



**THE PHILIPPINE STOCK
EXCHANGE, INC. Corporate
Governance Guidelines
For
Listed Companies
Disclosure Template**

| | COMPLY | EXPLAIN |
|--|--------|---|
| Guideline No. 1: DEVELOPS AND EXECUTES A SOUND BUSINESS STRATEGY | | |
| 1.1 Have a clearly defined vision, mission and core values. | Yes | Company website; Annual Report to Stockholders; Revised Manual on Corporate Governance; Business Conduct Policy Handbook. |
| 1.2 Have a well developed business strategy. | Yes | SEC Form 17-A: Annual Report; Revised Manual on Corporate Governance. <i>Medium Term Plan per business unit.</i> |
| 1.3 Have a strategy execution process that facilitates effective performance management, and is attuned to the company's business environment, management style and culture. | Yes | SEC Form 17-A: Annual Report; Revised Manual on Corporate Governance. <i>Annual Business Plan with Key Performance Indicators.</i> |
| 1.4 Have its board continually engaged in discussions of strategic business issues. | Yes | Revised Manual on Corporate Governance; Minutes of Board Meetings. |
| Guideline No. 2: ESTABLISHES A WELL-STRUCTURED AND FUNCTIONING BOARD | | |
| 2.1. Have a board composed of directors of proven competence and integrity. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| 2.2. Be led by a chairman who shall ensure that the board functions in an effective and collegial manner. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| 2.3 Have at least three (3) or thirty percent (30%) of its directors as independent directors. | Yes | RCI currently has three (3) independent directors in its Board. All three (3) directors have all the qualifications and none of the disqualifications of an independent director. |
| 2.4 Have in place written manuals, guidelines and issuances that outline procedures and processes. | Yes | Amended By-Laws; Revised Manual on Corporate Governance; Risk Management Policy; Employee Handbook and Code of Conduct. |
| 2.5 Have Audit and Risk; and Governance, Nomination & Election Committees of the board. | Yes | Revised Manual on Corporate Governance. |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|--|--|-----|--|
| 2.6 | Have its Chairman and CEO positions held separately by individuals who are not related to each other. | Yes | The Chairman of the Board is Mr. Pedro E. Roxas while the President and CEO of the company is Mr. Fernando L. Gaspar as elected by the Board of Directors during its regular meeting held last 16 December 2016. Messrs. Roxas and Gaspar are not related. |
| 2.7 | Have a director nomination and election process that ensures that all shareholders are given the opportunity to nominate and elect directors individually based on the number of shares voted. | Yes | Amended By-Laws; Minutes of Annual Stockholder's Meeting; Revised Manual on Corporate Governance. |
| 2.8 | Have in place a formal board and director development program. | No | RCI does not have a formal board and director development program. However, its directors and officers attend seminars on good corporate governance, as required under SEC Memorandum Circular No. 20, Series of 2013. |
| 2.9 | Have a corporate secretary. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| 2.10 | Have no shareholder agreements, by-laws provisions, or other arrangements that constrains the directors' ability to vote independently. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| Guideline No. 3: MAINTAINS A ROBUST INTERNAL AUDIT AND CONTROL SYSTEM | | | |
| 3.1 | Establish the internal audit function as a separate unit in the company which would be overseen at the Board level. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Internal Audit Charter. |
| 3.2 | Have a comprehensive enterprise-wide compliance program that is annually reviewed. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. <i>Finance Policies and Procedure.</i> |
| 3.3 | Institutionalize quality service programs for the internal audit function. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 3.4 | Have in place a mechanism that allows employees, suppliers and other stakeholders to raise valid issues. | Yes | Revised Manual on Corporate Governance; Employee Handbook and Code of Conduct; Whistle-blowing Policy |
| 3.5 | Have the 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. | Yes | SEC Form 17-A (Statement of Management Responsibility for Financial Statements) |
| Guideline No. 4: RECOGNIZES AND MANAGES ITS ENTERPRISE RISKS | | | |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|--|---|-----|--|
| 4.1 | Have its board oversee the company's risk management function. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Amended By-Laws. |
| 4.2 | Have a formal risk management policy that guides the company's risk management and compliance processes and procedures. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. <i>Finance Policies and Procedure.</i> |
| 4.3 | Design and undertake its Enterprise Risk Management (ERM) activities on the basis of, or in accordance with, internationally recognized frameworks such as but not limited to, COSO, (The Committee of Sponsoring Organizations of the Treadway Commission) I and II. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 4.4 | Have a unit at the management level, headed by a Risk Management Officer (RMO). | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; General Information Sheet. |
| 4.5 | Disclose sufficient information about its risk management procedures and processes as well as the key risks the company is currently facing including how these are being managed. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Minutes of the Audit and Risk Committee Meetings. |
