; pp. 5-6          &gt;Article III-Governance&gt; Item 1.9-Independent Directors&gt; pp. 8-9  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><i>The Corporation has no shareholder agreements, By-laws provisions, voting trust with holders of 5% or more or other arrangements that constrain the directors' ability to vote independently.</i></p> <p><b>Reference:</b></p>	

		<b>SEC Form 17-A (2022)</b> > Item 11. Security Ownership of Certain Beneficial Owners and Management > Item iii-Voting Trust Holders of 5% or More > p. 34 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p><i>All three (3) independent directors (ID) have served for less than nine (9) years:</i></p> <ol style="list-style-type: none"> <li>1. <i>Mr. Rex Ma. A. Mendoza was elected as ID on February 26, 2016.</i></li> <li>2. <i>Mr. Renato O. Marzan was elected on January 13, 2017.</i></li> <li>3. <i>Ms. Cassandra Lianne S. Yap was elected on April 13, 2020.</i></li> </ol> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Matters&gt; 2022 Table of Designation, Year Appointed and Expertise&gt; p. 54  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p><i>Independent directors may serve for a cumulative period of not more than nine (9) years. After serving for nine (9) 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.</i></p> <p><b>Reference:</b>  <b>CG Manual</b></p>	

		<p>&gt;Article III- Governance&gt; Item 1.5- Disqualifications&gt;paragraph i &gt; p. 7      &gt; Article III – Governance &gt; Item 1.9– Independent Directors &gt; paragraph 3 &gt; p. 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Board Charter</b>      &gt; Section 2- Membership&gt; Section 2.1- Composition &gt; paragraph 1 &gt; p.1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	COMPLIANT	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>The Corporation does not allow retention of an independent director after serving for nine (9) years.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>      &gt;Article III- Governance&gt; Item 1.5- Disqualifications&gt;paragraph i &gt; p. 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p><i>The positions of Chairman of the Board and President/Chief Executive Officer are held by separate individuals.</i></p> <p><i>On April 21, 2022, Messrs. Bernard Vincent O. Dy and Jose Emmanuel H. Jalandoni were elected as Chairman, and President/CEO of the Corporation, respectively.</i></p> <p><b>Reference:</b>  <b>2022 GIS</b>      &gt; 2022 GIS&gt; List of Directors and Officers&gt; p. 4</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf</a>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer.</p> <p>Identify the relationship of Chairman and CEO.</p> <p><i>The roles, responsibilities and duties of the Chairman of the Board and President/Chief Executive Officer are provided in the Corporation's CG Manual. The Chairman of the Board is separate from the President.</i></p> <p><i>The Chairman presides at all meetings of the Board and stockholders.</i></p> <p><i>The President is the Chief Executive Officer of the Corporation. The President acts as chairman in the absence of the Chairman and Vice Chairman.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III– Governance &gt; Item 1.7– Chairman of the Board &gt; p. 8  &gt; Article IV – Management &gt; Item 3- Roles of the Executive Officers&gt; sub Item 3.1 – President and Chief Executive Officer&gt; pp.21-22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p><i>The Chairman is not an independent director. The Board designated Mr. Rex Ma. A. Mendoza as the lead independent director for 2022.</i></p>	

		<p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III- Governance &gt; Item 1.9- Independent Directors &gt; paragraph h &gt; p. 9  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC 17-C dated April 21, 2022 (Results of the ASM and Organizational Meeting of the Board)</b>  &gt; Results of the Organizational meeting&gt; Item 2- Designation of Lead Independent Director &gt; p. 2  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	<p>Provide proof of abstention, if this was the case</p> <p><i>No director has had any material interest in any transaction affecting the Corporation.</i>  <i>Directors and officers have to disclose any possible conflict of interest matter. The directors are required to abstain or inhibit themselves from participating in deliberations of items where they are conflicted.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article V- Governance Policy on Conflict of Interest&gt; paragraph b &gt;p. 25  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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.	COMPLIANT	<p>Provide proof and details of said meeting, if any.  Provide information on the frequency and attendees of meetings.</p> <p><i>The NEDs had two (2) meetings without any executive present on August 4, 2022 and December 6, 2022. They discussed current business status, board's self-evaluation results, 2023 Sustainability Key Results Areas, and future prospects during these meetings.</i></p>	

		<p><i>The Audit Committee, composed of all independent/non-executive directors, met with external and internal auditors, without the presence of management, on October 27, 2022.</i></p>	
2. The meetings are chaired by the lead independent director.	COMPLIANT	<p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III- Governance&gt; Item 1.11-Board Meetings and Quorum Requirements&gt; paragraph e &gt; p. 10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt; paragraph 3 &gt;p. 54;  &gt;Corporate Governance&gt; Board Matters&gt; Table of Board of Directors Attendance &gt; p. 55  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><i>The lead independent director chaired the meetings of NEDs.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III- Governance&gt; Item 1.9- Independent Directors&gt; paragraph h (ii)-Lead Independent Directors&gt; p. 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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.	NON-COMPLIANT	Provide name/s of company CEO for the past 2 years	<p><i>The President/CEO of the Corporation for the past 2 years are as follows:  For 2022 - Mr. Jose Emmanuel H. Jalandoni,  For 2021 – Ms. Maria Rowena M. Tomeldan.</i></p> <p><i>Ms. Tomeldan served as member of the Board in 2021 and 2022.</i></p> <p><b>Reference:</b>  2022 GIS (notarized on May 17, 2022)</p>

			<p>&gt; 2022 GIS&gt; List of Directors and Officers&gt; p. 4 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/06/AyalaLand-Logistics-Holdings-Corp.-GIS-2022.pdf</a></p> <p><b>2021 GIS dated June 7, 2021</b> &gt;2021 GIS &gt; List of Directors and Officers&gt; p. 3 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/06/GIS-2021-Avalaland-Logistics-Holdings-Corp..pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/06/GIS-2021-Avalaland-Logistics-Holdings-Corp..pdf</a></p>
<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	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT	<i>The Board, including the Chairman, individual members, and committees, conduct an annual self-assessment of their performance. The Board assessment for 2022 was conducted by an external facilitator, Aon Solutions Singapore Pte. Ltd.</i>	
3. The individual members conduct a self-assessment of their performance.	COMPLIANT	<i>Each committee conducted its performance self-assessment through a questionnaire sent via email.</i>	
4. Each committee conducts a self-assessment of its performance.	COMPLIANT	<b>Reference:</b> <b>2022 Integrated Report</b> >Corporate Governance> Board Matters>Annual Self-Assessment> p. 56 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a>	
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.  <i>To promote objectivity of the assessment, there will be self-assessment by a third-party facilitator every three (3) years as provided in the CG Manual. The facilitator may be an academic institution, consulting firm or professional organization. The first third-party Board assessment was in 2019.</i>	

		<p><i>The Board engaged a third-party facilitator, Aon Solutions Singapore Pte. Ltd., to conduct the 2022 self-assessment (online) of the Board.</i></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>          &gt;Corporate Governance&gt; Board Matters&gt;Annual Self-Assessment&gt; pp. 56          &gt;Corporate Governance&gt; Policies and Practices&gt;Corporate Governance Compliance&gt;paragraph 3&gt; p. 60  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>CG Manual</b>          &gt; Article III – Governance &gt; Item 1.13 – Board Self-Assessment &gt; p. 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<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	<p>Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders</p> <p><i>The Board evaluates the performance of the Board, the individual directors and committees through a self-assessment survey.</i></p> <p><b>Reference:</b></p> <p><b>CG Manual</b>          &gt; Article III – Governance &gt; Item 1.13 – Board Self-Assessment &gt; p. 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	<p><i>The feedback mechanism from the stockholders is through the Question &amp; Answer portion during the annual stockholders' meeting.</i></p>	

		<p><b>Reference:</b>  <b>ASM Minutes dated April 21, 2022</b>  &gt;Item 11-Other Matters&gt;pp. 9-10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></p> <p><i>The Contact Us page in the website provides the office address, telephone number and email address of the Corporation: <a href="mailto:corporate@ayalalandlogistics.com">corporate@ayalalandlogistics.com</a> which the shareholders can use to send their comments or questions regarding the Corporation, its products and operations.</i></p> <p><i>Investor concerns or queries may be addressed to the Investor Relations Group at <a href="mailto:investor.relations@ayalalandlogistics.com">investor.relations@ayalalandlogistics.com</a>.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VII- Communication and Information &gt; Item 3 – Investor Relations Function &gt; p. 29  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>ALLHC website</b>  &gt;Investor Relations&gt; ALLHC Investor Relations  <a href="https://www.ayalalandlogistics.com/investor-relations/">https://www.ayalalandlogistics.com/investor-relations/</a></p> <p>&gt;Contact Us  <a href="https://www.ayalalandlogistics.com/contact-us/">https://www.ayalalandlogistics.com/contact-us/</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**

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	COMPLIANT	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p><i>The Board adopted a Code of Business Conduct and Ethics ("Code"), which provides standards for professional and ethical behavior.</i></p>	
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		<p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p> <p><b><i>A copy of the Code may be accessed by the Board, Management and employees through the Corporation's website.</i></b></p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/disclosed.</p> <p><b><i>The Code is posted on the Corporation's website and available to the public.</i></b></p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <p><b><i>The Corporation has anti-corruption programs as provided in the Code and its internal policies on</i></b></p>	

		<p><i>conflict of interest and related party transactions.</i></p> <p><b>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.</b></p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior&gt;  Business Gifts or Gratuities&gt; pp. 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Policies and Practices&gt;Anti-Corruption Programs and Procedures &lt;GRI 205&gt; Whistleblowing Policy, and Business Gifts Policy&gt; p. 61  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.  2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT  COMPLIANT	<p>Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.</p> <p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>The Board, through the Human Resources Department, implements and monitors compliance by management and employees with the Code of Business Conduct and Ethics and internal policies.</i></p> <p><i>The Corporation's Compliance Officer implements and monitors compliance by the Board of Directors with the Code and the Manual on Corporate Governance.</i></p> <p><b>Reference:</b></p>	

		<p><b>Code of Business Conduct and Ethics</b>            &gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; Employee Conduct and Business Ethics&gt; Implementation and Monitoring of Compliance with the Code of Conduct  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Employee-Conduct-and-Code-of-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Employee-Conduct-and-Code-of-Ethics.pdf</a></p> <p><b>Company Policies</b>            &gt;Corporate Governance &gt; Company Policies&gt;specific policies  <a href="https://www.ayalalandlogistics.com/corporate-governance/">https://www.ayalalandlogistics.com/corporate-governance/</a></p>	
<b>Disclosure and Transparency</b>			
<b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
<b>Recommendation 8.1</b>			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p><i>The Board sets corporate disclosure policies and procedures to ensure comprehensive and timely reports to stakeholders. Management provides timely reports to shareholders and complies with the disclosure policies, rules and regulations of the regulatory bodies such as the SEC, Philippine Stock Exchange (PSE) and Bureau of Internal Revenue.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>            &gt; Article VII – Communication and Information &gt; Item 1 – Management Responsibility for Information &gt; paragraphs 3- 4&gt; p. 28            &gt;Article VII- Communication and Information&gt;            Item 3 -Investor Relations Function&gt; p. 29  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Reports on the website</b>            &gt; News&gt;Press Releases and Features</p>	

		<p><a href="https://www.avalalandlogistics.com/news/">https://www.avalalandlogistics.com/news/</a>  <a href="https://www.avalalandlogistics.com/features/">https://www.avalalandlogistics.com/features/</a></p> <p>&gt;Investor Relations&gt; Disclosures  <a href="https://www.avalalandlogistics.com/disclosures/">https://www.avalalandlogistics.com/disclosures/</a></p>	
<b>Supplement to Recommendation 8.1</b>			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <p><i>The Corporation discloses its consolidated audited financial statements within 90 days from end of the fiscal year and the interim reports within 45 days from end of each quarter.</i></p> <p><i>The SEC Form 20-IS (Information Statement) which includes the 2021 consolidated audited financial statements was disclosed to the public (via posting on PSE Edge and the Corporation's website) on March 28, 2022 or 87 days after the end of the calendar year.</i></p> <p><i>The 2022 consolidated financial statements were disclosed to the SEC (through SEC Form 20-IS) and to the PSE on March 23, 2023 or 82 days after end of the calendar year.</i></p> <p><i>The interim reports (SEC Form 17-Q) for 2022 were disclosed within 45 days from end of each quarter.</i></p> <p><b>Reference:</b></p> <p><b>SEC Form 20-IS for 2022 ASM</b>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p> <p><b>SEC Form 20-IS for 2023 ASM</b>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2023-Definitive-Information-Statement.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2023-Definitive-Information-Statement.pdf</a></p> <p><b>Quarterly Reports filed with SEC</b>  &gt;Investor Relations&gt; Disclosures&gt; SEC 17-Q</p>	

		<p><a href="https://www.ayalalandlogistics.com/disclosures/">https://www.ayalalandlogistics.com/disclosures/</a></p> <p><b>PSE Disclosure</b></p> <p>&gt;ALLHC 2022 Information Statement (filed on March 28, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=e1930fbabaa35bdc3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=e1930fbabaa35bdc3470cea4b051ca8f</a></p> <p>&gt;ALLHC 2023 Information Statement (filed on March 23, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=98c08172a17230899e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=98c08172a17230899e4dc6f6c9b65995</a></p> <p>&gt;ALLHC 2021 Consolidated Financial Statements (filed on March 30, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=ab82e0cdb55768953470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=ab82e0cdb55768953470cea4b051ca8f</a></p> <p>&gt;ALLHC 2022 Consolidated Financial Statements (filed on March 23, 2023)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=209dc2f0782840e69e4dc6f6c9b65995">https://edge.pse.com.ph/openDiscViewer.do?edge_no=209dc2f0782840e69e4dc6f6c9b65995</a></p> <p><b>Quarterly Reports (filed with the PSE)</b></p> <p>&gt; SEC 17-Q dated 31 March 2022 (filed on May 17, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=7abc0acc083511e83470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=7abc0acc083511e83470cea4b051ca8f</a></p> <p>&gt;SEC 17-Q dated 30 June 2022 (filed on August 15, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=2980cb2454ba31f83470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=2980cb2454ba31f83470cea4b051ca8f</a></p> <p>&gt;SEC 17-Q dated 30 September 2022 (filed on November 15, 2022)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=16f0778124144e8d3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=16f0778124144e8d3470cea4b051ca8f</a></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	COMPLIANT	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> <li>1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders;</li> </ol>	

controlling shareholders' voting power and overall equity position in the company.		<p>2. cross-holdings among company affiliates; and      3. any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p> <p><i>The Corporation discloses the shareholdings of controlling shareholders.</i></p> <p><i>The Corporation recognizes the rights of minority shareholders.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>      &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management&gt; Item (i) Security Ownership of Record and Beneficial Ownership of More than 5% &gt;p. 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>CG Manual</b>      &gt;Article VIII- Stockholders Rights and Protection of Minority Stockholders' Interests&gt;Item 1-Shareholders' Rights&gt; Item 1.1- Voting Right&gt; p. 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 8.2</b>			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p> <p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	<p><i>The Corporation's directors and officers are required to report their trades involving the Corporation's shares to the Office of the Compliance Officer within three (3) business days from date of transaction under the Insider Trading Policy and Board Charter of the Corporation.</i></p>	

		<p><b>Reference:</b></p> <p><b>Insider Trading Policy</b>            &gt; Insider Trading Policy &gt; Item 5- Reporting Obligation &gt; paragraph 1 &gt; p. 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf</a></p> <p><b>Board Charter</b>            &gt;Section 3- Board Independence and Conflict of Interest &gt; paragraph 3 &gt; p. 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p> <p><b>Actual Dealings of Directors and Officers Involving the Corporation's Shares</b>            &gt;Investor Relations&gt; Disclosures&gt; SEC Forms 23-A and 23-B &gt; SEC 23-B (2022)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/01/SEC-Form-23-B-ALLHC-RMT-1.26.22-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/01/SEC-Form-23-B-ALLHC-RMT-1.26.22-cmbd.pdf</a></p>	
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	COMPLIANT	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p><b><i>The Corporation discloses the trading of the Corporation's shares by the directors, officers and controlling shareholders.</i></b></p> <p><b><i>There was no buyback of the Corporation's shares.</i></b></p> <p><b>Reference:</b></p> <p><b>SEC Form 17-A (2022)</b>            &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management&gt; Item (i) Security Ownership of Record and Beneficial Ownership of More than 5%, and (ii) Security Ownership of Directors and Management&gt; pp 33- 34;            &gt;Supplementary Schedules&gt; Annex B-Map of</p>	

		<p>Relationships between Company and Ultimate Parent company and subsidiaries&gt; p. 146 of pdf file  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b><i>The Corporation discloses the shareholdings of its directors, management, and top 100 stockholders.</i></b></p> <p><b>Top 100 Stockholders</b>  &gt;Investor Relations&gt;Disclosures&gt;Top 100 Stockholders/Top 100 PCD Participants&gt;Top100 Stockholders as of 31 March 2022, 30 June 2022, 30 September 2022 and 31 December 2022  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Top-100-Stockholders-Report-as-of-March-31-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Top-100-Stockholders-Report-as-of-March-31-2022.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/07/ALLHC-Top-100-Stockholders-Report-as-of-June-30-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/07/ALLHC-Top-100-Stockholders-Report-as-of-June-30-2022.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/10/ALLHC-Top-100-Stockholders-Report-as-of-September-30-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/10/ALLHC-Top-100-Stockholders-Report-as-of-September-30-2022.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/02/ALLHC-Top-100-Stockholders-Report-as-of-December-31-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/02/ALLHC-Top-100-Stockholders-Report-as-of-December-31-2022.pdf</a></p>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	COMPLIANT	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><b><i>The Corporation fully discloses the profiles of its directors.</i></b></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 9&gt; Directors and Officers&gt; Profiles of the Directors&gt; pp. 25-27  &gt; Item 11&gt; sub-item ii-Security Ownership of Directors</p>	

		<p>and Management as of March 31, 2023&gt;p. 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Our Leaders&gt; Board of Directors&gt;Directors' Profiles&gt; pp. 28-29  &gt;Corporate Governance&gt;Board Matters&gt; Table of Directors' designation, year elected and expertise &gt; p. 54  &gt;Corporate Governance&gt;Board Matters&gt;Training and Continuous Education&gt;paragraph 2&gt; p. 56  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></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 judgment.	COMPLIANT	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p><b><i>The Corporation fully discloses the profiles of the key officers.</i></b></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 9&gt; Directors and Officers&gt; Profiles of the officers&gt;pp. 28-29  &gt; Item 11&gt; sub-item ii-Security Ownership of Directors and Management as of March 31, 2023&gt;p. 34  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Matters&gt;Training and Continuous Education&gt;paragraph 2&gt; p. 56  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	COMPLIANT	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p><b><i>The Corporation provides a clear disclosure of Board remuneration. As per By-Laws of the Corporation, the directors are entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the Corporation during the preceding year.</i></b></p> <p><b><i>In 2022, directors received per diems for their attendance in the meetings of the Board and its committees.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt; Corporate Governance&gt; Board Matters&gt;  Remuneration&gt; Table of Board of Directors Gross  Remuneration&gt; p. 55  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.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.avalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf</a></p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	NOT APPLICABLE	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p>	<b><i>The present executives of the Corporation are employees of the parent company, ALI, and do not receive compensation directly from the Corporation.</i></b>
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.</p> <p><b><i>The Corporation discloses the per diems received by each director in the SEC 17-A, SEC Form 20-IS and annual Integrated Report.</i></b></p>	

		<p><i>The Corporation's executives are employees of ALI and do not receive compensation directly from the Corporation. Termination and retirement provisions for ALI executives are covered by their employment contracts with ALI.</i></p> <p><i>Compensation for the executives (i.e., President/CEO, COO, CFO/Treasurer, Group heads) are billed by ALI to ALLHC and form part of systems cost.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 10. Executive Compensation &gt; Section A - General&gt; paragraph (a)(i) &gt; Compensation of Directors&gt; Standard arrangement and Table of gross remuneration/per diems of directors &gt; pp. 31-32  &gt; Item 10. Executive Compensation &gt; Section A- General &gt; paragraph b-Employment Contracts/Termination of Employment/Change-in Control Arrangements&gt; p. 32  &gt; Item 10-Executive Compensation&gt; Section A- General&gt; Summary Compensation Table&gt; p. 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p><i>The Corporation's RPT Policy is posted on its website. There was no issue involving RPT and other unusual transactions in 2022.</i></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt;Corporate Governance&gt;Company Policies&gt;RPT Policy</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a>	
2. Company discloses material or significant RPTs reviewed and approved during the year.	COMPLIANT	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> <li>1. name of the related counterparty;</li> <li>2. relationship with the party;</li> <li>3. transaction date;</li> <li>4. type/nature of transaction;</li> <li>5. amount or contract price;</li> <li>6. terms of the transaction;</li> <li>7. rationale for entering into the transaction;</li> <li>8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and</li> <li>9. other terms and conditions</li> </ol> <p><i>The Corporation disclosed all significant transactions with related parties (RPTs) reviewed and approved during the year in Note 19 of the Notes to the 2022 consolidated financial statements attached to the SEC 17-A.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; 2022 Consolidated Audited Financial Statements &gt;  Note 19 – Related Party Transactions &gt; pp. 43-57 of  the Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	COMPLIANT	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><i>The directors are required to disclose any potential conflict of interest immediately to the Corporation.</i></p> <p><i>The Corporation's conflict of interest policy ensures that the interest of the Corporation shall prevail over the</i></p>	

		<p><i>personal interests of the directors or officers.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article V – Governance Policy on Conflict of Interest &gt; p. 25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt;Item 3.1 –Disclosure&gt;page 1  &gt;Items 3.2.1 to 3.2.9- Areas of Conflict of Interest&gt;pp. 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 1-3&gt; p.4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-Board-Charter-Nov-2021.pdf</a></p>	
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#### Optional : Recommendation 8.5

1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.	COMPLIANT	<p>Provide link or reference where this is disclosed, if any</p> <p><i>The Corporation conducts all RPTs in a fair and at arm's length basis and at normal prices that will inure to the benefit of the Corporation and its shareholders.</i></p> <p><b>Reference:</b>  <b>RPT Policy</b>  &gt;Item 2 - Statement of Policy and Coverage &gt; paragraph 1&gt;p. 1  &gt;Item 6.2-Guidelines in ensuring arm's length terms in Material RPTs&gt;p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>  &gt;Item 12-Certain Relationships and Related Transactions&gt;p. 34</p>	
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<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>Provide link or reference where this is disclosed</p> <p><i>The Corporation's CG Manual 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.</i></p> <p><i>All material information, i.e., business, operational, financial, is timely disclosed to the PSE through PSE Edge, and SEC through SEC Form 17-C (Current Report), SEC 17-Q (Quarterly Report) and SEC 17-A (Annual Report) and press releases.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VII-Communication and Information &gt; Item 1-Management responsibility for Information&gt;  paragraphs 3-4&gt; p. 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-C</b> (posted on website)  &gt; Investor Relations&gt; Disclosures&gt; SEC 17-C (Current Reports) filed in CY 2022  <a href="https://www.ayalalandlogistics.com/disclosures/">https://www.ayalalandlogistics.com/disclosures/</a></p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	COMPLIANT	<p>Identify independent party appointed to evaluate the fairness of the transaction price.  Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p><i>In case of mergers and acquisitions, the Board may appoint an independent party to evaluate the fairness of the transaction price.</i></p> <p><i>In case of material RPTs, the Corporation shall appoint an external independent party to evaluate the fairness of the RPT.</i></p>	

		<p><i>There were no mergers or acquisitions in 2022.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article III – Governance&gt; Item 2-Board Committees&gt; sub-item 2.5 Risk Management and Related Party Transactions Committee&gt; paragraph p &gt; p. 19  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>RPT Policy</b>  &gt;Item 6.2-Guidelines in ensuring arm's length terms in Material RPTs&gt;p. 5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-RPT-Policy-2021.pdf</a></p>	
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	<p>Provide link or reference where these are disclosed.</p> <p><i>Material agreements that may impact the control, ownership and strategic direction of the Corporation are disclosed by the filing of required information to the PSE and submissions to the SEC for the interest of its stockholders and other stakeholders.</i></p> <p><i>There are no voting trust agreements or such similar agreements involving holders of more than 5% of the capital stock of the Corporation.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 11-Security Ownership of Certain Beneficial Owners and Management &gt; sub-item iii-Voting Trust Holders of 5% or More&gt; p. 34  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p><i>The CG Manual contains the Corporation's corporate governance policies, programs and procedures.</i></p>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		

3. Company's MCG is posted on its company website.	COMPLIANT	<p><b>In compliance with SEC requirements, the Corporation submitted its CG Manual to SEC and PSE on May 31, 2017.</b></p> <p><b>The CG Manual (updated in 2020 and 2021) was submitted to the SEC and PSE. The latest CG Manual (revised as of 22 February 2022) was filed with the SEC and PSE on 28 March 2022 and is posted on the website.</b></p> <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 (2017)</b>  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CUxwzMy.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CUxwzMy.dpbs</a></p> <p><b>CG Manual (2022)</b>  &gt;Corporate Governance&gt;Manual on Corporate Governance  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</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	<p>Provide proof of submission.</p> <p><b>The Corporation's latest revised CG Manual was submitted to the SEC and PSE on March 28, 2022, and posted on the Corporation's website.</b></p> <p><b>Reference:</b></p> <p><b>CG Manual (2022)</b>  &gt;Corporate Governance&gt;Manual on Corporate Governance  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	

		<b>Submission to PSE (2022)</b> <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c806007834b293673470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c806007834b293673470cea4b051ca8f</a>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	COMPLIANT		
b. Financial performance indicators	COMPLIANT		
c. Non-financial performance indicators	COMPLIANT		
d. Dividend Policy	COMPLIANT		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	<p>Provide link or reference to the company's Annual Report containing the said information.</p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p>a. &gt;<b>Message from the Chairman and President&gt; Outlook</b>&gt; paragraph 1 &gt; p. 23</p> <p>b. &gt;<b>Performance Highlights &gt; pp. 20-21</b>  &gt;<b>CFO's Report</b>&gt; p.24</p> <p>c. &gt;<b>How ALLHC Creates Value&gt;40-41;</b>  &gt;<b>ESG Approach</b>&gt; p. 43-45;  &gt;<b>Environmental Stewardship</b>&gt; p.46-47;  &gt;<b>Social Engagement</b>&gt; p.48-51</p> <p>d. &gt;<b>Corporate Governance&gt;Policies &amp; Practices&gt;Dividends</b>&gt; p. 60</p> <p>e. &gt;<b>Our Leaders&gt; Board of Directors&gt; Profiles of Directors</b>&gt; pp.28-29  &gt;<b>Corporate Governance&gt; Board Matters&gt; Table of Directors' designation, year first elected and expertise</b>&gt;p. 54  &gt;<b>Corporate Governance&gt;Board Matters&gt;Training and Continuous Education</b>&gt; p.56</p> <p>-The age, academic qualifications, date of election, professional experience and directorships in other companies are provided in the directors' profiles. A table showing the directors' designation, year first elected and expertise is also provided. The relevant training attended by the directors is also provided.</p> <p>f.&gt;<b>Corporate Governance&gt; Meetings and</b></p>	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT		
g. Total remuneration of each member of the board of directors	COMPLIANT		

		<p><i>Attendance&gt; Table of Directors' Attendance in Board meetings&gt; p. 55</i></p> <p><i>g. &gt;Corporate Governance&gt; Board Matters&gt;Remuneration&gt; Table showing Gross Remuneration of Directors in 2022&gt; pp. 55</i></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.	COMPLIANT	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><i>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.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  <i>&gt;Corporate Governance&gt; Corporate Governance Compliance &gt; penultimate paragraph&gt; p.61</i>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf"><i>https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</i></a></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.	COMPLIANT	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><i>The Board, through the Audit Committee, reviews the quarterly and annual financial and operational reports from Management.</i></p> <p><i>The Board ensures that the implementation of strategies is in accordance with good corporate governance practices and that internal control mechanisms are in place.</i></p> <p><i>On an annual basis, the Audit Committee reports to, and assists, the Board in fulfilling its oversight responsibility to the shareholders relating to:</i></p> <ul style="list-style-type: none"> <li><i>• the integrity of the Corporation's financial statements and the financial reporting process;</i></li> <li><i>• the appointment, re-appointment, remuneration, qualifications, independence and performance of the independent external auditors and the integrity of the audit process as a whole;</i></li> <li><i>• the effectiveness of the systems of internal control</i></li> </ul>	

		<p><i>and the risk management process;</i></p> <ul style="list-style-type: none"> <li>• <i>the performance and leadership of the internal audit function;</i></li> <li>• <i>the Corporation's compliance with applicable legal and regulatory requirements; and</i></li> <li>• <i>the preparation of a year-end report of the Committee for approval of the Board and to be included in the annual report.</i></li> </ul> <p><i>The 2022 Report of Audit Committee presented during its meeting on February 13, 2023, was approved by the Board on February 28, 2023.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt; Report of the Audit Committee to the Board of Directors&gt; pp. 70-71  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></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.	COMPLIANT	<p>Provide link or reference to where this is contained in the Annual Report</p> <p><i>The Audit Committee, in its 2022 Report to the Board, confirmed the adequacy of the activities performed by the Internal Audit and that these conformed with the International Standards for Professional Practice of Auditing. Based on its review of the reports, the Committee confirmed that the governance, risk management and internal controls of the company are adequate and effective and that management took appropriate corrective actions to address governance, risk management and compliance issues.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt; Report of the Audit Committee to the Board of Directors &gt; 8th and 9th bulleted items&gt;p. 70  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
5. The company discloses in the Annual Report the key	COMPLIANT	Provide link or reference to where this is contained in	

<p>risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>		<p>the Annual Report</p> <p><i>In the Annual Report, the Corporation presented the top three (3) risks, namely, marginalization because of competition, timely execution and delivery of products, and government and political risk and the mitigating measures. The Corporation also identified its top 10 risks.</i></p> <p><i>The top three (3) risks faced by the Corporation were also discussed in the SEC Form 17-A, while discussion on the kinds of financial risks is found in Note 32 of the Audited Financial Statements attached to 2022 SEC Form 17-A.</i></p> <p><b>Reference:</b></p> <p>2022 Integrated Report      &gt;Risk Management&gt; pp. 62-63  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>      &gt;Item 1 B-Business of the Issuer&gt; sub-item xv- Risks&gt;p. 7      &gt; 2022 Audited Financial Statements&gt; Note 32 – Financial Instruments&gt; Financial Risk Management Objectives, Policies and Capital Management&gt; pp. 76- 78 of Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
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**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

#### Recommendation 9.1

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p><i>The Audit Committee is tasked to recommend the appointment and removal of the external auditor and the fixing of its remuneration to the Board.</i></p>	
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		<p><b><i>The Committee conducts an assessment of the independence and professional qualifications and competence of the external auditor.</i></b></p> <p><b>Reference:</b></p> <p><b>Audit Committee Charter (2019)</b>      &gt; Section D – Roles and Responsibilities &gt; Item 3 – External Audit&gt; paragraph 3.1&gt; p. 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><b>Audit Committee Charter (Feb. 2023)</b>      &gt;Section C -Roles and Responsibilities&gt; Item 4- Oversight on Independent Audit&gt; paragraphs b and c&gt; p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>2022 Integrated Report</b>      &gt; Report of the Audit Committee to the Board of Directors &gt; 3<sup>rd</sup>, 7<sup>th</sup> and 10<sup>th</sup> bulleted items&gt;p. 70  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></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.	COMPLIANT	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><b><i>The appointment of the external auditor, SyCip Gorres Velayo &amp; Co. (SGV &amp; Co.), and fixing of its audit fees recommended by the Audit Committee was approved by the Board on February 22, 2022.</i></b></p> <p><b><i>The appointment of SGV &amp; Co. as external auditor for CY 2022 was approved during the Annual Stockholders' Meeting (ASM) on April 21, 2022, by more than majority of the stockholders present during the meeting.</i></b></p> <p><b>Reference:</b></p>	

		<p><b>Minutes of ASM dated April 21, 2022</b>          &gt; Item 10 – Appointment of Election of External Auditor and Fixing of its Remuneration &gt; p. 9  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></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.	COMPLIANT	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p><b><i>The reason/s for the resignation, dismissal or change in external auditor and date thereof shall be reported in the Corporation's annual and current reports. The Corporation did not change its external auditor or partner-in-charge of audit for CY 2022.</i></b></p> <p><b>Reference:</b></p> <p><b>CG Manual</b>          &gt; Article IV – Audit, Risk Oversight and Compliance &gt;          Item 2 – External Audit &gt; paragraph d&gt; p. 26  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>          &gt; Item 8 – Changes and Disagreements with Accountants on Accounting and Financial disclosures&gt; paragraph a &gt; p. 24  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p><b><i>There was no change in the partner-in-charge of the external auditor for CY 2022.</i></b></p> <p><b><i>The CG Manual provides that External Auditor or key engagement partners shall be rotated and changed in accordance with the requirements prescribed by applicable laws and regulations such as the rotation period.</i></b></p>	

		<p><i>The Audit Committee Charter (2019) provides that the partner-in-charge of the external auditing firm assigned to the Corporation shall be rotated every five (5) years or earlier.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article IV – Audit, Risk Oversight and Compliance &gt;  Item 2 – External Audit &gt; paragraph d &gt; p. 26  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Audit Committee Charter (2019)</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3 –  External Audit &gt; sub-item 3.1, paragraph 2 &gt; p. 4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Audit Committee Charter (Feb 2023)</b>  &gt; Section C – Roles and Responsibilities &gt; Item 4 –  Oversight on Independent Audit &gt; paragraph c &gt; p. 5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter  <p><i>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.</i></p> <p><b>Reference:</b>  <b>Audit Committee Charter (Feb 2023)</b>  &gt; Section C – Roles and Responsibilities &gt; Item 4 –  Oversight on Independent Audit &gt; paragraph c &gt; p. 5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p>	

		<b>Audit Committee Charter (2019)</b> > Section D – Roles and Responsibilities > Item 3 – External Audit> sub-items 3.1, 3.2, 3.6 and 3.7 > pp. 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>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>The Audit Committee shall assess the performance of the external auditor and recommend appointment of external auditor every year.</i></p> <p><b>Reference:</b></p> <p><b>Audit Committee Charter (Feb 2023)</b>  &gt; Section C – Roles and Responsibilities &gt; Item 4 – Oversight on Independent Audit&gt; paragraph c&gt; p. 5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>Audit Committee Charter (2019)</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3 – External Audit&gt; sub-item 3.1&gt; p. 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>	
<b>Supplement to Recommendations 9.2</b>			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>See response in Recommendation 9.2, Item 1</i></p> <p><b>Reference:</b></p> <p><b>Audit Committee Charter (Feb 2023)</b>  &gt; Section C – Roles and Responsibilities &gt; Item 4 – Oversight on Independent Audit&gt; paragraph c&gt; p. 5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>Audit Committee Charter (2019)</b>  &gt; Item 3-External Audit&gt;Item 3.2 &gt; paragraph 2 &gt; p.5</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>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><b>See response in Recommendation 9.2, Item 1.</b></p> <p><b>Reference:</b></p> <p><b>Audit Committee Charter (Feb 2023)</b>            &gt; Section C – Roles and Responsibilities &gt; Item 4 – Oversight on Independent Audit &gt; paragraphs d, k &gt; p. 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p> <p><b>Audit Committee Charter (2019)</b>            &gt; Item 3-External Audit &gt; Item 3.2 &gt; paragraph 2 &gt; p. 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>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	<p>Disclose the nature of non-audit services performed by the external auditor, if any.</p> <p><b>The Company disclosed the non-audit services performed by the external auditor in the Annual Report. Non-audit services include validation and counting of stockholders' votes during the annual stockholders' meeting in 2022.</b></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>            &gt; Corporate Governance &gt; Board Committees &gt; Audit Committee &gt; External Audit, Audit and Non-Audit Fees &gt; p. 57  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>            &gt; Item 8. – Changes in and Disagreements with Accountants on Accounting and Financial</p>	

		<p>Disclosures&gt; External Audit Fees and Services&gt; paragraph a-Audit and Audit related Fees &gt; pp. 24-25  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.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>Provide link or reference to guidelines or policies on non-audit services</p> <p><i>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.</i></p> <p><b>Reference:</b>  <b>Audit Committee Charter (2019)</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3-External Audit&gt; sub-item 3.7 &gt; p. 5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Audit Committee Charter (Feb 2023)</b>  &gt; Section C – Roles and Responsibilities &gt; Item 4 – Oversight on Independent Audit&gt; paragraph b&gt; p. 5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Audit-Committee-Charter-Feb-2023.pdf</a></p>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	<p>Provide information on audit and non-audit fees paid.</p> <p><i>The non-audit fees do not outweigh the audit fees. For 2022, total audit fee is more than the total non-audit fee.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Item 8. – Changes in and Disagreements with Accountants on Accounting and Financial Disclosures&gt; External Audit Fees and Services&gt; paragraph a-Audit and Audit related Fees &gt; pp. 24-</p>	

		<p>25  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf:/">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf:/</a></p> <p><b>2022 Integrated Annual Report</b>  &gt; Corporate Governance &gt; Board Matters &gt; Audit Committee &gt; External Audit, Audit and Non-Audit Fees &gt; p. 57  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Additional Recommendation to Principle 9</b>			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the audit engagement partner;</li> <li>2. Accreditation number;</li> <li>3. Date Accredited;</li> <li>4. Expiry date of accreditation; and</li> <li>5. Name, address, contact number of the audit firm.</li> </ol> <p><b>Details of the appointed external auditor for CY 2022-</b></p> <p><b>Partner-in-Charge:</b>  <b>Mr. Carlo Paolo V. Manalang</b>  <b>SEC Partner Accreditation No. 111947-SEC (Group A) - Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions</b>  <b>SEC Firm Accreditation No. 0001-SEC (Group A)-valid to cover audit of 2021 to 2025 financial statements of SEC covered institutions</b></p> <p><b>Audit Firm:</b>  <b>SyCip Gorres Velayo &amp; Co. (SGV &amp; Co.)</b>  <b>6760 Ayala Avenue 1226 Makati City, Philippines</b>  <b>Tel. No.: (632) 8891-0307</b>  <b>Website <a href="https://www.ey.com/ph">https://www.ey.com/ph</a></b></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt; Independent Auditor's Report attached to the 2022 consolidated Audited Financial Statements &gt;p.4</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a>	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	COMPLIANT	<p>Provide information on the following:</p> <ol style="list-style-type: none"> <li>1. Date it was subjected to SOAR inspection, if subjected;</li> <li>2. Name of the Audit firm; and</li> <li>3. Members of the engagement team inspected by the SEC.</li> </ol> <p><i>The audit firm, SGV &amp; Co. agreed to be subjected to the SEC Oversight Assurance and Review (SOAR) Inspection Program. The inspection was conducted on August 1-12, 2022. The names of the engagement team were provided to the SEC during the SOAR inspection.</i></p>	

**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>Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.</p> <p><i>The Board is committed to full disclosure of material information dealings, including non-financial information, with emphasis on the management of material economic, environment, social and governance issues of the business, which underpin sustainability, in line with the guiding principles and content elements of the Integrated Reporting Framework and the Global Reporting Initiative (GRI) Standards.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VII-Communication and Information&gt; Item 1-Management Responsibility for Information&gt; paragraph 4&gt; p. 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	

non-financial issues.		<p><b>Disclosures on non-financial information and EESG issues follow the guiding principles and content elements of the Integrated Reporting framework and the GRI Standards.</b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>          &gt;ESG Approach &gt; pp. 43-45;          &gt;Environmental Stewardship &gt; pp. 46-47;          &gt;Social Engagement&gt; pp. 48-51;          &gt;Corporate Governance&gt; pp. 52-61;          &gt;Risk Management&gt; pp. 62-63          &gt;Sustainability Reference Index&gt; p. 86  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<p><b>Principle 11:</b> The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.</p>			
<p><b>Recommendation 11.1</b></p> <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>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p><b>The Corporation holds one-on-one briefings with analysts and issues press releases to communicate material and timely information to the stockholders and other stakeholders.</b></p> <p><b>In 2022, the Corporation conducted virtual and face-to face meetings with analysts and institutional investors. The Corporation also answers queries from analysts through email.</b></p> <p><b>Reference:</b>  <b>Analyst Briefings in 2022</b>          &gt; Investor relations&gt; Disclosures&gt;Analyst Briefings  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/02/2022-ALLHC-Analyst-Presentations.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/02/2022-ALLHC-Analyst-Presentations.pdf</a></p>	

		<b>CG Manual</b> >Article VIII-Communication and Information> >Item 5-Channels of Communication> p. 29 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	
a. Financial statements/reports (latest quarterly)	COMPLIANT	<b>The Corporation has a website which discloses required reports and information.</b>	
b. Materials provided in briefings to analysts and media	COMPLIANT	<b>Reference:</b>	
c. Downloadable annual report	COMPLIANT	<b>a. Financial Statements</b>	
d. Notice of ASM and/or SSM	COMPLIANT	>Investor Relations>Disclosures> Audited Financial Statements>Audited Financial Statements 31 December 2022 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-2022-Consolidated-Audited-Financial-Statements.pdf</a>	
e. Minutes of ASM and/or SSM	COMPLIANT	<b>SEC Form 17-Q</b>	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	>Investor Relations> Disclosures>SEC Form 17-Q (Quarterly Report)> SEC Form 17-Q for quarters ended 31 March 2022, 30 June 2022, and 30 September 2022 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/05/1Q-2022-ALLHC-SEC-17-Q.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/05/1Q-2022-ALLHC-SEC-17-Q.pdf</a>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/08/2Q-2022-ALLHC-SEC-17-Q.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/08/2Q-2022-ALLHC-SEC-17-Q.pdf</a>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/11/3Q-2022-ALLHC-SEC-17-Q.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/11/3Q-2022-ALLHC-SEC-17-Q.pdf</a>	
		<b>b. Materials Provided during Briefings</b>	
		>Investor Relations>Disclosures>Presentations <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/06/ALLHC-1Q-2022-Financial-and-Operating-Results.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/06/ALLHC-1Q-2022-Financial-and-Operating-Results.pdf</a>	

		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/09/ALLHC-1H-2022-Financial-and-Operating-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/09/ALLHC-1H-2022-Financial-and-Operating-Results.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/12/ALLHC-9M-2022-Financial-and-Operating-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/12/ALLHC-9M-2022-Financial-and-Operating-Results.pdf</a></p> <p><b>Press Releases</b>            &gt;News&gt; Press Releases&gt; 2022  <a href="https://www.ayalalandlogistics.com/news/">https://www.ayalalandlogistics.com/news/</a></p> <p><b>c. Downloadable 2022 Integrated Report</b>            &gt;Investor Relations&gt; Disclosures&gt;Annual Reports  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>SEC Form 17-A (2022)</b>            &gt;Investor Relations&gt; Disclosures&gt; SEC Form 17-A (Annual Report)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p> <p><b>d. Notice of Stockholders' Meeting</b>            &gt;Investor Relations&gt; Disclosures&gt; Notice of Annual or Special Stockholders' Meetings&gt;2022 Notice of ASM on April 21. 2022 and 2022 Notice of ASM (revised)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.18.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.18.22.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf</a></p> <p><b>e. Minutes of ASM dated 21 April 022</b>            &gt;Investor Relations&gt; Disclosures&gt; Minutes of Stockholders' Meetings&gt; Minutes of ASM dated 21 April 2022</p>	
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<b>Additional Recommendation to Principle 11</b>			
1. Company complies with SEC-prescribed website template.	COMPLIANT	<p><b>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.</b></p> <p><b>Reference:</b> ALLHC website  <a href="https://www.avalalandlogistics.com/">https://www.avalalandlogistics.com/</a></p>	
<b>Internal Control System and Risk Management Framework</b>			
<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.			
<b>Recommendation 12.1</b>			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	<p>List quality service programs for the internal audit functions.            Indicate frequency of review of the internal control system</p> <p><b>The Corporation has an adequate and effective internal control system.</b></p> <p><b>The scope of internal audit work includes the review of risk management procedures, internal control systems, information systems and governance processes to</b></p>	

		<p><b>ensure:</b></p> <ul style="list-style-type: none"> <li>• <b>Safeguarding of assets</b></li> <li>• <b>Proper identification and management of risks</b></li> <li>• <b>Appropriate level of internal control exists within the company to manage and mitigate risk</b></li> <li>• <b>Policies, standards, procedures, and controls are adequately documented as needed</b></li> <li>• <b>Interaction with the various governance groups occurs as needed</b></li> <li>• <b>Significant financial, managerial, and operating information is accurate, reliable, and timely</b></li> <li>• <b>Actions of directors, officers, employees and third party business partners are in compliance with policies, standards, procedures, and applicable laws and regulations</b></li> <li>• <b>Resources are acquired economically and used efficiently</b></li> <li>• <b>Programs, plans, and objectives are achieved</b></li> <li>• <b>Quality and continuous improvement are fostered in the organization's control process</b></li> <li>• <b>Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.</b></li> </ul> <p><i>The internal control system is reviewed annually.</i></p> <p><b>Reference:</b>  <b>2022 Internal Control and Compliance System Attestation</b>  &gt;Corporate Governance&gt; Enterprise Risk Management&gt; 2022 Internal Control and Compliance System Attestation  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/Internal-Control-and-Compliance-Systems-Attestation-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/Internal-Control-and-Compliance-Systems-Attestation-2022.pdf</a></p> <p><b>Internal Audit Charter (2020)</b>  &gt; Section G – Scope of Work &gt; pp. 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Internal Audit Charter (revised as of Feb. 28, 2023)</b>  &gt; Section G – Scope of Work &gt; pp. 3-4</p>	
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2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	COMPLIANT	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> <li>1. Company's risk management procedures and processes</li> <li>2. Key risks the company is currently facing</li> <li>3. How the company manages the key risks</li> </ol> <p>Indicate frequency of review of the enterprise risk management framework.</p> <p><b><i>The Corporation has an adequate Enterprise-wide Risk Management (EWRM) framework 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.</i></b></p> <p><b><i>For 2022, the top three (3) risks identified by the Corporation are as follows:</i></b></p> <ul style="list-style-type: none"> <li>a. Marginalization due to Competition</li> <li>b. Project execution and timely delivery risk</li> <li>c. Government and Political Risk</li> </ul> <p><b><i>The CRO monitors the key risks of the Corporation and reports to the Board the updates and any mitigating measures affecting those risks, and monitors the implementation of risk mitigation plans and other risk management activities.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Risk Management&gt; pp. 62-63  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>CG Manual</b>  &gt;Article III-Governance&gt; Item 2- Board Committees&gt;</p>	

		<p>Item 2.5-Risk Management and Related Party Transactions Committee&gt;pp. 18-19  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Enterprise Risk Management Policy</b>  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	COMPLIANT	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p><b><i>The Corporation has a compliance system in place, which is subject to annual review.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt;  Item 4 –Compliance System &gt;p. 27  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.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.	COMPLIANT	<p>Provide information on IT governance process.</p> <p><b><i>IT issues including disruption, cybersecurity and disaster recovery are referred by the Corporation's IT Team to ALI Group IT Security Division. The Corporation has no material IT or cybersecurity issues in 2022.</i></b></p>	
<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>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><b><i>The Corporation has an in-house Internal Audit Group that reports to the Audit Committee.</i></b></p> <p><b>Reference:</b></p>	

		<p><b>Internal Audit Charter (2020)</b>          &gt; Section D- Organization &gt;p. 1          &gt; Section G – Scope of Work &gt; pp. 3-5  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Internal Audit Charter (revised as of Feb. 28, 2023)</b>          &gt;Section D- Organization &gt; p. 1          &gt;Section G – Scope of Work &gt; pp. 3-4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf</a></p>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p><i>The Corporation has a qualified CAE. The Corporation's CAE as of December 31, 2022 is Ms. Annabeth R. Bernardo.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>          &gt;Corporate Governance&gt;Governance Structure&gt;          Chief Audit Executive&gt; p. 53  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Internal Audit Charter (2020)</b>          &gt;Section D- Organization&gt; paragraph 2&gt; p. 1          &gt;Section H-Overall Responsibility, Section I- Accountability and Section L-Quality Assurance and Improvement Program&gt; pp.5-7  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Internal Audit Charter (revised as of Feb. 28, 2023)</b>          &gt;Introduction &gt; paragraph 2&gt; p. 1          &gt;Section H-Responsibility and Section I- Quality Assurance and Improvement Program &gt;pp. 5-6</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf</a>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	COMPLIANT	<p><b><i>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. The CAE's overall responsibilities are disclosed in the Corporation's Internal Audit Charter.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt;  Item 1 – Internal Audit&gt; sub-items c and d&gt; p. 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Internal Audit Charter (2020)</b>  &gt; Section L- Quality Assurance and Improvement Program &gt; last paragraph &gt; p. 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Internal Audit Charter (revised as of Feb. 28, 2023)</b>  &gt;Section H- Responsibility &gt; 12<sup>th</sup> bulleted item&gt;p. 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/ALLHC-Internal-Audit-Charter-Feb-2023.pdf</a></p>	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	COMPLIANT	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p><b><i>The internal audit function is 100% in-house. Should the function be outsourced, the Corporation's CAE, Ms. Bernardo, is fully qualified to oversee the outsourced activity.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Governance Structure&gt;  Chief Audit Executive&gt; p. 53</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-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	<p>Provide information on company's risk management function.</p> <p><i>The Corporation's Risk Management and Related Party Transactions Committee performs risk management function.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III-Governance&gt; Item 2-Board Committees&gt;  Item 2.5-Risk Management and Related Party Transactions &gt;pp. 18-19  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt;Board Committees&gt;Risk Management and Related Party Transactions Committee&gt; p. 57  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	NOT APPLICABLE	Identify source of external technical support, if any.	<p><i>At present, risk management is adequately performed by the Risk Management and Related Party Transactions Committee with the assistance of the Risk Management Group headed by the Chief Risk Officer. The Corporation can seek external technical support in risk management if necessary.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt;Article III-Governance&gt; Item 2-Board Committee&gt; Item 2.5-Risk Management and Related Party Transactions &gt;pp. 18-19</p>

			<p>&gt; Article V-Audit, Risk Oversight and Compliance &gt; Item 3- Risk Oversight&gt; p. 27  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>
<b>Recommendation 12.5</b>			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p><i>The CRO is the champion of the ERM. The roles and responsibilities of the CRO are provided in the Corporation's CG Manual.</i></p> <p><i>The Corporation's CRO is Ms. Francis M. Montojo who is the concurrent Chief Finance Officer and Compliance Officer of the Corporation.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article V-Audit, Risk Oversight and Compliance&gt; Item 3- Risk Oversight&gt; p. 27  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT	<p><i>The CRO has adequate authority, stature, resources and support to fulfill her responsibilities from the RMRPTC and Management.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 3 – Risk Oversight&gt; p. 27  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Chief Risk Officer&gt; p. 53;</p>	

		>Corporate Governance> Risk Management> Risk Management Structure> p.62 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a>	
<b>Additional Recommendation to Principle 12</b>			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	<p>Provide link to CEO and CAE's attestation.</p> <p><b><i>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.</i></b></p> <p><b>Reference:</b>  <b>2022 Attestation on the Internal Control and Compliance System</b>  &gt;Corporate Governance &gt; Enterprise Wide Risk Management&gt; 2022 Internal Control and Compliance System Attestation  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/Internal-Control-and-Compliance-Systems-Attestation-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/03/Internal-Control-and-Compliance-Systems-Attestation-2022.pdf</a></p>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p>Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.</p> <p><b><i>Shareholders' rights are disclosed in the Corporation's CG Manual.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 to 1.7&gt; pp.30-31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>Provide link to company's website</p> <p><b><i>The basic shareholders' rights are posted on the Corporation's website.</i></b></p>	

		<p><i>The Corporation's CG Manual is also posted on the Corporation's website.</i></p> <p><b>Reference:</b>  <b>Rights of Shareholders</b>  &gt;Corporate Governance&gt; Rights of Shareholders  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf</a></p> <p><b>CG Manual</b>  &gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 to 1.7&gt; p. 30-31  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	COMPLIANT	<p><i>Each common share entitles the person in whose name it is registered to one (1) vote.</i></p> <p><b>Reference:</b>  <b>Amended By-laws (2021)</b>  &gt; Article II- Stockholders' Meeting&gt; Section 6-Proxies&gt; last sentence&gt; p. 4  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.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	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p><i>The Corporation only has common shares. All stockholders have the right to nominate, elect, remove or replace directors and vote on certain corporate acts.</i></p> <p><i>Minority stockholders have the right to propose the holding of meetings and items in the agenda of the meeting subject to reasonable advance notice and other guidelines issued by the Board consistent with applicable laws, rules and regulations of the SEC.</i></p> <p><i>The Board has the duty to promote the rights of</i></p>	

		<p><b>shareholders and remove impediments to the exercise of their rights.</b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 to 1.7&gt; pp. 30-31;  &gt;Article VIII- Stockholders' Rights and Protection of Minority Stockholders' Interests&gt; Item 2- Duty of Directors to Promote Shareholders' Rights&gt; p. 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p><b>The Corporation has a secure and effective voting system. The stockholders may vote by proxy or electronic poll voting (through the Voting in Absentia Shareholder System) at the 2022 ASM.</b></p> <p><b>Reference:</b>  <b>Minutes of ASM dated 21 April 2022</b>  &gt; Item 4- Instructions for Rules of Conduct and Voting Procedures &gt; p. 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></p> <p><b>SEC 20-IS (for 2022 ASM)</b>  &gt;Item 19- Voting Procedure&gt;paragraph b &gt; p.13  &gt; Annex A- Requirements and Procedure for Electronic Voting in Absentia&gt; pp. 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.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.	COMPLIANT	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p><b>The Corporation ensures protection of the minority shareholders although it does not have a supermajority mechanism for voting.</b></p>	

		<p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 to 1.7&gt; pp. 30-31;  &gt;Article VIII- Stockholders' Rights and Protection of Minority Stockholders' Interests&gt; Item 2- Duty of Directors to Promote Shareholders' Rights&gt; p. 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></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.	COMPLIANT	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p><i>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, subject to reasonable advance notice, and other guidelines issued by the Board consistent with the applicable laws, rules and regulations of the SEC.</i></p> <p><i>In the ASM notice, stockholders are given time to submit their proposed agenda items, subject to the guideline issued by the Board.</i></p> <p><i>In 2022, there was no call from the stockholders for a special meeting or proposal of agenda items from minority stockholders.</i></p> <p><b>Reference:</b>  <b>2022 Notice of ASM (revised)</b>  &gt; Paragraph 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf</a></p> <p><b>CG Manual</b>  &gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 and 1.4&gt; p. 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	

		<p><b>Amended By-laws (2021)</b></p> <p>&gt; Article II- Stockholders' Meeting &gt;Sec. 2-Special Meetings&gt; p. 2</p> <p>&gt; Article II- Stockholders' Meetings&gt; Sec. 3- Notice of Meetings&gt; paragraph 2&gt; p. 2</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf</a></p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p><b><i>The Board clearly articulates and enforces policies with respect to treatment of minority shareholders, with respect to their voting rights, right to call a stockholders' meeting, to propose agenda items and access to information.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b></p> <p>&gt; Article VIII – Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 and 1.4&gt; p. 30</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
7. Company has a transparent and specific dividend policy.	COMPLIANT	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p> <p><b><i>The Board has not declared dividends for the past years. The last dividend declaration was in 1997.</i></b></p> <p><b><i>The Corporation follows the provisions of its By-laws and the rules and regulations on dividends implemented by the SEC.</i></b></p> <p><b>Reference:</b></p>	

		<b>SEC Form 17-A (2022)</b> > Part II – Operational and Financial Information > Item 5-Market for Issuer's Common Equity and Related Stockholder Matters> sub-item C-Dividends >pp. 10-11 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.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>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p><b><i>SGV &amp; Co. was appointed independent party to validate the votes cast at the 2022 ASM.</i></b></p> <p><b>Reference:</b>  <b>SEC Form17-C dated 21 April 2022 (Voting Results)</b>            &gt; Matters taken up during the ASM 21 April 2022&gt; p. 2 footnote  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-2022-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-2022-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.	NON-COMPLIANT	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p>	<p><b>The Corporation sent the 2022 Notice of ASM on March 29, 2022 or twenty-three (23) days before the ASM set on 21 April 2022 to the stockholders who provided their email addresses. The notice was also posted on the websites of the Corporation and the PSE on even date. The notice was also published in the Philippine Star and Manila Times on March 28 and 29, 2022.</b></p> <p><b>The agenda did not include changes in the remuneration of directors.</b></p> <p><b>Reference:</b>  <b>Submission to PSE of Notice of ASM attached to SEC 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewerd.do?edge_no=e1930babaa35bdc3470cea4b051ca8f">https://edge.pse.com.ph/openDiscViewerd.do?edge_no=e1930babaa35bdc3470cea4b051ca8f</a></p>

			<b>SEC Form 20-IS (for 2022 ASM)</b> >Notice/Agenda <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a>
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:		Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	<p><b>Attached to the Notice of ASM is the Corporation's Definitive Information Statement (SEC 20-IS), which contains the profiles of directors.</b></p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2022 ASM)</b>  &gt;Annex B&gt; Profiles of the directors (as of 31 December 2021)&gt; pp. 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	<p><b>Auditor seeking appointment is identified in the Explanation of Agenda Items attached to the Notice of the ASM, and SEC 20-IS.</b></p> <p><b>Reference:</b>  <b>2022 Notice of ASM</b>  &gt;Investor Relations&gt; Disclosures&gt;Notice of Annual or Special Stockholders' Meetings&gt; 2022 Notice of ASM (Revised)&gt; Explanation of Agenda Items&gt; p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf</a></p> <p><b>SEC Form 20-IS (for 2022 ASM)</b>  &gt;Notice of ASM&gt; Explanation of Agenda items&gt; Election of External Auditors and fixing of its remuneration&gt; &gt; p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	

c. Proxy documents	COMPLIANT	<p><i>The proxy form is attached to the Notice of ASM which is part of SEC 20-IS (information Statement).</i></p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2022 ASM)</b>  &gt; Proxy form (after the Explanation of Agenda Items)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>Provide link or reference to the rationale for the agenda items</p> <p><i>The Corporation provides an explanation of the agenda items which is attached to the Notice of ASM.</i></p> <p><b>Reference:</b>  <b>Notice of ASM set on 21 April 2022 and Explanation of Agenda items</b>  &gt; Investor Relations&gt;Disclosures&gt; Notice of Annual or Special Stockholders' Meetings&gt; 2022 Notice of Annual Stockholders' Meeting (Revised)&gt;  Explanation of Agenda Items  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/02/SEC-PSE-Amended-Detailed-Notice-and-Agenda-of-the-2022-Annual-Stockholders-Meeting_2.24.22.pdf</a></p> <p><b>SEC Form 20-IS (for 2022 ASM)</b>  &gt; Investor Relations&gt; Disclosures&gt; SEC Form 20- IS (Information Statement)&gt; SEC Form 20-IS (as of 28 March 2022)&gt; Notice, Explanation of Agenda items  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	
<b>Recommendation 13.3</b>			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><i>Items taken up at the 2022 ASM were made publicly available through SEC 17-C (Current Report) and PSE</i></p>	

		<p><b>Edge on the same day of the ASM. The voting results were also posted on the Corporation's website.</b></p> <p><b>The questions and answers raised during the ASM are in the minutes of the ASM which were posted on the Corporation's website five (5) business days after the ASM.</b></p> <p><b>Reference:</b>  <b>SEC Form 17-C</b>  &gt;SEC Form 17-C dated 21 April 2022&gt; Voting results  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-2022-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-2022-ASM-Voting-Results.pdf</a></p> <p>&gt;SEC Form 17-C dated 21 April 2022&gt;Results of the ASM and Organizational Meeting&gt;pp.1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.21.22-cmbd.pdf</a></p> <p><b>Minutes of Meeting of the 2022 ASM</b>  &gt;Investor Relations&gt; Disclosures&gt; Minutes of Stockholders' Meetings&gt; Minutes of 2022 ASM&gt; Item 11 – Other Matters&gt; pp. 9-10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes.</p> <p>Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p><b>Minutes of the 2022 ASM were posted on the Corporation's website within five (5) business days from the date of the meeting. The minutes include the voting results for each item, and the questions asked and answers given during the meeting.</b></p> <p><b>Reference:</b>  <b>Minutes of ASM dated 21 April 2022</b></p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a>	
<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>Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting</p> <p><i>The representatives of the external auditor, SGV &amp; Co., attended the meeting via remote communication during the live webcast of 2022 virtual ASM of the Corporation.</i></p> <p><b>Reference:</b>  <b>Minutes of ASM dated 21 April 2022</b>  &gt;Minutes of ASM dated 21 April 2022&gt;Item 1-Call to Order&gt; p. 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></p>	
<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	<p>Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes</p> <p><i>Arbitration is the alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner available to the stockholders.</i></p> <p><i>No matter has been brought for arbitration by any stockholder.</i></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VII - Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1.7- Alternative Dispute Resolution Mechanism for Intra-Corporate Disputes &gt; p.31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Amended By-Laws (2021)</b>  &gt;About Us&gt; Our Company&gt;Articles of Incorporation and By-Laws&gt; Amended By-Laws (March 4,</p>	

		2021)>Article VI- Arbitration> p.12-13 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws-3.4.2021.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws-3.4.2021.pdf</a>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p><b><i>The alternative dispute mechanism is in the Corporation's CG Manual.</i></b></p> <p><b>Reference:</b>  <b>CG Manual</b>  &gt; Article VII - Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1.7- Alternative Dispute Resolution Mechanism for Intra-Corporate Disputes &gt; p.31  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> <li>1. Name of the person</li> <li>2. Telephone number</li> <li>3. Fax number</li> <li>4. E-mail address</li> </ol> <p><b><i>The Corporation has an Investor Relations (IR) Group. The contact details of the IR Group are as follows:</i></b></p> <p><b>Company email:</b>  <a href="mailto:corporate@avalalandlogistics.com">corporate@avalalandlogistics.com</a>  <a href="mailto:investor.relations@avalalandlogistics.com">investor.relations@avalalandlogistics.com</a></p> <p><b>Ma. Rhodora P. dela Cuesta</b>  <b>Tel. No. (632) 8884-1106</b>  <b>Email: <a href="mailto:delacuesta.dolly@avalalandlogistics.com">delacuesta.dolly@avalalandlogistics.com</a></b></p> <p><b>Bettina Marie A. Esguerra-Desiderio</b>  <b>Tel: (632) 8884-1106</b>  <b>Email:<a href="mailto:esguerra.betsy@avalalandlogistics.com">esguerra.betsy@avalalandlogistics.com</a></b></p> <p><b>Reference:</b>  <b>CG Manual</b></p>	

		<p>&gt;Corporate Governance&gt; Manual on Corporate Governance&gt;Article VIII – Communication and Information&gt; Item 3- The Investor Relations Function&gt;p. 29  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Contact details of IR on the website</b>  <a href="https://www.avalalandlogistics.com/investor-relations/">https://www.avalalandlogistics.com/investor-relations/</a></p>	
2. IRO is present at every shareholder's meeting.	COMPLIANT	<p>Indicate if the IRO was present during the ASM.</p> <p><i>The IR Group attended the 2022 ASM via remote communication.</i></p> <p><b>Reference:</b>  <b>Minutes of ASM dated 21 April 2022</b>  &gt;Minutes of ASM dated 21 April 2022&gt;Item 11- Other Matters&gt; paragraph 3&gt; p. 9  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/04/ALLHC-Minutes-ASM-21Apr22.pdf</a></p>	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p>Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.</p> <p><i>The Corporation avoids anti-takeover measures or similar devices. An example is the one-year term for directors. Every year, stockholders are given opportunity to nominate and elect new directors to prevent entrenchment of ineffective management or controlling shareholders.</i></p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2022 ASM)</b>  &gt;Item 5-Directors and Executive Officers&gt;pp. 5-6;  &gt;Annex B-Directors' Profiles&gt; pp. 1-3  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT	Indicate the company's public float.	<i>The Corporation's public float as of 31 December 2022, 30 September 2022, 30 June 2022 was 27.15%.</i>

			<p><b>The public float as of 31 March 2022 was 27.16%.</b></p> <p><b>Reference:</b> Public Ownership Report as of December 31, 2022 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/01/PSE-BIR-Public-Ownership-Report_12.31.22.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/01/PSE-BIR-Public-Ownership-Report_12.31.22.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>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM.</p> <p><i>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.</i></p> <p><i>The Corporation has a corporate email through which the stockholders can post their questions or comments at any time using the Contact Us portion.</i></p> <p><i>The Corporate Secretary, Compliance Officer and IR Group can assist the stockholders with their queries or concerns regarding the Corporation. The company also conducts analyst briefings and presentations to the investors as part of its continuous engagement.</i></p> <p><b>Reference:</b> CG Manual &gt; Article VIII - Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1.4- Right to Information&gt; last paragraph &gt; p. 31 <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	COMPLIANT	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p><i>The stockholders as of the record date may vote electronically through the secure Voting In Absentia</i></p>	

		<p><i>Shareholder (VIASH) System used by the Corporation for the 2022 ASM. Stockholders must register using the VIASH within the period provided in the ASM Notice, and subject to validation procedures.</i></p> <p><b>Reference:</b>  <b>SEC 20-IS (for 2022 ASM)</b>  &gt; Item B- Control and Compensation Information&gt;Item 4&gt; sub-item c – Manner of Voting&gt;last paragraph&gt; p.4;  &gt;Annex A-Requirements and Procedure for Electronic Voting in Absentia and Participation by Remote Communication  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2022/03/ALLHC-2022-Definitive-Information-Statement.pdf</a></p>	
<b>Duties to Stakeholders</b>			
<p><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.</p>			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	COMPLIANT	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p><i>The Corporation adheres to a high level of moral standards and fairness in its dealings with all its suppliers, customers, employees, shareholders and other business partners to forge 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.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Stakeholder Engagement &gt; pp. 45, 49-50  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Role of Stakeholders</b>  &gt; Corporate Governance&gt; Role of Stakeholders</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a>	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p> <p><i>The Board established policies and procedures to promote fair treatment and protection of the various stakeholders through implementation of its Employees' Code of Ethics and Vendor's Code of Ethics, policies on non-discrimination, whistleblowing, insider trading, conflict of interest and anti-corruption.</i></p> <p><b>Reference:</b></p> <p><b>Company Policies</b>  &gt;Corporate Governance&gt; Company Policies&gt;  <a href="https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies">https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies</a></p> <ul style="list-style-type: none"> <li>a) Whistleblowing Policy  <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></li> <li>b) Insider Trading Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf</a></li> <li>c) Conflict of Interest Policy  <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></li> </ul>	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	COMPLIANT	<p>Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.</p> <p>Provide information on whistleblowing policy, practices and procedures for stakeholders</p>	

		<p><i>The Corporation has a whistleblowing policy that allows stakeholders to communicate with the Corporation about their concerns about illegal or unethical practices, without fear of retaliation and has created a unit to handle whistleblowing concerns.</i></p> <p><b>Whistleblowing Contact Persons:</b></p> <p>(i) Internal Audit: Annabeth R. Bernardo <a href="mailto:myreport@ayalaland.com.ph">myreport@ayalaland.com.ph</a> Tel. No. +63 917 311 8510</p> <p>(ii) Human Resources: Marita C. Cabral <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a> Tel. No. +63 9175220198</p> <p>(iii) P&amp;A Grant Thornton <a href="https://proactivehotline.grantthorntonsolutions.ph/report/aligroup">https://proactivehotline.grantthorntonsolutions.ph/report/aligroup</a></p> <p><i>The stakeholders may use the business Integrity Channels provided in the Whistleblowing Policy to make the report.</i></p> <p><b>Reference:</b> Whistleblowing Policy <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>Role of Stakeholders</b> &gt;Corporate Governance&gt; Role of Stakeholders&gt; Anti-Corruption Programs and Policies <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.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>Provide information on the alternative dispute resolution system established by the company.</p> <p><i>An alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner is made available to the stockholders.</i></p>	

		<p><b>Reference:</b></p> <p><b>CG Manual</b></p> <p>&gt; Article VII - Stockholders' Rights and Protection of Minority Stockholders' Interests &gt; Item 1.7- Alternative Dispute Resolution Mechanism for Intra-Corporate Disputes &gt; p.31</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/03/Revised-Manual-on-Corporate-Governance-2022.pdf</a></p> <p><b>Amended By-Laws</b></p> <p>&gt;Article VI- Alternative Dispute Resolution</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws-3.4.2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws-3.4.2021.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 regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	COMPLIANT	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p><i>The Corporation did not seek any exemption from the application of a law, rule or regulation.</i></p>	
2. Company respects intellectual property rights.	COMPLIANT	<p>Provide specific instances, if any.</p> <p><i>The Corporation respects intellectual property rights. There are no complaints filed against the Corporation pertaining to intellectual property rights.</i></p> <p><i>The Corporation filed for registration of its trademark with the Intellectual Property Office.</i></p>	
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare	COMPLIANT	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p><i>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</i></p>	

		<p><i>the advancement of the community and the society in which it operates.</i></p> <p><b>Reference:</b>  <b>Role of Stakeholders</b>  &gt; Corporate Governance&gt; Role of Stakeholders&gt;Customers  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Stakeholder Engagement &gt; Customers&gt; p. 49  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	COMPLIANT	Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.  <p><i>The Corporation adheres to a high level of 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 allows the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</i></p> <p><b>Reference:</b>  <b>Role of Stakeholders</b>  &gt; Corporate Governance&gt; Role of Stakeholders&gt; Suppliers  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a></p> <p><b>2022 Integrated Report</b>  &gt;Stakeholder Engagement &gt;Business Partners, Suppliers and Service providers&gt; p. 50  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	