| 4.6 | Seek external technical support in risk management when such competence is not available internally. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| Guideline No. 5: ENSURES THE INTEGRITY OF FINANCIAL REPORTS AS WELL AS ITS EXTERNAL AUDITING FUNCTION | | | |
| 5.1 | Have the board Audit Committee approve all non-audit services conducted by the external auditor. The Committee should ensure that the non-audit fees do not outweigh the fees earned from the external audit. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 5.2 | Ensure that the external auditor is credible, competent, and should have the ability to understand complex related party transactions, its counterparties, and valuations of such transactions. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 5.3 | Ensure that the external auditor has adequate quality control procedures. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 5.4 | Disclose relevant information on the external auditors. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Minutes of the Audit and Risk Committee Meetings; Various disclosures to PSE. |
| 5.5 | Ensures that the external audit firm is selected on the basis of a fair and transparent tender process. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Minutes of the Audit and Risk Committee Meetings. |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|--|---|-----|---|
| 5.6 | Have its audit committee conduct regular meetings and dialogues with the external audit team without anyone from management present. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance; Minutes of the Audit and Risk Committee Meetings. |
| 5.7 | Have the financial reports attested to by the Chief Executive Officer and Chief Financial Officer. | Yes | Audit Committee Charter; Audited Financial Statement; Revised Manual on Corporate Governance. |
| 5.8 | Have a policy of rotating the lead audit partner every five years. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| Guideline No. 6: RESPECTS AND PROTECTS THE RIGHTS OF ITS SHAREHOLDERS, PARTICULARLY THOSE THAT BELONG TO THE MINORITY OR NON- CONTROLLING GROUP | | | |
| 6.1 | Adopt the principle of "one share, one vote." | Yes | Amended By-Laws; Minutes of the Annual Stockholder's Meeting; Revised Manual on Corporate Governance. |
| 6.2 | Ensure that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights. | Yes | Amended By-Laws; Minutes of the Annual Stockholder's Meeting; Revised Manual on Corporate Governance. |
| 6.3 | Have an effective, secure and efficient voting system. | Yes | Amended By-Laws; Minutes of the Annual Stockholder's Meeting; Revised Manual on Corporate Governance. |
| 6.4 | Have effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders. | No | RCI does not have a special shareholder voting policy but it complies with the minimum voting requirements for the approval of certain corporate acts as specified in the Corporation Code. |
| 6.5 | Provide all shareholders with the notice and agenda of the annual general meeting (AGM) at least thirty (30) days before a regular meeting and twenty (20) days before a special meeting. | Yes | The Company complies with the suggested best practice and with the mandatory requirements of the Securities Regulation Code, despite its Amended By-Laws stating that the regular meetings of stockholders may be held without prior notice while notices for special meetings may be sent to its stockholders at least 10 days prior to the date of meeting. |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|---|--|-----|--|
| 6.6 | Allow shareholders to call a special shareholders meeting, submit a proposal for consideration at the AGM or the special meeting, and ensure the attendance of the external auditor and other relevant individuals to answer shareholder questions in such meetings. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| 6.7 | Ensure that all relevant questions during the AGM are answered. | Yes | Minutes of Annual Stockholder's Meeting; Revised Manual on Corporate Governance. |
| 6.8 | Have clearly articulated and enforceable policies with respect to treatment of minority shareholders. | Yes | Revised Manual on Corporate Governance. |
| 6.9 | Avoid anti-takeover measures or similar devices that may entrench management or the existing controlling shareholder group. | Yes | Amended By-Laws; Revised Manual on Corporate Governance. |
| 6.10 | Provide all shareholders with accurate and timely information regarding the number of shares of all classes held by controlling shareholders and their affiliates. | Yes | Company Website; SEC Form 17-A: Annual Report; SEC Form 17-IS: Information Statement. |
| 6.11 | Have a communications strategy to promote effective communication with shareholders. | Yes | Company Website; Revised Manual on Corporate Governance. |
| 6.12 | Have at least thirty percent (30%) public float to increase liquidity in the market. | Yes | Public Ownership Report. |
| 6.13 | Have a transparent dividend policy. | No | RCI's ability to declare and pay dividends is generally restricted and guided by the pertinent provisions of the Corporation Code. |
| Guideline No. 7: | | | |
| ADOPTS AND IMPLEMENTS AN INTERNATIONALLY-ACCEPTED DISCLOSURE AND TRANSPARENCY REGIME | | | |
| 7.1 | Have written policies and procedures designed to ensure compliance with the PSE and SEC disclosure rules, as well as other disclosure requirements under existing laws and regulations. | Yes | Revised Manual on Corporate Governance. |
| 7.2 | Disclose the existence, justification, and details on shareholders agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company. | Yes | Revised Manual on Corporate Governance. |
| 7.3 | Disclose its director and executive compensation policy. | Yes | Revised Manual on Corporate Governance; SEC Form 17-A; Annual Report; SEC Form 17-IS: Information Statement. |