<p><b>Principle 15:</b> A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.</p>			
<p><b>Recommendation 15.1</b></p>			
<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>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p><i>The Board established policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance.</i></p> <p><i>The Board has an anti-corruption program and procedures which include Whistleblowing Policy, Insider trading Policy, and Conflict of Interest Policy.</i></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>  &gt;Social Engagement&gt;Stakeholder Engagement&gt;  Employees and Workers&gt; Compensation and  Rewards &gt;p.49;  &gt;Corporate Governance&gt;Anti-Corruption Programs  and Procedures&gt; p.61  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt; Code of Business Conduct  and Ethics&gt;Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p> <p><b>Whistleblowing Policy</b>  &gt;Item 1-Statement of Policy&gt;page 1  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.avalalandlogistics.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;p.1</p>	

		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2022/05/ALLHC-Insider-Trading-Policy-2022.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt;Item 3&gt; Item 3.2.9-Acceptance of Gifts and Bribes&gt;p. 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>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p><i>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 shares have been subscribed and there were no further availments after December 2018.</i></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2022)</b>  &gt;Item 10 -Executive Compensation&gt; sub-item c-Warrants and Options Outstanding &gt; p. 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-SEC-Form-17-A-2022.pdf</a></p>	
2. Company has policies and practices on health, safety and welfare of its employees.	COMPLIANT	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p><i>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. Programs for health, safety, and employee welfare are implemented to communicate and demonstrate a</i></p>	

		<p><i>caring atmosphere in the work place.</i></p> <p><i>Annual physical check-ups were available to the regular employees and their qualified family members through the health insurance coverage. Webinars on wellness and mental health were conducted for the employees. Flexible work arrangements were adopted in the business units.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Social Engagement&gt; Health and Safety &gt;p.48;  &gt;Social Engagement&gt;Stakeholder Engagement&gt; Compensation and Rewards&gt; paragraph 2 &gt; p. 49  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><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>	
3. Company has policies and practices on training and development of its employees.	COMPLIANT	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p><i>In 2022, the employees attended online learning sessions covering topics such as digitalization and technology, marketing and communications, management, ethics, corporate governance, personal mental health and well-being.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Social Engagement&gt; Training and Development&gt; pp. 48-49  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Recommendation 15.2</b>			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	

		<p><b>The Corporation has a Code of Business Conduct and Ethics.</b></p> <p><b>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</b></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>      &gt;Social Engagement&gt; Stakeholder Engagement&gt;      Employees and Workers&gt;Ethical Behavior &gt; p. 49;      &gt;Corporate Governance&gt; Anti-Corruption Programs      and Procedures&gt;p.61  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Code of Business Conduct and Ethics</b>      &gt;Corporate Governance&gt; Code of Business      Conduct and Ethics&gt; Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p><b>The Corporation's Human Resources Group, disseminated the Code of Ethical Behavior to the employees. The Code may be accessed on the website of the Corporation.</b></p> <p><b>Reference:</b></p> <p><b>Code of Business Conduct and Ethics</b>      &gt;Corporate Governance&gt; Code of Business      Conduct and Ethics&gt; Code of Ethical Behavior  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee	COMPLIANT	Identify or provide link/reference to the company policy and procedures on penalizing employees	

involvement in offering, paying and receiving bribes.		<p>involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p> <p><b><i>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 Corporation and refuse any gift that might be considered as bribery of any form.</i></b></p> <p><b><i>There was no reported incident of corrupt practice or bribery involving employees or officers in 2022.</i></b></p> <p><b>Reference:</b></p> <p><b>Business Gifts and Gratitudes Policy</b>  &gt;Corporate Governance&gt; Company Policies  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Business-Gifts-and-Gratitudes-Policy-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Business-Gifts-and-Gratitudes-Policy-2020.pdf</a></p> <p><b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt; Code of Business Conduct and Ethics&gt; Code of Ethical Behavior&gt;  Business Gifts and Gratitudes&gt; pp. 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.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>	COMPLIANT	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation.</p> <p>Provide contact details to report any illegal or unethical behavior.</p> <p><b><i>The Board 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</i></b></p>	

		<p><i>created to handle whistleblowing concerns.</i></p> <p><i>Employees can use the business integrity reporting channels to report illegal or unethical practices.</i></p> <p><b>Whistleblowing Contact Persons:</b></p> <p><i>Internal Audit:</i>  <b>Annabeth R. Bernardo</b>  <a href="mailto:myreport@ayalaland.com.ph">myreport@ayalaland.com.ph</a>  <i>Tel. No. +63 9173118510</i></p> <p><i>Human Resources Dept.</i>  <b>Marita C. Cabral</b>  <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a>  <i>Tel. No. +63 9175220198</i></p> <p><b>P&amp;A Grant Thornton</b>  <a href="https://proactivehotline.grantthorntonsolutions.ph/report/aligroup">https://proactivehotline.grantthorntonsolutions.ph/report/aligroup</a></p> <p><b>Reference:</b></p> <p><b>Whistleblowing Policy</b>  &gt;Item 4- Business Integrity Channels&gt; p. 2  &gt;Item 10-Specific Procedures in Handling Whistleblowing Reports&gt; Item&gt; Item 10.2- Handling of Initial Receipt of Whistleblowing Reports&gt;p. 6  <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>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	COMPLIANT	<p><b>See explanation and reference in Recommendation 15.3 – Item 1.</b></p> <p><i>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 posted on the Corporation's website.</i></p> <p><b>Reference:</b></p> <p><b>2022 Integrated Report</b>  &gt;Corporate Governance&gt; Anti-Corruption Program and Policies&gt;Whistleblowing Policy&gt; p. 61</p>	

		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Whistleblowing Policy</b>            &gt;Item 4-Business Integrity Channels&gt; p. 2;            &gt;Item 10.2- Handling Initial Receipt of Whistleblowing Reports&gt; pp. 5-8  <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>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p><b>The Business Integrity Channels are monitored by the Ethics Committee which reports directly to the Audit Committee.</b></p> <p><b>There were no reported cases under the Whistleblowing Policy in 2022.</b></p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b>            &gt; Item 4- Business Integrity Channels&gt;p. 2;            &gt; Item 5 – The Committee  <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>	

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

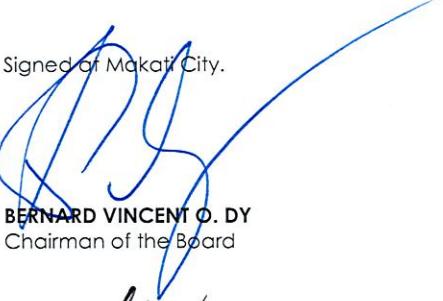
#### Recommendation 16.1

1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	COMPLIANT	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p><b>In 2022, the Corporation and its subsidiaries engaged in various community initiatives such as Brigada Eskwela which provide basic school necessities and hygiene kits to elementary pupils of a Manila public school, donation of books, assistance to the Missionaries of Charity within the Tutuban Center</b></p>	
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		<p><i>complex, distribution of food packs to communities in our developments and promotion of the Tondo Heritage Walks. The Corporation supports the projects under Alagang Ayala.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Social Engagement&gt;Stakeholder Engagement&gt;  Communities and Non-Government  Organizations&gt;p. 50  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p>	
<b>Optional: Principle 16</b>			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	COMPLIANT	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p> <p><i>The Corporation strongly adheres to best sustainable practices in the delivery of its products and services.</i></p> <p><i>Suppliers of the Corporation must uphold standards for labor, health and safety, environment, and business ethics provided in the Corporation's Vendor's Code of Ethics. In the accreditation of suppliers, the preference is for those who practice environmental sustainability.</i></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>  &gt;Social Engagement&gt;Stakeholder Engagement&gt;  Business Partners, Suppliers and Service Providers&gt; p.  50  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</a></p> <p><b>Role of Stakeholders</b>  &gt;Corporate Governance&gt;Role of Stakeholders  <a href="https://www.avalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.avalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a></p>	

2. Company exerts effort to interact positively with the communities in which it operates	COMPLIANT	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p> <p><b><i>The Corporation and its subsidiaries undertake community projects.</i></b></p> <p><b>Reference:</b>  <b>2022 Integrated Report</b>          &gt;Social Engagement&gt;Stakeholder Engagement&gt;          Communities and Non-Governmental Organizations,          and National and Local Government &gt;p. 50  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf"><u>https://www.ayalalandlogistics.com/wp-content/uploads/2023/04/ALLHC-2022-Integrated-Report.pdf</u></a></p>	
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Signed at Makati City.

  
**BERNARD VINCENT O. DY**  
Chairman of the Board

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

  
**CASSANDRA LIANNE S. YAP**  
Independent Director

  
**FRANCIS M. MONTOJO**  
Compliance Officer

  
**JOSE EMMANUEL H. JALANDONI**  
President/CEO

  
**RENATO O. MARZAN**  
Independent Director

  
**NIMFA AMBROSIA L. PEREZ-PARAS**  
Assistant Corporate Secretary\*

\*ALLHC's Corporate Secretary, June Vee D. Monteclaro-Navarro, passed away last April 25, 2023. The Corporation has yet to elect a replacement.

#### ACKNOWLEDGMENT

BEFORE ME, a notary public for and in the above jurisdiction, this MAY 30 2023, at Makati City, personally appeared the following:

Name	Valid ID	Date/Place Issued
Bernard Vincent O. Dy	Passport No.	[REDACTED]
Jose Emmanuel H. Jalandoni	Passport No.	[REDACTED]
Rex Ma. A. Mendoza	Passport No.	[REDACTED]
Renato O. Marzan	Passport No.	[REDACTED]
Cassandra Lianne S. Yap	Passport No.	[REDACTED]
Francis M. Montajo	Passport No.	[REDACTED]
Nimfa Ambrosia L. Perez-Paras	Passport No.	[REDACTED]

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. 412;  
Page No. 44;  
Book No. XL;  
Series of 2023.

Notarial DST pursuant to Sec. 61  
of the TRAIN Act (amending  
Sec. 188 of the NIRC)  
affixed on Notary Public's copy.



MARIA PAULAG G. ROMERO-BAUTISTA  
Notary Public - Makati City  
Appt. No. M-079 until December 31, 2023  
Bar of Attorneys No. 58335  
IBP No. 264594 - 01/03/2023 - Makati City  
PTR No. 9566341MM - 01/03/2023 - Makati City  
MCLE Compliance No. VII-0020268 - 06/02/2022  
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