| 7.4 | Disclose names of groups or individuals who hold 5% or more ownership interest in the company, significant cross-shareholding relationship and cross guarantees, as well as the nature of the company's other companies if it belongs to a corporate group. | Yes | SEC Form 17-A: Annual Report; SEC Form 17-IS: Information Statement; Top 20 Shareholders Report; Public Ownership Report. |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|---|--|-----|---|
| 7.5 | Disclose annual and quarterly consolidated reports, cash flow statements and special audit revisions. Consolidated financial statements shall be published within 90 days from the end of the financial year, while interim reports shall be published within 45 days from the end of the reporting period. | Yes | SEC Form 17-A: Annual Report; SEC Form 17-Q: Quarterly Report; Audited Financial Statement. |
| 7.6 | Disclose to shareholders and the Exchange any changes to its corporate governance manual and practices, and the extent to which such practices conform to the SEC and PSE CG Guidelines. | Yes | Revised Manual on Corporate Governance. |
| 7.7 | Publish and/or deliver to its shareholders in a timely fashion all information and materials relevant to corporate actions that require shareholder approval. | Yes | SEC Form 17-IS: Information Statement; SEC Form 17-A: Annual Report. |
| 7.8 | Disclose the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This shall also include the disclosure of the company's purchase of its shares from the market (e.g share buy-back program). | Yes | SEC Form 17-A: Annual Report; SEC Form 17-C: Current Report; SEC Form 17-IS: Information Statement; Various disclosures to SEC and PSE. |
| 7.9 | Disclose in its annual report the principal risks to minority shareholders associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company. | Yes | Revised Manual on Corporate Governance; SEC Form 17-A: Annual Report; SEC Form 17-IS: Information Statement. |
| Guideline No. 8: RESPECTS AND PROTECTS THE RIGHTS AND INTERESTS OF EMPLOYEES, COMMUNITY, ENVIRONMENT, AND OTHER STAKEHOLDERS | | | |
| 8.1 | Establish and disclose a clear policy statement that articulates the company's recognition and protection of the rights and interests of key stakeholders specifically its employees, suppliers & customers, creditors, as well the community, environment and other key stakeholder groups. | Yes | CADP Code of Business Conduct Policy; Revised Manual on Corporate Governance; Employee Handbook and Code of Conduct. |
| 8.2 | Have in place a workplace development program. | Yes | CADP Code of Business Conduct Policy; Revised Manual on Corporate Governance; Employee Handbook and Code of Conduct. |
| 8.3 | Have 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. | Yes | Revised Manual on Corporate Governance; Employee Handbook and Code of Conduct. |
| 8.4 | Have in place a community involvement program. | Yes | Company website on Corporate Social Responsibility ("CSR"). <i>CSR activities thru the Roxas Foundation.</i> |
| 8.5 | Have in place an environment-related program. | Yes | Company website on Corporate Social Responsibility. <i>CSR activities thru the Roxas Foundation.</i> |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|---|---|-----|--|
| 8.6 | Have clear policies that guide the company in its dealing with its suppliers, customers, creditors, analysts, market intermediaries and other market participants. | Yes | CADP Code of Business Conduct Policy; Employee Handbook and Code of Conduct; Revised Manual on Corporate Governance. |
| Guideline No. 9: DOES NOT ENGAGE IN ABUSIVE RELATED-PARTY TRANSACTIONS AND INSIDER TRADING | | | |
| 9.1 | Develop and disclose a policy governing the company's transactions with related parties. | No | The RCI Board has directed management to draft a policy governing related-party transactions for the consideration of, and approval by, the Board. This project is on-going. |
| 9.2 | Clearly define the thresholds for disclosure and approval for RPTs and categorize 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 RPT within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval. | No | Same answer as in 9.1. |
| 9.3 | Establish a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions in shareholders meetings. | No | RCI discloses to its shareholders all its RPTs in its Annual Report/Audited Financial Statements. However, it does not have a voting system whereby a majority of non-related party shareholders approve specific types of related-party transactions. |
| 9.4 | Have its independent directors or audit committee play an important role in reviewing significant RPTs. | Yes | Audit Committee Charter; Amended By-Laws; Revised Manual on Corporate Governance. |
| 9.5 | Be transparent and consistent in reporting its RPTs. A summary of such transactions shall be published in the company's annual report. | Yes | Audit Committee Charter; Revised Manual on Corporate Governance. |
| 9.6 | Have a clear policy in dealing with material non-public information by company insiders. | Yes | Revised Manual on Corporate Governance. |
| 9.7 | Have a clear policy and practice of full and timely disclosure to shareholders of all material transactions with affiliates of the controlling shareholders, directors or management. | Yes | SEC Form 17-A: Annual Report; SEC Form 17-IS: Information Statement; Revised Manual on Corporate Governance. |
| Guideline No. 10: DEVELOPS AND NURTURES A CULTURE OF ETHICS, COMPLIANCE, & ENFORCEMENT | | | |
| 10.1 | Formally adopt a code of ethics and proper conduct that guides individual behavior and decision making, clarify responsibilities, and inform other stakeholders on the conduct expected from company personnel. | Yes | Revised Manual on Corporate Governance; CADP Code of Business Conduct Policy; CADP Safety Code; Employee Handbook and Code of Conduct. |

CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**Date: **17 April 2017**

| | | | |
|------|--|-----|--|
| 10.2 | Have a formal comprehensive compliance program covering compliance with laws and relevant regulations. The program should include appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances. | Yes | Revised Manual on Corporate Governance; CADP Code of Business Conduct Policy; Employee Handbook and Code of Conduct. |
| 10.3 | Not seek exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. Should it do so, it has to disclose the reason for such action as well present the specific steps being taken to finally comply with the applicable law, rule or regulation. | Yes | Revised Manual on Corporate Governance; CADP Code of Business Conduct Policy. |
| 10.4 | Have clear and stringent policies and procedures on curbing and penalizing company or employee involvement in offering, paying and receiving bribes. | Yes | Revised Manual on Corporate Governance; CADP Code of Business Conduct Policy; Employee Handbook and Code of Conduct. |
| 10.5 | Have a designated officer responsible for ensuring compliance with all relevant laws, rules, and regulation, as well as all regulatory requirements. | Yes | Revised Manual on Corporate Governance; CADP Code of Business Conduct Policy. |
| 10.6 | Respect intellectual property rights. | Yes | Revised Manual on Corporate Governance. |
| 10.7 | Establish and commit itself to an alternative dispute resolution system so that conflicts and difference with counterparties, particularly with shareholders and other key stakeholders, would be settled in a fair and expeditious manner. | Yes | Revised Manual on Corporate Governance; Whistle-blowing Policy |

This is to certify that the undersigned reviewed the contents of this document and to the best of my knowledge and belief, the information contained set forth in this document is true, complete and correct.

Done this _____ in Makati City.

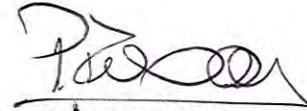
CORPORATE GOVERNANCE GUIDELINES: DISCLOSURE SURVEY

Company Name: **ROXAS AND COMPANY, INC.**

Date: **17 April 2017**


CORAZON S. DELA PAZ-BERNARDO

Independent Director


PEDRO E. ROXAS

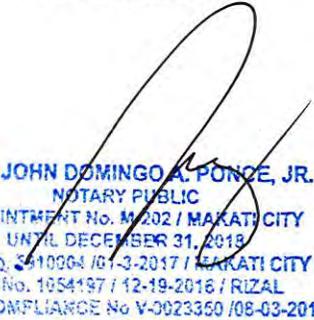
Chairman of the Board

APR 17 2017

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public for and in Makati City this ____ day of March 2017, affiants exhibiting to me their respective valid identification cards as indicated below.

| Name | Valid ID | Valid Until |
|------------------------------|-------------------------------------|-------------------------|
| Corazon S. Dela Paz-Bernardo | Phil. Passport No. <i>P1087529A</i> | <i>04 DECEMBER 2021</i> |
| Pedro E. Roxas | Phil. Passport No. EC2368933 | 09 October 2019 |

Doc. No. 207
Page No. 42
Book No. 16
Series of 2017.


ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-202 / MAKATI CITY
UNTIL DECEMBER 31, 2018
PTR No. 3910964 / 01-3-2017 / MAKATI CITY
IBP No. 1054197 / 12-19-2016 / RIZAL
MCLE COMPLIANCE No V-0023350 / 08-03-2016
ROLL NO. 36452
Unit G-14 Makati Executive Tower 3
San Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila