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R O X A S A N D C O M P A N Y , I N C .
(F O R M E R L Y C A D P G R O U P
C O R P O R A T I O N)

(Company's Full Name)

7 T H F L O O R C G B U I L D I N G
1 0 1 A G U I R R E S T R E E T L E G A S P I
V I L L A G E M A K A T I C I T Y

(Business Address: No. of Street City/Town/Province)

ATTY. MONICA ISABELLE I. VILLANUEVA

8810-8901

SEC Form I-ACGR

For fiscal year ending 31 December 2019

December 31
Month Day
Fiscal Year

Form Type

May last Wednesday
Month Day
Annual Meeting

Secondary License Type, If Applicable

Department Requiring this Document

Amended Articles Number/Section

3,301

Total Amount of Borrowings

Total No. of Stockholders

Domestic

Foreign

TO BE ACCOMPLISHED BY SEC PERSONNEL CONCERNED

File Number

LCU

Document I.D.

Cashier

STAMPS

Remarks = pls. Use black ink for scanning purposes



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

GENERAL INSTRUCTIONS

A. Use of Form I-ACGR

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

B. Preparation of Report

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

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

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Contains CG Practices/ Policies, labelled as follows: (1) “Recommendations” – derived from the CG Code for PLCs; (2) “Supplement to Recommendation” – derived from the PSE CG Guidelines for Listed Companies; (3) “Additional Recommendations” – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and (4) “Optional Recommendation” – practices taken from the ASEAN Corporate Governance Scorecard	The company shall indicate compliance or non-compliance with the recommended practice.	The company shall provide additional information to support their compliance with the recommended CG practice	The PLCs shall provide the explanations for any non-compliance, pursuant to the “comply or explain” approach. Please note that the explanation given should describe the non-compliance and include how the overall Principle being recommended is still being achieved by the company. *“Not Applicable” or “None” shall not be considered as

<p>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</p>			<p>sufficient explanation</p>
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C. Signature and Filing of the Report

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended 31 December 2019
2. SEC Identification Number 834
3. BIR Tax Identification No. 000-495-726-000
4. Exact name of issuer as specified in its charter ROXAS AND COMPANY, INC.
5. Philippines
Province, Country or other jurisdiction
of incorporation or organization
6. (SE)
Industry Classification Code:
7. 7F Cacho Gonzales Bldg., 101 Aguirre St.
Legaspi Village, Makati City
Address of principal office
- 1229
Postal Code
8. (632) 810-8901
Issuer's telephone number, including area code
9. N/A
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
<p>Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
Recommendation 1.1			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	COMPLIANT	<p>Provide information or link/reference to a document containing information on the following:</p> <ol style="list-style-type: none"> 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 	<p>Please refer to the Company's Definitive Information Statement SEC Form 20-IS ("DIS"), particularly, Pages 4-16 thereof, a copy of which is in the Company's website, for the qualifications, industry knowledge and training of directors. It can likewise be found in the Annual Report SEC Form 17-A ("Annual Report") also uploaded on the Company's website.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.- SEC Form 20-IS- Definitive Information Statement ending 31 Dec. 2019 072020.pdf</p> <p>https://www.roxascompany.com.ph/images/items/uploads/SEC 17- A for the period ending December 31, 2 019-.pdf</p>
<p>2. Board has an appropriate mix of competence and expertise.</p>	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		
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	Identify or provide link/reference to a document identifying the directors and the type of their directorships	<p>Please refer to page 11 of the DIS as well as the Minutes of the last annual meeting held on 29 May 2019.</p> <p>The following are the directors and their type of directorships:</p> <ol style="list-style-type: none"> 1. Pedro O. Roxas – Chairman, Non-Executive 2. Fernando L. Gaspar – President/CEO, Executive 3. Corazon Dela Paz-Bernardo – Independent Director, Non-executive 4. Aurelio R. Montinola III – Independent Director, Non-executive 5. Guillermo D. Luchangco – Independent Director, Non-executive 6. Francisco R. Elizalde – Non-executive 7. Santiago R. Elizalde – Executive <p>https://www.roxascompany.com.ph/images/items/uploads/RCI_Minutes_of_Annual_Stockholders_Meeting_-_29_May_2019.pdf</p>

			https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.-SEC Form 20-IS-Definitive Information Statement ending 31 Dec. 2019 072020.pdf
Recommendation 1.3			
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.	Please refer to Article 6 of the Revised Manual on Corporate Governance of the Company ("Manual"). http://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
2. Company has an orientation program for first time directors.	COMPLIANT	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	Please refer to Articles 6.1 and 6.3 of the Manual.
3. Company has relevant annual continuing training for all directors.	COMPLIANT		The Company requires its directors to undergo yearly corporate governance seminars, the coverage of which includes the following topics: <ul style="list-style-type: none"> 1. 2016 Code of Corporate Governance for Publicly Listed Corporations 2. Global and Regional Trends in Corporate Governance 3. Enterprise and Risk Management and Corporate Governance All the directors have complied with this requirement as shown in the attached

			Certificates of Attendance attached hereto as Annex A series.
Recommendation 1.4			
1. Board has a policy on board diversity.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.	Article 3.3 of the Manual sets forth the policy of Board diversity. The current Board is composed of 6 males and 1 female director.
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.		Provide information on or link/reference to a document containing the company's policy and measurable objectives for implementing board diversity. Provide link or reference to a progress report in achieving its objectives.	
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.	The Company's Corporate Secretary is Atty. Peter D. Barot. Atty. Barot's qualifications are set forth in Page 16 of the Company's DIS. His duties and functions are set forth in Article 3.9 of the Manual.
2. Corporate Secretary is a separate individual from the Compliance Officer.	COMPLIANT		Please refer to the pertinent page of the General Information Sheet: https://www.roxascompany.com.ph/images/items/uploads/RCI_2019_General_Information_Statement.pdf

3. Corporate Secretary is not a member of the Board of Directors.	COMPLIANT		Please refer to the pertinent page of the General Information Sheet: https://www.roxascompany.com.ph/images/items/uploads/RCI_2019_General_Information_Statement.pdf
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	Please refer to the Certificate of Attendance of Atty. Barot attached as Annex B as proof that Atty. Barot attended training on corporate governance.
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.		Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting	
Recommendation 1.6			
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.	The Compliance Officer is Atty. Monica Villanueva. She serves as Assistant Corporate Secretary and Compliance Officer of the Company. Atty. Villanueva's qualifications are discussed in Page 16 of the Company's DIS. Her duties and functions as Compliance Officer are set forth in Article 3.10 of the Manual.
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	COMPLIANT		The Compliance Officer currently holds the position of Senior Manager for Legal and Administration. Based on the Company's organizational structure, it is evident that the Compliance Officer's position gives her sufficient authority and

			stature to enable her to adequately perform her duties as Compliance Officer of the Company.
3. Compliance Officer is not a member of the board.	COMPLIANT		Please refer to page 4 of the General Information Sheet showing that the Compliance Officer is not a member of the Board. https://www.roxascompany.com.ph/images/items/uploads/RCI_2019_General_Information_Statement.pdf
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered	Please refer to the Certificate of Attendance of Atty. Villanueva attached as Annex B-1 as proof that Atty. Villanueva attended training on corporate governance.

Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.

Recommendation 2.1

1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	COMPLIANT	Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)	The Manual, particularly in Article 3.5 thereof, sets forth the specific duties and responsibilities of the directors and it includes acting with due diligence and care and in the best interest of the Company. Please refer to the Minutes of Meeting held last 12 November 2019 attached hereto as Annex "C" showing that directors perform their duties with due diligence and care.
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Recommendation 2.2

<p>1. Board oversees the development, review and approval of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting)</p> <p>Indicate frequency of review of business objectives and strategy</p>	<p>The Manual, particularly in Article 3.5 thereof, sets forth the specific duties and responsibilities of the directors and it includes development, review and approval of the Company's business objectives and strategy. Please refer to the Minutes of Meeting of 12 November 2019 previously attached as Annex C showing approval by the Board of the Company's Budget for 2020, which includes the business objectives and strategies of the Company. The Board also reviews the quarterly performance of the Company vis-a-vis the approved budget for the calendar year.</p>
<p>2. Board oversees and monitors the implementation of the company's business objectives and strategy.</p>	<p>COMPLIANT</p>		<p>The Board holds quarterly meetings to ensure that the Company's objectives and strategy are regularly reviewed.</p> <p>Please refer to pages 22-25 of the DIS as proof that the Board regularly reviews the implementation of the business objectives and strategy as part of the quarterly reports and review.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.-SEC Form 20-IS-Definitive Information Statement ending 31 Dec. 2019 072020.pdf</p>

Supplement to Recommendation 2.2

<p>1. Board has a clearly defined and updated vision, mission and core values.</p>	<p>COMPLIANT</p>	<p>Indicate or provide link/reference to a document containing the company's vision, mission and core values.</p> <p>Indicate frequency of review of the vision, mission and core values.</p>	<p>Article 2 of the Manual sets forth the Company's vision, mission and core values.</p> <p>https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf</p> <p>This is reviewed yearly by the Governance Committee and endorsed to the Board of Directors.</p>
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.</p>	<p>COMPLIANT</p>	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p>	<p>Please refer to Article 3.4.3 of the Manual as proof of compliance with this mandate/principle.</p> <p>https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf</p> <p>While day to day management of the Company is delegated to the CEO and senior management, all major transactions and business activities are reported regularly to the Board. The Board has also appointed an internal auditor to ensure that strategies are complied with by management.</p>
<p>Recommendation 2.3</p>			
<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>COMPLIANT</p>	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p>	<p>Please refer to Page 14 of the DIS for Mr. Pedro Roxas' qualifications.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.-SEC Form 20-IS-</p>

			Definitive Information Statement ending 31 Dec. 2019 072020.pdf
Recommendation 2.4			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation	<p>The Board has a process in place to ensure continuity in terms of its functions as the Board. The term limit of each director is periodically reviewed and if an incumbent director is reaching the maximum term limit or if any director, officer or member of management expresses an intention to resign, the Nominations Committee is convened for succession planning.</p> <p>Please refer to the Manual for the policies:</p> <p>https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf</p>
2. Board adopts a policy on the retirement for directors and key officers.	COMPLIANT		<p>Please refer to page 15 of the Employee Handbook and Code of Conduct for the retirement policy:</p> <p>http://www.roxascompany.com.ph/images/pdf/code-of-business-conduct-and-ethics.pdf</p>
Recommendation 2.5			
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	Section 7, Article 3 of the Amended By-laws of the Company sets forth the remuneration for members of the Board. This is also set forth in Articles 3.7.3.1 and 3.7.3.2 of the Manual.

		relationship between remuneration and performance.	http://rci.webtogo.com.ph/images/items/uploads/RCI%20Amended%20By-Laws%20Change%20of%20date%20of%20ASM%205%20January%202017.pd
2. Board adopts a policy specifying the relationship between remuneration and performance.	COMPLIANT		Please refer to Article 3.4.3.1 of the Manual.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	COMPLIANT		Refer to Article 3.7.3.4 of the Manual.
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.		Provide proof of board approval	
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.		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.	
Recommendation 2.6			
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	Please refer to Section 3, Article III of the Company's Amended By-laws and Article 3.7.2 of the Manual. The Company's By-laws are uploaded in the Company's website: http://rci.webtogo.com.ph/images/items/uploads/RCI%20Amended%20By-

		encourages nominations from shareholders.	Laws%20Change%20of%20date%20of%20ASM%205%20January%202017.pdf
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	Please refer to Article 3.7.2 of the Manual.
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.	Section 3, Article III of the Amended By-laws of the Company provides that any shareholder may nominate any qualified person for nomination to the Board of Directors.
4. Board nomination and election policy includes how the board shortlists candidates.	COMPLIANT		Please refer to Article 3.7.2.3 of the Manual.
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		Please refer to Article 3.7.2 of the Manual.
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT		Please refer to Article 3.7.2 of the Manual.
Optional: Recommendation to 2.6			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.		Identify the professional search firm used or other external sources of candidates	
Recommendation 2.7			

<p>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.</p>	<p>COMPLIANT</p>	<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>	<p>Please refer to Article 3.7.4 of the Manual.</p> <p>The Related Party Transaction Policy can be found on the Company's website:</p> <p>https://www.roxascompany.com.ph/images/items/uploads/RCI%20POLICY%20-%20RELATED%20PARTY%20TRANSACTIONS-OCT.2019.pdf</p>
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.</p>	<p>COMPLIANT</p>		<p>Please refer to the RPT Policy duly approved by the RPT Committee and the Board:</p> <p>https://www.roxascompany.com.ph/images/items/uploads/RCI%20POLICY%20-%20RELATED%20PARTY%20TRANSACTIONS-OCT.2019.pdf</p> <p>The RPT transactions approved for the CY 2019 are attached hereto as Annex "D".</p>
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>		<p>Please refer to the RPT Policy.</p>
<p>Supplement to Recommendations 2.7</p>			
<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior</p>	<p>COMPLIANT</p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p>	<p>Any related party transaction, either individually, or in aggregate over a twelve (12) month period with the same related party, amounting to ten percent (10%) or higher of a company's total assets based on its latest audited financial statements is</p>

<p>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.</p>			<p>classified as a Material Related Party Transaction.</p> <p>The RPT Policy is uploaded on the Company's website: https://www.roxascompany.com.ph/images/items/uploads/RCI%20POLICY%20-%20RELATED%20PARTY%20TRANSACTIONS-OCT.2019.pdf</p> <p>The RPT transactions approved for the CY 2019 were previously attached as Annex "D".</p>
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>COMPLIANT</p>	<p>Provide information on voting system, if any.</p>	<p>The voting system for related party transactions require the vote or approval of the majority of the members of the related party transactions committee. If a director/committee member is a party to the related party transaction, said member must inhibit from the deliberations and voting.</p> <p>Material Related Party Transactions shall be 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 Material RPT. If the majority vote of the independent directors is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p>

			All related party transactions are subsequently presented to the shareholders for approval/ratification and if the thresholds requiring shareholders' approval are met, then such transactions will be submitted to the shareholders for prior approval.
Recommendation 2.8			
1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).	COMPLIANT	Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management. Identify the Management team appointed	The appointment of the following positions requires the approval of the Board of Directors: Chief Executive Officer, Chief Risk Officer, Compliance Officer, Chief Audit Executive, Treasurer, Corporate Secretary, Assistant Corporate Secretary, Executive Vice President and Vice Presidents. This is provided in Article V and Article III, Section 6.5 and 6.6 of the Amended By-laws. This is also provided in Articles 3.4.2.1 and 3.10 of the Manual.
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	Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management. Provide information on the assessment process and indicate frequency of assessment of performance.	The Board assesses the performance of Management based on the actual results versus the original business /strategic plan presented and approved by the Board for the ensuing year. This is pursuant to the powers of the Board as set forth in the By-laws and Article 3.4.3.1 of the Manual. A yearly performance evaluation is conducted to determine if the Key Performance Indicators set at the beginning of the year are met. The Board also reviews the performance of Management quarterly by comparing actual versus budget commitments.

Recommendation 2.9			
1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT	Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.	The Performance Management System (PMS) policy is attached hereto as Annex E.
2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.	COMPLIANT		Please refer to PMS Policy.
Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	COMPLIANT	Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system	Please refer to Article 3.4.3 of the Manual.
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	COMPLIANT		Please refer to Article 3.4.3 and Article 5.4 of the Manual.
3. Board approves the Internal Audit Charter.	COMPLIANT	Provide reference or link to the company's Internal Audit Charter	The Company's Internal Audit Charter is uploaded to the Company's website: http://www.roxascompany.com.ph/images/items/uploads/Internal%20Audit%20Charter.pdf
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify,	COMPLIANT	Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of	Please refer to Article 3.4.2.7 of the Manual. The Board has also constituted a Risk Committee whose functions are set forth in Article 3.7.1 of the Manual.

monitor, assess and manage key business risks.		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	Provide proof of effectiveness of risk management strategies, if any.	Please refer to Pages 84-89, Note 29, of the Audited Financial Statements of the Company attached to the Annual Report: https://www.roxascompany.com.ph/images/items/uploads/SEC_17-A_for_the_period_ending_December_31,_2019-.pdf
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	COMPLIANT	Provide link to the company's website where the Board Charter is disclosed.	The Board's Charter is the Manual on Corporate Governance and the By-laws, which sets out in detail, their roles, responsibilities and accountabilities. https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf http://rci.webtogo.com.ph/images/items/uploads/rci_amended%20by%20laws_2011.pdf
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf

			http://rci.webtogo.com.ph/images/items/uploads/rci_amended%20by%20laws_2011.pdf
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	COMPLIANT	Provide information on or link/reference to a document showing company's insider trading policy.	Please refer to the Business Conduct Policy: http://rci.webtogo.com.ph/images/items/uploads/BUSINESS%20CONDUCT%20POLICY%20HANDBOOK.pdf Moreover, the Board strictly observes the laws, rules and regulations on insider trading.
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	COMPLIANT	Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.	https://www.roxascompany.com.ph/images/items/uploads/Related%20Party%20Transaction%20Policy.pdf
2. Company discloses the types of decision requiring board of directors' approval.		Indicate the types of decision requiring board of directors' approval and where there are disclosed.	
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in	COMPLIANT	Provide information or link/reference to a document containing information on all the board	Please refer to Article 3.7 of the Manual.

the optimal performance of its roles and responsibilities.		committees established by the company.	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	COMPLIANT	<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>Please refer to Article 3.7.1 of the Manual.</p> <p>The Audit Committee is tasked with recommending the appointment or removal of the Company's external auditor. Please refer to Article 5.3.1 of the Manual.</p> <p>http://rci.webtogo.com.ph/images/items/uploads/RCI%20REVISED%20MANUAL%20ON%20CORPORATE%20GOVERNANCE%20as%20of%20May%2031,%202017.pdf</p>
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	COMPLIANT	<p>Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.</p>	<p>The Audit Committee is composed of the following members of the Board: Corazon Dela Paz-Bernardo (Chairperson, Independent Director, Non-Executive Director); Francisco R. Elizalde (Non-executive director); and Aurelio R. Montinola III (Independent director, Non-Executive Director).</p> <p>The type of directorship of the members of the Committee can be found in the GIS. As for their qualifications, these are listed in pages 14-16 of the DIS.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.-SEC Form 20-IS-</p>

			Definitive Information Statement ending 31 Dec. 2019 072020.pdf
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	COMPLIANT	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.	Please refer to the qualifications of the Audit Committee members in Pages 14-16 of the DIS. https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.- SEC Form 20-IS- Definitive Information Statement ending 31 Dec. 2019 072020.pdf
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the Audit Committee	Please see Pages 14-15 of the DIS. Under the Company's Manual, the Audit and Risk Committees are not treated as separate committees. Please refer to Article 3.7.1 of the Manual.
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	Article 5.3.3 of the Manual specifically provides that all non-audit services of the external auditor need to be approved by the Audit Committee.
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.	The Audit Committee conducts a yearly planning meeting with the external auditors without anyone from top management present. Moreover, the audit committee and its chairperson communicates directly with the external auditors and meets with the internal auditors without management presence on a regular basis.

			A copy of the Minutes of Meeting held on 06 December 2019 is attached as Annex F.
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	COMPLIANT	Indicate the number of Audit Committee meetings during the year and provide proof	The Audit Committee held meetings on the following dates in CY 2019: April 2, 2019 May 2, 2019 August 1, 2019 November 7, 2019 December 6, 2019 Please refer to the Certification attesting to the meetings held by the Audit Committee for the year 2019 attached as Annex "G".
2. Audit Committee approves the appointment and removal of the internal auditor.		Provide proof that the Audit Committee approved the appointment and removal of the internal auditor.	
Recommendation 3.3			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	COMPLIANT	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of directors aligned with the company's strategic direction, if applicable.	Please refer to article 3.7.2 of the Manual, which sets forth the functions of the Governance Committee. Because the Company has a Nomination, Election and Governance Committee, the same Committee reviews the qualifications and quality of directors as part of the nomination process.

<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	<p>NON-COMPLIANT</p>	<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>The members of the Nomination, Election and Governance Committee for CY 2019 until the recent Annual Shareholders' Meeting held on August 12, 2020 are as follows: Guillermo D. Luchangco (Chairman, Independent Director), Carlos R. Elizalde (Member, Non-executive director). Pedro O. Roxas (Member, Non-Executive Director).</p> <p>The Committee was not composed entirely of independent directors in CY 2019 because the Company encourages all members of the Board to be a member of a Committee for distribution of responsibility.</p> <p>However, moving forward, the Company has changed the composition of the Governance Committee to include all independent directors apart from the existing members.</p> <p>The qualifications of the members of the Nomination, Election and Governance Committee are set forth in Pages 14-16 of the DIS.</p>
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	<p>COMPLIANT</p>	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p>	<p>The Chairman of the Corporate Governance Committee, Mr. Guillermo Luchangco, is an independent director and his qualifications are set forth in Page 15 of the DIS.</p>

			https://www.roxascompany.com.ph/images/items/uploads/Roxas and Company Inc.-SEC Form 20-IS-Definitive Information Statement ending 31 Dec. 2019 072020.pdf
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.		Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	COMPLIANT	Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions	The Company has an Audit and Risk Committee which performs the functions of Risk Management. The functions of the Risk Committee are provided in Article 3.7.1 of the Manual as well as in the Charter of the Audit and Risk Committee.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship	The composition of the Risk Committee is the same as that of the Audit Committee with two (2) independent directors and one non-executive director. Their qualifications are in pages 14-16 of the DIS.
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	Provide information or link/reference to a document containing information on the Chairman of the BROC	Under the Company's Manual, the Audit and Risk Committees are not treated as separate committees. Please refer to Article 3.7.1 of the Manual
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.	Please see pages 14-16 of the DIS.

Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	COMPLIANT	Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.	Please refer to Article 3.7.4 of the Manual for the functions of the RPT Committee.
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	COMPLIANT	Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.	The RPT Committee is composed of the following members: Aurelio R. Montinola (Chairman, Independent Director, Non-Executive), Corazon Dela Paz-Bernardo (Member, independent director, Non-Executive) and Francisco R. Elizalde (Member, Non-executive director). Their qualifications are set forth in pages 14-16 of the DIS.
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	COMPLIANT	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>The Company has existing Charters for all of its committees. the Audit and Risk Committee and the Compensation Committee. The Charters of the Audit and Risk and Compensation Committees can be found in the Company's website: http://www.roxascompany.com.ph/corporate-governance.do?category_id=7682</p> <p>The Nomination Election and Governance Committee's Charter is in Article 3.7.2 of the Manual.</p> <p>The Charter of the Related Party Transactions Committee is in Article 3.7.4 of the Manual and the RPT policy.</p>

2. Committee Charters provide standards for evaluating the performance of the Committees.	COMPLIANT		
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	Provide link to company's website where the Committee Charters are disclosed.	The Charters of the Committees are posted in the Company's website: http://www.roxascompany.com.ph/corporate-governance.do?category_id=7682
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	Provide information or link/reference to a document containing information on the process and procedure for tele-/videoconferencing board and/or committee meetings. Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.	The Manual, Article 3.6.1 thereof, allows members to attend by tele/video-conferencing. The Board adopts and uses SEC Memorandum Circular No. 15 Series of 2001. http://www.sec.gov.ph/wp-content/uploads/2016/06/sec-memo-15s2001.pdf As for the attendance and participation of directors in Board and Committee meetings, please refer to a Certification issued by the Corporate Secretary previously attached as Annex G.
2. The directors review meeting materials for all Board and Committee meetings.	COMPLIANT		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors	Please refer to attached minutes of meeting held last 12 November 2019 previously attached as Annex C.

Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	COMPLIANT	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</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>	The Certifications of the Independent Directors are attached herewith as Annex "H" series.
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.	<p>In 2019, we did not receive any notifications relating to directorships in a publicly-listed company.</p> <p>However, as an example of the Company's compliance, attached is a copy of Dir. Dela Paz-Bernardo's notification in 2018 as Annex "I".</p>
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT		The only executive director, Mr. Fernando Gaspar, does not hold any directorship in other listed companies.
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT		
3. Board of directors meet at least six times during the year.		Indicate the number of board meetings during the year and provide proof	

4. Company requires as minimum quorum of at least 2/3 for board decisions.		Indicate the required minimum quorum for board decisions	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	COMPLIANT	Provide information or link/reference to a document containing information on the number of independent directors in the board	Please refer to Page 3 of the GIS.
Recommendation 5.2			
1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	COMPLIANT	Provide information or link/reference to a document containing information on the qualifications of the independent directors.	Please refer to the Certifications from the Independent Directors previously attached as Annex "H" series.
Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	Provide link/reference to a document containing information that directors are not constrained to vote independently.	The Company has no shareholder agreements, By-laws provision or other arrangement that constrain the director's ability to vote independently. In fact, Article 3.5.2.4 of the Manual provides for a policy requiring directors to exercise independent judgment.
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	COMPLIANT	Provide information or link/reference to a document showing the years IDs have served as such.	Please refer to the Certifications of the Independent Directors attesting to the years that the Independent Directors have served as such from the year 2012, previously attached hereto as Annex "H" series.
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	COMPLIANT	Provide information or link/reference to a document containing information on the company's policy	The Company is aware of and complies with Memorandum Circular No. 4 Series of

		on term limits for its independent director	2017 issued by the Securities and Exchange Commission.
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	Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.	The Company is aware of and complies with Memorandum Circular No. 4 Series of 2017 issued by the Securities and Exchange Commission. Its current independent directors have not reached the term limit provided in the said MC.
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	Identify the company's Chairman of the Board and Chief Executive Officer	The Company's Chairman of the Board is Mr. Pedro O. Roxas while the President/Chief Executive Officer is Mr. Fernando L. Gaspar.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	COMPLIANT	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. Identify the relationship of Chairman and CEO.	The function, roles and responsibilities of the Chairman of the Board are provided in Section 2, Article V of the Amended By-laws and in Article 3.8 of the Manual. On the other hand, the President/CEO's functions, roles and responsibilities are provided in Sections 4 and 5, Article V of the Amended By-laws. The Manual provides: "The roles of the Chairman and CEO shall, as much as practicable, be separate to foster an appropriate balance or power, increased accountability and better capacity for independent decision-making by the Board."
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board	COMPLIANT	Provide information or link/reference to a document containing information on a lead independent	Mr. Guillermo Luchangco was appointed as the Company's Lead Independent Director at the Organizational Meeting of

designates a lead director among the independent directors.		director and his roles and responsibilities, if any. Indicate if Chairman is independent.	the Board held last 29 May 2019. A copy of the Minutes of the Organizational Meeting is attached hereto as Annex "J".
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	Provide proof of abstention, if this was the case	Article 3.5.2.1 of the Manual sets forth the policy concerning this matter. None of the directors have had a material interest in a transaction affecting the Company. In a meeting of the RPT Committee held on 06 December 2019, Dir. Francisco Elizalde abstained from attending the meeting and voting on the matters in the agenda as he had an interest in the transaction for approval. A copy of the Minutes of the Meeting are attached hereto as Annex "K".
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	COMPLIANT	Provide proof and details of said meeting, if any. Provide information on the frequency and attendees of meetings.	The Chairperson of the Audit and Risk Committee, Dir. Dela Paz-Bernardo, who is a Non-Executive Director, regularly meets the Chief Internal Auditor on a one on one basis before Board and Audit Committee meetings. The Audit and Risk Committee, composed of all NEDs, had a meeting on 06 December 2019 with the external auditors. Please refer to the Certification of the Corporate Secretary previously attached as Annex "G". The NEDs are given full and direct access to all materials and reports from the

			external auditor, internal auditor, compliance officer and risk officer. They are also welcome to request for a meeting with any of these officers at any time they deem necessary.
2. The meetings are chaired by the lead independent director.	NON-COMPLIANT		The last meeting with the external auditor was chaired by the Audit and Risk Chairperson, Dir. Dela Paz-Bernardo. However, moving forward, these meetings will be chaired by the Lead Independent Director.
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.		Provide name/s of company CEO for the past 2 years	
Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.			
Recommendation 6.1			
1. Board conducts an annual self-assessment of its performance as a whole.	NON-COMPLIANT	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	The Company is in the process of finalizing the self-assessment form for implementation on CY 2020.
2. The Chairman conducts a self-assessment of his performance.	NON-COMPLIANT		The Company is in the process of finalizing the self-assessment form for implementation on CY 2020
3. The individual members conduct a self-assessment of their performance.	NON-COMPLIANT		The Company is in the process of finalizing the self-assessment form for implementation on CY 2020
4. Each committee conducts a self-assessment of its performance.	NON-COMPLIANT		The Company is in the process of finalizing the self-assessment form for implementation on CY 2020

5. Every three years, the assessments are supported by an external facilitator.	NON-COMPLIANT	Identify the external facilitator and provide proof of use of an external facilitator.	Providers are being studied/considered for the year 2020.
Recommendation 6.2			
1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	NON-COMPLIANT	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	The Company is in the process of finalizing the criteria and process to determine the performance of the Board and the Committees for implementation on CY 2020.
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT		The Company's Website has the details of the Investor Relations Officer as well as the contact details of the external auditor. Any shareholder with concerns or questions are welcome to reach-out to the Company's IRO. https://www.roxascompany.com.ph/investor-relations.do
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	Provide information on or link/reference to the company's Code of Business Conduct and Ethics.	The Company's Business Conduct policy and Code of Conduct are in the website: http://www.roxascompany.com.ph/corporate-governance.do?category_id=7691

2. The Code is properly disseminated to the Board, senior management and employees.	COMPLIANT	Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.	The Code of Conduct and Employee Handbook, which applies to all employees, management, senior management, directors, officers and consultants, is uploaded in the Company's website for easy access. A refresher seminar is also conducted by the Human Resources Department yearly.
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.	http://www.roxascompany.com.ph/corporate-governance.do?category_id=7691
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery	Please refer to the Company's Business Conduct Policy, Code of Conduct and Handbook, and Whistle-blowing policy.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	COMPLIANT	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies. Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.	The Nomination, Election and Governance Committee through the Human Resources Department and in coordination with the Legal Department and the Compliance Officer (for Whistle-blowing Policy) monitors the implementation of the Code of Conduct, Business Conduct Policy and Whistle-blowing policy. Please refer to Article 3.7.2.7 of the Manual. The Code applies to all directors, officers, employees, consultants, temporary

			workers, project-based, fixed term employees and other personnel of the Roxas Group.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	COMPLIANT		The Nomination, Election and Governance Committee through the Human Resources Department and in coordination with the Legal Department and the Compliance Officer (for Whistle-blowing Policy) monitors the implementation of the Code of Conduct, Business Conduct Policy and Whistle-blowing policy.
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.			
Recommendation 8.1			
1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	COMPLIANT	Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders	Please refer to Article 5.1 of the Manual. http://www.roxascompany.com.ph/company-disclosure.do?category_id=8130
Supplement to Recommendations 8.1			
1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.	COMPLIANT	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.	The Quarterly Reports for CY 2019 were disclosed and published within 45 days from the end of each quarter while the Consolidated Financial Statements and Annual Reports for the period ending 31 December 2019 were filed on 30 June 2020 pursuant to the extension given by the Securities and Exchange Commission for submission of Annual Reports.

			These are also made available to any stockholder for inspection immediately upon disclosure to the PSE Edge system and likewise uploaded to the Company's website.
2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.	COMPLIANT	Provide link or reference to the company's annual report where the following are disclosed: <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. 	Please refer to Note 11 of the approved Audited Consolidated Financial Statements of the Company attached to the Annual Report.
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	COMPLIANT	Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.	Please refer to Article 9.4.1 of the Manual.
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	Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.	Please refer to Article 9.4.1 of the Manual.
Supplement to Recommendation 8.2			
1. Company discloses the trading of the corporation's shares by directors, officers	COMPLIANT	Provide information on or link/reference to the shareholdings of	Please refer to Pages 21-22 of the Annual Report. The Compliance Officer likewise

<p>(or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>		<p>directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p>	<p>assists the directors in preparing the SEC Form 23-B to disclose transactions of directors and officers relating to shares of the Company.</p> <p>The Company also regularly discloses the Top 100 shareholders of the Company in compliance with the disclosure rules of the Exchange and the SRC and uploads the information on PSE Edge and its website. https://www.roxascompany.com.ph/company-disclosure.do?category_id=8152</p> <p>The following is the link to the Company's conglomerate map: http://www.roxascompany.com.ph/our-business.do?category_id=7458</p>
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Recommendation 8.3

<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<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>Please refer to Pages 8-11 and 14-16 of the DIS.</p>
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications and assess any potential conflicts of interest that might affect their judgment.</p>	<p>COMPLIANT</p>	<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>Please refer to Pages 8-11 and 14-16 of the DIS.</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	Disclose or provide link/reference to the company policy and practice for setting board remuneration	Please refer to Section 7, Article III of the Amended By-laws and Page 16-17 of the DIS.
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	COMPLIANT	Disclose or provide link/reference to the company policy and practice for determining executive remuneration	Please refer to Pages 18-19 of the DIS.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	NON-COMPLIANT	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	<p>The Company discloses the remuneration of the CEO and top four executives of the Company in its Annual Report and DIS. The following is the breakdown of the remuneration of the CEO and top four executives for the CY 2019:</p> <ul style="list-style-type: none"> a. Salary – PhP24,438,258.00 b. Bonus – PhP2,036,544.00 c. Other Annual Compensation – PhP400,000.00 <p>The Company discloses remuneration and benefits of its executives on a consolidated basis to comply with their right to privacy under the Data Privacy Act of 2012 and the Bill of Rights.</p>
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	COMPLIANT	<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>	https://www.roxascompany.com.ph/images/items/uploads/RCI%20POLICY%20-%20RELATED%20PARTY%20TRANSACTIONS-OCT.2019.pdf

<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	<p>COMPLIANT</p>	<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"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 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 9. other terms and conditions 	<p>Please refer to Note 20 of the Company's Audited Financial Statements.</p> <p>The details of the RPTs for the CY 2019 are attached hereto as Annex "D".</p>
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Supplement to Recommendation 8.5

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p>	<p>Article 3.5.2.1 of the Manual provides conflict of interest policy for directors:</p> <p>"The basic principle to be observed is that a director shall not use his position to profit or gain some benefit or advantage for himself and/or his related interests. He shall avoid situations that may compromise his impartiality. If an actual or potential conflict of interest may arise on the part of a director, he shall fully and immediately disclose it and shall not participate in the</p>
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			<p>decision-making process. A director who has a continuing material conflict of interest shall seriously consider resigning from his position.</p> <p>A conflict of interest shall be considered material if the director's personal or business interest is antagonistic to that of the corporation, or stands to acquire or gain financial advantage at the expense of the corporation."</p>
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	Provide link or reference where this is disclosed, if any	<p>Please refer to Note 20 of the AFS.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/SEC_17-A_for_the_period_ending_December_31,_2019-.pdf</p>
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	COMPLIANT	Provide link or reference where this is disclosed	The Company regularly files a material transactions disclosure with the SEC and the PSE within the period required under the SRC. The Company's 17-C and material information/transactions disclosures are all uploaded on PSE Edge.
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</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p>	The company engages a third-party valuation company to make a fair value/market value assessment of major assets for disposal or acquisition. The Company uses prevailing market rates as basis for any transaction price.

			For the sale of the Natipuan property, it was based on the valuation or appraisal of Top Consult and market price. Please refer to Article 9 of the Manual.
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	COMPLIANT	Provide link or reference where these are disclosed.	Please refer to Article 9 of the Manual and Pages 22-23 of the Annual Report.
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	Provide link to the company's website where the Manual on Corporate Governance is posted.	http://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT		http://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
3. Company's MCG is posted on its company website.	COMPLIANT		http://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	Provide proof of submission.	http://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:			

		Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	COMPLIANT		Please refer to Pages 11-14 of the Annual Report.
b. Financial performance indicators	COMPLIANT		Please see Pages 12-13 of the Annual Report.
c. Non-financial performance indicators	COMPLIANT		Please refer to Page 13 of the Annual Report.
d. Dividend Policy	COMPLIANT		Please refer to Page 10-11 of the annual report.
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT		Please refer to Pages 14-17 of the Annual Report.
f. Attendance details of each director in all directors meetings held during the year	NON-COMPLIANT		Please refer to the Certification from the Corporate Secretary attesting to the attendance of all directors for the CY 2019 previously attached as Annex "G".
g. Total remuneration of each member of the board of directors	COMPLIANT		Please refer to Pages 19-20 of the Annual Report.
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	Provide link or reference to where this is contained in the Annual Report	Please refer to Page 23 of the Annual Report.
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	Provide link or reference to where this is contained in the Annual Report	Please refer to Annex A of the Annual Report - Audit and Risk Committee Report dated 18 June 2020.

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	Provide link or reference to where this is contained in the Annual Report	Please refer to Annex A of the Annual Report - Audit and Risk Committee Report dated 18 June 2020.
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).	COMPLIANT	Provide link or reference to where these are contained in the Annual Report	Please refer to Note 29 of the Audited Financial Statements attached to the Annual Report.

Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	COMPLIANT	Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.	Please see Article 5.3 of the Manual and the Audit Charter.
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	COMPLIANT	Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.	Please refer to Article 5.3.1 of the Manual. At the last annual meeting, 83.86% of the total outstanding capital stock approved the reappointment of the external audit, SGV and Co.
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	COMPLIANT	Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.	The Company did not change its external auditor from CY 2019 to CY 2020. However, article 5.3.5 of the Manual provides the policy concerning removal of external auditors.

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	COMPLIANT	Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.	Please see article 5.3.4 of the Manual.
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> 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	http://www.roxascompany.com.ph/images/items/uploads/Roxas%20%20Co%20%20Inc%20%20AC%20Charter_072012.pdf
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	http://www.roxascompany.com.ph/images/items/uploads/Roxas%20%20Co%20%20Inc%20%20AC%20Charter_072012.pdf
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	http://www.roxascompany.com.ph/images/items/uploads/Roxas%20%20Co%20%20Inc%20%20AC%20Charter_072012.pdf

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	Provide link/reference to the company's Audit Committee Charter	http://www.roxascompany.com.ph/images/uploads/Roxas%20%20Co%20%20Inc%20%20AC%20Charter_072012.pdf
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	COMPLIANT	Disclose the nature of non-audit services performed by the external auditor, if any.	The external auditor did not perform any non-audit services for the Company.
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	COMPLIANT	Provide link or reference to guidelines or policies on non-audit services	Please see article 3.7.1.12 of the Manual.
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	Provide information on audit and non-audit fees paid.	No non-audit services were performed for CY 2019.
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	COMPLIANT	Provide information on company's external auditor, such as: 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm.	1. Mr. Kristopher S. Catalan, Partner 2. SEC Accreditation No. 1509-AR-1 (Group A) 3. October 18, 2018 4. valid until October 17, 2021 5. SYCIP GORRES VELAYO & CO. Address: 6760 Ayala Avenue 1226 Makati City Tel: (632) 891 0307

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	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC.	1. November 12-23, 2018 2. SGV & Co. 3. The names of the members of the engagement team were provided to the SEC during the SOAR inspection.
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	COMPLIANT	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues.	Please refer to the Company's Sustainability Report: https://www.roxascompany.com.ph/images/items/uploads/1597920807211_Sustainability Report for CY 2019.pdf
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	COMPLIANT	Provide link to Sustainability Report, if any. Disclose the standards used.	https://www.roxascompany.com.ph/images/items/uploads/1597920807211_Sustainability Report for CY 2019.pdf

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

Recommendation 11.1

1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	COMPLIANT	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.	The Company uses the following communications channels: website, quarterly, annual and current reports submitted to the SEC and PSE, media briefings, press conferences. http://www.roxascompany.com.ph/press-materials.do
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Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:		Provide link to company website	http://www.roxascompany.com.ph/
a. Financial statements/reports (latest quarterly)	COMPLIANT		http://www.roxascompany.com.ph/
b. Materials provided in briefings to analysts and media	COMPLIANT		http://www.roxascompany.com.ph/
c. Downloadable annual report	COMPLIANT		http://www.roxascompany.com.ph/
d. Notice of ASM and/or SSM	COMPLIANT		http://www.roxascompany.com.ph/
e. Minutes of ASM and/or SSM	COMPLIANT		http://www.roxascompany.com.ph/
f. Company's Articles of Incorporation and By-Laws	COMPLIANT		http://www.roxascompany.com.ph/
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	COMPLIANT		http://www.roxascompany.com.ph/
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	COMPLIANT	List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system	Quality assurance and improvement programs undertaken by the Company's Internal Auditor: - Periodic internal assessment - External assessment conducted annually - Client survey after audit engagements

			<p>- Competency and training needs assessment of Internal Auditors</p> <p>Annual review of internal control system is also conducted.</p>
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	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"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p>	<p>The Board and Management adopted a risk management policy which aims to help the Company grow shareholder value by comprehensively reviewing and improving its risk management infrastructure and culture and ensuring that the relevant activities are aligned with the overall goals and strategies of the Company.</p> <p>The Board of Directors, thru its Audit and Risk Committee, periodically reviews financial reports and the related internal control evaluations of internal and external auditors to evaluate its impact in measuring results of operation and financial conditions.</p>
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	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>The Company's Compliance Program is embodied in the Manual and its Handbook and Code of Conduct.</p> <p>https://www.roxascompany.com.ph/images/pdf/manual-on-corporate-governance.pdf</p> <p>https://www.roxascompany.com.ph/images/pdf/code-of-business-conduct-and-ethics.pdf</p>

			Compliance is reviewed periodically but no less than once every quarter. Any compliance matters or new laws, rules and regulations are reported to the Board and reviewed accordingly.
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.		Provide information on IT governance process	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	COMPLIANT	Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.	The Company has an in-house internal audit group.
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.	The Company's Internal Auditor, Gamayca Q. Casem, acted as its Chief Audit Executive for CY 2019. Her functions and responsibilities are set forth in Article 5.4.3 of the Manual and in the internal audit charter uploaded on the website.
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		Please refer to the internal audit charter: http://www.roxascompany.com.ph/images/items/uploads/Internal%20Audit%20Charter.pdf

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	Identify qualified independent executive or senior management personnel, if applicable.	The Company has not outsourced an internal audit activity because it has its own internal audit group.
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	Provide information on company's risk management function.	The Company's risk management initiative aims to help the company grow shareholder value by comprehensively reviewing and improving its risk management infrastructure and culture and ensuring that the relevant activities are aligned with the overall goals and strategies of the Company.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	COMPLIANT	Identify source of external technical support, if any.	The Company has not encountered an instance where external technical support was needed. However, in the event this need arises, the Audit and Risk Committee can endorse the engagement of technical support for approval of the Board.
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	COMPLIANT	Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.	The Company's Chief Financial Officer, Armando B. Escobar, served as its Chief Risk Officer for CY 2019. Please refer to Page 16 of the DIS.

2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	COMPLIANT		The CRO is also the Company's Chief Financial Officer.
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	COMPLIANT	Provide link to CEO and CAE's attestation	The CEO, the Chief Financial Officer and the Chairman all execute a sworn Statement of Management Responsibility for Financial Statements. A copy of which is attached to the Annual Report. Please refer to the Annual Report. https://www.roxascompany.com.ph/images/items/uploads/SEC_17-A_for_the_period_ending_December_31,_2019-.pdf
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed.	Please refer to Article 7 of the Manual.
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	Provide link to company's website	http://www.roxascompany.com.ph/ The shareholders' basic rights are embodied in the Company's Manual published in its website.
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	COMPLIANT		

2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	COMPLIANT	Provide information on all classes of shares, including their voting rights if any.	The Company has 2 kinds of shares: 1. Common Shares – with full voting rights, each share has one vote; 2. Preferred Shares – non-voting and non-participating shares.
3. Board has an effective, secure, and efficient voting system.	COMPLIANT	Provide link to voting procedure. Indicate if voting is by poll or show of hands.	Please refer to Item 19, Page 26 of the DIS. Voting during stockholders' meetings are done by show of hands.
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	COMPLIANT	Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.	The Company does not have a special shareholder voting mechanism, apart from those required under the Corporation Code. Notwithstanding the lack of special voting mechanisms, the Board is enjoined by the Manual and the law to protect minority shareholders.
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	COMPLIANT	Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)	Please refer to Articles 7.4.1.2 and 7.4.1.3 of the Manual.
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	Provide information or link/reference to the policies on treatment of minority shareholders	Please refer to Article 7 of the Manual.
7. Company has a transparent and specific dividend policy.	COMPLIANT	Provide information on or link/reference to the company's dividend Policy.	Please refer to Pages 10-11 of the Annual Report. The Company adopts and follows the dividend policy prescribed under the Corporation Code.

		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	The Company declared dividends to its preferred shareholders only and the dividends were paid within 60 days from the record date. The details of such dividend declarations were set forth in the Annual Report.
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	COMPLIANT	Identify the independent party that counted/validated the votes at the ASM, if any.	The stock and transfer agent, BDO Unibank, Inc.- Trust and Investment Group Security Services, validates the votes cast at the Annual Shareholders' Meeting.
Recommendation 13.2			
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>The Company, through its stock and transfer agent, sent the notices and agenda and materials to the stockholders of record 22 calendar days before the annual meeting. This is allowed under SRC Rule 20, which states that the Company should send out the notice, agenda and definitive information statement at least fifteen (15) business days prior to the scheduled meeting.</p> <p>Approval of remuneration and changes therein were not included in the Agenda because there were no changes to remuneration that required stockholders' approval.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/RCI_Notice_of_Annual_Meeting-2019.pdf</p>

Supplemental to Recommendation 13.2			
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	https://www.roxascompany.com.ph/images/items/uploads/RCI Notice of Annual Meeting-2019.pdf
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT		The profile of the directors can be found in pages 14-16 of the DIS.
b. Auditors seeking appointment/re-appointment	COMPLIANT		The information of the external auditors can be found in Item 7, Page 19 of the DIS.
c. Proxy documents	COMPLIANT		This was attached to the Notice of ASM. Please refer to Page 3 of the DIS.
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	Provide link or reference to the rationale for the agenda items	The items in the Agenda are the standard items included in annual shareholders' meetings and do not require a rationale. However, for special items in the Agenda, the rationale will be included in the information statement.
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	COMPLIANT	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.	The minutes of the ASM are uploaded to the Company's website and include the questions and answers at such meeting. The results of any votes taken at the ASM are also disclosed to the PSE, SEC and uploaded to the website. Please refer to the Minutes of Annual Meeting held on 29 May 2019.

			https://www.roxascompany.com.ph/images/items/uploads/RCI_Minutes_of_Annual_Stockholders_Meeting_-_29_May_2019.pdf
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	COMPLIANT	<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>https://www.roxascompany.com.ph/images/items/uploads/RCI_Minutes_of_Annual_Stockholders_Meeting_-_29_May_2019.pdf</p> <p>At the last ASM held on 29 May 2019, the shareholders present or represented by proxy, representing 83.86% of the outstanding capital stock, unanimously voted in favor of the following items in the Agenda:</p> <ol style="list-style-type: none"> 1. Approval of the Minutes of the last Meeting held on 23 May 2018 and Special Meeting held on 10 September 2018 2. Approval of the Annual Report 3. Ratification of all acts and proceedings of the Board and Management 4. Election of the Board 5. Election of SGV and Co. as external auditors for CY 2019 <p>Voting was made by raising of hands.</p> <p>During Other Matters, the shareholders were given an opportunity to ask questions and take up any matter related to the reports and other items in the Agenda.</p>

Supplement to Recommendation 13.3

1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting	Representatives from SGV and Co. were present at the last ASM, together with the signing partner, Mr. Kristopher Catalan.
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	COMPLIANT	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes	The company is in the process of establishing an alternative dispute resolution system that can amicably settle conflicts or differences between the corporation and its stockholders. In the meantime, the company adopts the provisions of Republic Act 9285, otherwise known as the Alternative Dispute Resolution System in the Philippines, in the resolution of disputes or controversies that may arise between the company and its stockholders. R.A. 9285 and its Implementing Rules and Regulations were enacted and issued principally to actively promote the use of the Alternative Dispute Resolution (ADR) as an important means to achieve a speedy and impartial justice and as an efficient tool and an effective alternative procedure for the resolution of all disputes or controversies.
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	COMPLIANT	Provide link/reference to where it is found in the Manual on Corporate Governance	Please see Article 3.4.2.10 of the Manual.
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	COMPLIANT	Disclose the contact details of the officer/office responsible for investor relations, such as: 1. Name of the person	The Company's Investor Relations Officer is Atty. Monica I. Villanueva. Her contact details are as follows: Phone – (632)8108901 to 06, local 142

		2. Telephone number 3. Fax number 4. E-mail address	Email Address – miv@roxascompany.com.ph
2. IRO is present at every shareholder's meeting.	COMPLIANT	Indicate if the IRO was present during the ASM.	The IRO, Atty. Villanueva, was present at the ASM held on 29 May 2019.
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any.	There are no policies involving anti-takeover measures or similar devices nor have there been any attempt to institute policies of this nature.
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	COMPLIANT	Indicate the company's public float.	As of December 31, 2019, the public float is 38.69%.
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	COMPLIANT	Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM	https://www.roxascompany.com.ph/invest-or-relations.do
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.		Disclose the process and procedure for secure electronic voting in absentia, if any.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation	COMPLIANT	Identify the company's stakeholders and provide information or reference to a document containing	The following are the Company's stakeholders: 1. employees,

<p>between them and the company in creating wealth, growth and sustainability.</p>		<p>information on the company's policies and programs for its stakeholders.</p>	<ol style="list-style-type: none"> 2. suppliers, 3. customers, 4. creditors, 5. financiers, 6. government, 7. the environment, 8. the community in which it operates, and 9. other key stakeholder groups <p>The stakeholders are identified in Article 8.1 of the Manual.</p>
Recommendation 14.2			
<ol style="list-style-type: none"> 1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders. 	<p>COMPLIANT</p>	<p>Identify policies and programs for the protection and fair treatment of company's stakeholders</p>	<p>Please see Article 8.1 of the Manual.</p>
Recommendation 14.3			
<ol style="list-style-type: none"> 1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights. 	<p>COMPLIANT</p>	<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>Any shareholder, investor or stakeholder can contact the Company's Investor Relations Officer to air any grievances or concerns.</p> <p>The Company's Investor Relations Officer is Atty. Monica I. Villanueva. Her contact details are as follows: Phone – (632)8108901 to 06, local 142 Email Address – miv@roxascompany.com.ph</p> <p>The Company has a Whistle-blowing policy, which is uploaded in the Company's website. Any stakeholder may go to the office of the Company where a whistle-blowing box is easily accessible at</p>

			<p>the reception area. They can put in any concerns in the said box for appropriate action.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/Whistleblowing%20Policy%20and%20Form.pdf</p>
Supplement to Recommendation 14.3			
<p>1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.</p>	COMPLIANT	<p>Provide information on the alternative dispute resolution system established by the company.</p>	<p>The company is in the process finalizing the details on the rules and procedure on the alternative dispute resolution system that can amicably settle conflicts or differences between the corporation and its stockholders. In the meantime, the company adopts the provisions of Republic Act 9285, otherwise known as the Alternative Dispute Resolution System in the Philippines, in the resolution of disputes or controversies that may arise between the company and its stockholders. R.A. 9285 and its Implementing Rules and Regulations were enacted and issued principally to actively promote the use of the Alternative Dispute Resolution (ADR) as an important means to achieve a speedy and impartial justice and as an efficient tool and an effective alternative procedure for the resolution of all disputes or controversies.</p>
Additional Recommendations to Principle 14			
<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company</p>	COMPLIANT	<p>Disclose any requests for exemption by the company and the reason for the request.</p>	<p>The Company has not sought exemption from the application of any law, rule or regulation, especially those pertaining to governance issues.</p>

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.			
2. Company respects intellectual property rights.	COMPLIANT	Provide specific instances, if any.	One of the Company's affiliates is a Franchisee of the Go Hotels brand from Robinsons Land Corporation. It secured a license from the owner to use this intellectual property prior to using the same.
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare		Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.	
2. Company discloses its policies and practices that address supplier/contractor selection procedures		Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	COMPLIANT	Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.	Please refer to the Company's Code of Conduct and Employee Handbook.
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance	COMPLIANT	Disclose if company has in place a merit-based performance incentive	The Company has a performance management system which is similar to a

<p>of the company beyond short-term financial measures.</p>		<p>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>bonus scheme that rewards employees for good performance if the Company as a whole achieves and goes beyond its targets for the year.</p>
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p>	<p>The Company prioritizes the health and safety of its employees. As such, the Company has a healthcare plan for all its regular employees, which is covered through an agreement with a Health Maintenance Organization. Features of the healthcare plan are out-patient care, preventive health care, annual check-up, in-patient care, emergency care and additional concessions depending on the job classification. For added security and protection, the Company provides a reasonable Group Life Insurance plan. All regular employees are enrolled under the plan and the company pays for the group insurance premium.</p>
<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<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>The Company believes in continuing development of potentials of an employee. For this purpose, in house or on-the-job training shall be conducted for the benefit of the employees. Employees may also be sent to training programs outside the company to further enhance their skills and knowledge. Also, a regular employee may recommend and justify a specific seminar or course related to his/her function for approval by the Senior Officer.</p>

Recommendation 15.2

1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	COMPLIANT	Identify or provide link/reference to the company's policies, programs and practices on anti-corruption	<p>The Table of Offenses in the Code of Conduct identifies punishable offenses relating to corruption, bribery, and other malpractices related to the foregoing.</p> <p>Any malpractice concerning bribery or corruption can also be reported through the Whistle-blowing policy, which is incorporated in the Code of Conduct.</p>
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	COMPLIANT	Identify how the board disseminated the policy and program to employees across the organization	The Board, through the Human Resources Department, conducts an annual refresher course of the Code of Conduct to ensure that all employees are aligned with the Company's mission, vision and core values.
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	COMPLIANT	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices.</p> <p>Include any finding of violations of the company policy.</p>	<p>Please refer to the Offenses relating to Misbehavior/Misconduct in the Table of Offenses in the Code of Conduct.</p> <p>There had been no finding of a violation of said policy to date.</p>
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	COMPLIANT	<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>https://www.roxascompany.com.ph/images/items/uploads/Whistleblowing%20Policy%20and%20Form.pdf</p> <p>Any whistleblower may raise concerns directly through the Compliance Officer: Monica I. Villanueva Email address: miv@roxascompany.com.ph</p>

			Phone: (632)7519537 A Whistle-blowing box is also made available in a discreet location in the company premises for easy access to any employee or party who wishes to lodge a complaint pursuant to the Whistle-blowing policy.
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		Under the policy, a whistleblower may raise concerns to the Governance Committee.
3. Board supervises and ensures the enforcement of the whistleblowing framework.	COMPLIANT	Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.	There has been no whistleblowing incident to date.

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	Provide information or reference to a document containing information on the company's community involvement and environment-related programs.	The Company complies with this through its subsidiaries, which all have programs in their respective areas of operations to contribute to society. For example, Roxas-Sigma Agriventures Inc. purchases raw material from the farmers of South Cotabato. Roxaco Land Corporation also complies with the socialized housing requirements of the HLURB in connection with its real estate developments.
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Optional: Principle 16

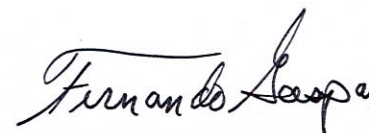
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development.</p>	<p>Please refer to the Company's Sustainability Report.</p> <p>https://www.roxascompany.com.ph/images/items/uploads/1597920807211_Sustainability_Report_for_CY_2019.pdf</p>
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>COMPLIANT</p>	<p>Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates.</p>	<p>The Company, through its partner foundation, Roxas Foundation Inc., has several programs in Batangas, which aims to cater to the needs of the local community. For more information on its programs, please access the following link:</p> <p>http://roxasfoundation.org/</p>

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant undersigned, thereunto duly authorized, in the City of Makati on AUG 27 2020 2020.

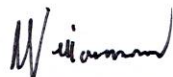
SIGNATURES



PEDRO O. ROXAS
Chairman of the Board



FERNANDO L. GASPAR
President & CEO



ATTY. MONICA ISABELLE I. VILLANUEVA
Compliance Officer



ATTY. PETER D.A. BAROT
Corporate Secretary



CORAZON DE LA PAZ-BERNARDO
Independent Director



AURELIO R. MONTINOLA III
Independent Director



GUILLERMO D. LUCHANGCO
Independent Director

SUBSCRIBED AND SWORN to before me this AUG 27 2020 day of 2020, affiant(s) exhibiting to me their respective Valid IDs, as follows:

NAME	VALID ID
PEDRO O. ROXAS	Phil. Passport No. P0388893B issued 26 Jan 2019- 25 Jan 2029 at DFA Manila
FERNANDO L. GASPAR	Phil. Passport No. P1958730A issued 17 February 2017- 16 February 2022 at DFA NCR East
PETER D.A. BAROT	Phil. Passport No. P0746669B issued 20 Feb 2019- 19 Feb 2020 at DFA Manila
MONICA ISABELLE I VILLANUEVA	TI N 238-362-441
AURELIO R. MONTINOLA III	Phil. Passport No. P2310021A issued 16 March 2017 – 15 March 2022 at DFA Manila
CORAZON S. DE LA PAZ-BERNARDO	Phil. Passport No. P1087569A issued 05 Dec. 2016 – 04 Dec. 2021 at DFA Manila
GUILLERMO D. LUCHANGCO	Senior Citizen ID No. 0754 Issued by: City of Makati December 2004

Doc No. 129 ;
Page No. 29 ;
Book No. 184 ;
Series of 2020.

ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. 14-82 / MAKATI CITY
UNTIL DECEMBER 31, 2020
PTR No. 811720 / 01-2-2020 MAKATI CITY
IEP No. 10088 / 01-23-2020 / RIZAL
RCLE COMPLIANCE No. VI-0027628 / 08-28-2019
ROLL NO. 38492 / TR No. 100-099-102-000
Unit G-14 Makati Executive Tower 3
Gen. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila



THIS IS TO CERTIFY THAT

Pedro E. Roxas

ATTENDED THE CORPORATE GOVERNANCE ENHANCEMENT SESSION ON
***5G Technology Strategy and Governance: Market Trends and
New Business Applications, Risks and Challenges; and
Cyber Security: Protecting Critical Business Infrastructure***

HELD ON SEPTEMBER 26, 2019
AT THE GRAND HYATT HOTEL
TAGUIG CITY, METRO MANILA

GIVEN THIS 26TH DAY OF SEPTEMBER 2019

Handwritten signature of Claudia Hyunah Park in black ink.

**CLAUDIA HYUNAH
PARK**
RESOURCE PERSON

Handwritten signature of Byung Suk Kim in black ink.

BYUNGSUK KIM
RESOURCE PERSON

Handwritten signature of Rob Partridge in black ink.

ROB PARTRIDGE
RESOURCE PERSON

Handwritten signature of Craig A. Gonzales in black ink.

CRAIG A. GONZALES
RESOURCE PERSON

Handwritten signature of Ma. Lourdes C. Rausa-Chan in black ink.

**MA. LOURDES C.
RAUSA-CHAN**
CHIEF GOVERNANCE OFFICER



This

Certificate of Attendance

is presented to

Guillermo D. Luchangco

for having completed the seminar on

Corporate Governance

13 August 2019

2:00 p.m. to 6:00 p.m.

Roof Deck, 39 Plaza Drive, Rockwell Center
Makati City, Metro Manila



Leonardo J. Matignas, Jr.
Partner, SGV & Co.



This

Certificate of Attendance

is presented to

Corazon S. De La Paz - Bernardo

for having completed the seminar on

Corporate Governance

15 May 2019

1:00 p.m. to 5:00 p.m.

Republic Glass Building, Salcedo Street
Legazpi Village, Makati City

A handwritten signature in black ink, appearing to read 'Leonardo J. Matignas, Jr.', is positioned above the printed name.

Leonardo J. Matignas, Jr.
Partner, SGV & Co.



**Institute of
Corporate Directors**

presents this

Certificate of Participation

to

Aurelio R. Montinola III

Ayala Group

for having completed

**Advanced Corporate
Governance Training**

held on

Friday, 9 August 2019

at New World Hotel,

Makati City, Metro Manila, Philippines.

Alfredo E. Pascual
Chief Executive Officer



**Institute of
Corporate Directors**

presents this

Certificate of Participation

to

Fernando L. Gaspar

ROXAS AND COMPANY, INC.

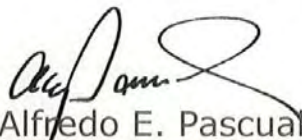
for having participated in

Distinguished Corporate Governance Speaker Series

held on

Tuesday, 11 September 2018

At Makati Diamond Residences,
Makati City, Metro Manila, Philippines.



Alfredo E. Pascual

Chief Executive Officer





presents this

Certificate of Participation

to

Francisco R. Elizalde

ROXAS AND COMPANY, INC.

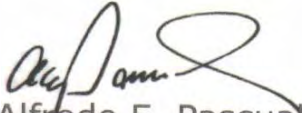
for having participated in

Distinguished Corporate Governance Speaker Series

held on

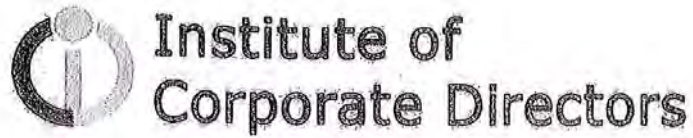
Tuesday, 11 September 2018

At Makati Diamond Residences,
Makati City, Metro Manila, Philippines.



Alfredo E. Pascual
Chief Executive Officer





presents this

Certificate of Participation

to

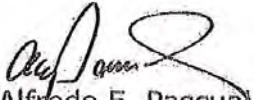
Carlos R. Elizalde

ROXAS AND COMPANY, INC.

for having participated in
**Distinguished Corporate
Governance Speaker Series**

held on

Tuesday, 11 September 2018
At Makati Diamond Residences,
Makati City, Metro Manila, Philippines.



Alfredo E. Pascual
Chief Executive Officer

ANNEX "B"

PHILIPPINE CORPORATE ENHANCEMENT AND GOVERNANCE, INC.
(Formerly: Philippine Securities Consultancy Corporation)

CERTIFICATE OF ATTENDANCE

This is to certify that

PETER D.A. BAROT

(Name of Participant)

Corporate Secretary
(Designation)

of

Roxas and Company, Inc.
(Name of Company)

has attended the

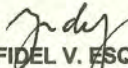
CORPORATE GOVERNANCE & AMLA SEMINAR

(Title of Seminar)

held at Dusit Thani Hotel, Ayala Center, Makati City, Philippines, on March 22, 2017, with the following particulars:

	TOPICS	SPEAKERS
10:00 - 12:00	THE ANATOMY OF FINANCIAL CRIME 1. What is financial crime; 2. Who commits financial crime; 3. What are the main types of financial crime 4. Discussion on fraud; 5. Devises by which financial crime is committed; 6. How to prevent fraud/financial crime; 7. Case examples of financial crime; and 8. Case Study: BW Resources	MRS. MERCEDES B. SULEIK <i>Former Deputy Director, Bangko Sentral ng Pilipinas (BSP)</i> <i>Former Vice-President, DBP</i> <i>B.S.C., C.P.A., M. A. Economics, Ph.D. (cand.)</i> <i>Fellow, Institute of Corporate Directors (FICD)</i>
01:00 - 3:00	FINANCIAL CRIMES UNDER THE ANTI-MONEY LAUNDERING ACT (AMLA) 1. Updates in the Philippine Anti-Money Laundering Regime; 2. What the Board of Directors and Corporate Officers need to know about violations, detection, investigation, and prosecution under the Anti-Money Laundering Act, as Amended 3. Impact in the Local & Global Financial Environment.	ATTY. RICHARD DAVID C. FUNK II <i>Professional AML Trainer / Legal Practitioner</i> <i>Funk & Associates</i> <i>Former Deputy Director</i> <i>Head, Compliance & Investigation Group</i> <i>Anti-Money Laundering Council Secretariat</i> <i>Bangko Sentral ng Pilipinas (BSP)</i> <i>Former VP – Compliance Officer & Concurrent Legal & Recovery Head</i> <i>PNB General Insurers Co., Inc.</i>

Given this 22nd day of March, 2017, at Makati City, Philippines


ATTY. FIDEL V. ESQUIERES
President



Certificate of Attendance

awarded by the

Securities and Exchange Commission

to

Monica Isabelle I. Villanueva

for participating in the

6th SEC-PSE Corporate Governance Forum

Philippine International Convention Center, Pasay City

October 25, 2019

A handwritten signature in black ink, appearing to read "Emilio B. Aquino", written over a horizontal line.

EMILIO B. AQUINO

Chairperson

Securities and Exchange Commission

CGF2019-0220

**ROXAS AND COMPANY, INC.
MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF DIRECTORS**

Held on 12 November 2019 at 2:00 pm
Roxas Boardroom, 7th Floor, Cacho-Gonzales Building
101 Aguirre Street, Legaspi Village, Makati City

DIRECTORS PRESENT:

MR. PEDRO E. ROXAS
MR. FERNANDO L. GASPAR
MS. CORAZON S. DE LA PAZ-BERNARDO
MR. GUILLERMO D. LUCHANGCO
MR. FRANCISCO JOSE R. ELIZALDE
MR. AURELIO R. MONTINOLA III

OTHERS PRESENT:

MR. SANTIAGO R. ELIZALDE
MR. ARMANDO B. ESCOBAR
MR. MARCELINO BUNDOC
MS. HAYREN BADILLO
MS. GAMAYCA Q. CASEM

I. CALL TO ORDER

The Chairperson of the Board, Mr. Pedro E. Roxas, called the meeting to order. The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, recorded the minutes of the meeting.

II. CERTIFICATION OF QUORUM

The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, certified that notices were duly sent to each Director and that there existed a quorum for the Board to conduct business.

III. APPROVAL OF MINUTES OF THE MEETING HELD ON 05 August 2019

The Chairperson inquired if there were comments on the minutes of the meeting held on 05 August 2019. Ms. Corazon Dela-Paz Bernardo asked that a statement be included in the Minutes that the 17-Q Report After review, and upon motion made and duly seconded, the Board approved the minutes of the meeting held on 05 August 2019.

**IV. FINANCIAL AND OPERATING RESULTS FOR THE THIRD QUARTER
ENDING 30 SEPTEMBER 2019**

Mr. Escobar presented the results of operations for the 3rd Quarter. He presented the Consolidated Statement of Income for the Period ending September 2019. The revenues increased significantly compared to last year but still below budget due to the shortfall in coconut revenues. Real estate is above budget due to the sale of property to Sta. Lucia. As a result of the shortfall in

gross profit and significant reduction in operating expenses, operating income is only short by PhP 20 Million as against the budget. However, despite these gains, the equity earnings from our investment in RHI took a huge impact on the P&L plus the continuing impact of higher interest rates resulted to a loss for September. On a per company basis, all operating companies registered a net loss but Go Hotels and RLC registered positive EBITDA while RSAI had a negative EBITDA.

For Go Hotels, actual rev par is below budget but 31% higher than last year. If analyzed on a per site basis, the profitable sites are GO Hotels Airport Road and Ermita, which are both above budget. Mr. Escobar added that the present interest rates (although going down) is just affecting us now. Mr. Roxas remarked that there are three (3) properties doing well, however, the GO Hotels Cubao and Timog are pulling everything down. Mr. F.R. Elizalde asked what the entry “interest (net of income)” refers to and Mr. Escobar replied that it is because the company pays off when there is excess cash available and this is the net effect of those payments. Mr. Escobar added that what is not reflected here is the revenue of the five (5) hotels also has freed up input VAT of around PhP 200 Million. Every month, we are able to free up PhP 4-5 Million of input VAT. Mr. Roxas inquired about the outlook of GO Hotels Cubao and Timog. Mr. Escobar replied that if the company maintains only the three (3) performing sites, the NIAT will be significantly lower (PhP14Million) vs (PhP73Million). The three (3) performing sites have also exceeded the occupancy and revpar budgets. Mr. Gaspar added that around this time last year, GO Hotels Cubao was already identified as a problem and management started to look for options to address it. This year, however, GO Hotels Timog was also identified as an issue because while there was a slight increase in occupancy, there was a drop in the rate so it just offset on the net effect.

Mr. Escobar showed the trend of occupancy that has been increasing on the average of uptrend for the last nine (9) months. Mr. Roxas inquired if rooms were maxed out already for the performing sites then Mr. S.R. Elizalde replied that not as far as the existing buildings are concerned. Ms. Bernardo confirmed that it is the GO Hotels Timog site with extra property. Mr. Luchangco remarked that GO Hotels Ermita didn't yet attain the 100% occupancy thus, there is still room for improvement without needing to add more rooms. Mr. Gaspar added that if GO Hotels Ermita is an extra property, it will have to be for function room for f&B to augment rather than additional rooms.

RLC subsidiaries Consolidated was shown. Realty and property management are both operating at a profit and within budget. Anya Resort and Tagaytay is struggling because to the guaranteed yield due to the homeowners. The company is paying PhP 48 Million in the form of guaranteed yield which in form of interest yield. Mr. Luchangco inquired about the rate of interest which Mr. Escobar confirmed that it is at 7.2% then Mr. Luchangco also asked if it is based on performance which Mr. S.R. Elizalde replied that it becomes variable after 6 years. Mr. Montinola then asked about prevailing interest rate which Mr. Escobar replied that the interest paid is lower. Mr. Montinola then commented that effectively interest is better however maturity is the problem. Mr. Montinola then inquired about the figures of loans for ART and when will it run off then Mr. Escobar replied that ART hotel core is at PhP 500 Million. The business model for Anya as a whole originally assumed a room rate of PhP 12,000. Mr. Escobar added that REVPAR should be higher and in reality, it is much lower. Mr. Gaspar commented that one of the plans is to sell our assets and use the proceeds to settle the ART loan. Mr. Roxas added that the mistake was to start the project and fund it solely with debt and there should have been equity and proceeds from the

sale will be the equity. Mr. Montinola commented that he is just trying to foresee how to make the EBITDA positive. Mr. S.R. Elizalde shared that later it will be show that EBITDA will be positive by year 2022. Mr. Gaspar added that this year, we started not developing properties will be on hold and be a land owner overseeing the properties.

FOR RSAI, month to month basis is short of target on revenues although there is significant improvement on sales of organic products. Revenue Year to date is lower than budget but higher than revenue from last year. Potential sales have been delay amounting PhP 100 Million due to lack of availability of supply of single strength water. Agreements with buyers deferred to later dates and the main reason is the lack of working capital to support production of outstanding purchase orders and sales contracts. Gross profit margin is negative and bank debt is on PhP 650 Million. EBITDA is negative at PhP 39 Million. Mr. Roxas inquired if working capital was not an issue and were able to produce and sell. Mr. Escobar replied that the margins and GP still be within the budgeted figures and breakeven cash is PhP 17 Million while breakeven P&L is at PhP 20 Million. Mr. Roxas then clarified that the lack of working capital is the main issue. Ms. Bernardo added that it is also affecting the product mix that cause the non-build up inventory. Mr. Roxas commented that we must have to find out to raise funding since the management side seems to be working towards the appropriate direction.

Level of debt – The existing debit PhP 4.3 Billion but as of October it is down to PhP 3.9 Billion and expected to go down further by December 2019 as collected the balance of payments from Caylaway and Natipuan sales. Mr. Escobar added that short term lines must be prioritize.

Ms. Bernardo reported that SGV is concerned about the going-concern issue by the end of the year and interested in finding out how the management intend to address the issue of a working capital. Mr. Escobar added that these are key objective in our business plans. Mr. Luchangco clarified that if the management were able to convince SGV and should be able to keep the details privately. Mr. Montinola commented that resolving it is a going-concern and there will be a sale of assets and keep it something that general. Mr. Roxas said that the company can provide a target amount rather than identifying the properties. Mr. Gaspar recapped that Mr. Montinola pointed out to SGV that to view the losses against the properties we have sold so far which it actually matches.

APPROVAL OF SEC 17-Q

Ms. Bernardo commented that the Audit Committee met previously and is endorsing the SEC 17-Q to the Board for approval. Ms. Bernardo also asked Management to provide an update on the application of PFRS 16 in the 3rd quarter report. Mr. Escobar replied that it will be reflected in the year end because Management is still discussing the entries with SGV.

V. Annual Budget and Forecast for 2020

Mr. Escobar presented the Consolidated Annual Budget and Forecast for the calendar year 2020.

The Budget aims to address two (2) objectives: (i) Address cash flow requirements by raising funds to reduce the debt level and generate working capital for the operating subsidiaries;

and (ii) operating subsidiaries to achieve higher profitability through higher revenues and control of operating expenses.

The key assumptions were presented, as follows:



Key Objectives

KEY ASSUMPTIONS		2020 Budget
1. RCI to raise funds from		
a) Sale of remaining investment in RHI		
(356.5M shares)		1,400 M**
b) Sale of RCI Treasury shares		200 M
c) Sale of Assets		
1. Cogonan (21.4 has)		215 M
2. Sagbat (36 has)		544 M
3. GoHotel rightsizing		1,000 M
d) Additional equity for RSAI		350 M
		<u>3,709 M</u>
2. Application		
a) Debt Reduction/interest servicing		3,200 M
b) Equity/Working Capital		500 M
		<u>3,700 M</u>

Mr. Gaspar remarked that he is not very optimistic that the sale of RHI shares will materialize in CY 2020. On the sale of treasury shares, Mr. Escobar explained that management was not able to sell a lot of treasury shares in 2019 because it was selling below PhP 2.00 but the price has started to increase. Mr. F.R. Elizalde inquired about status of the discussion with BPI and Mr. Gaspar replied that this is still on-going. He added that we are also looking at AIB. The Cogonan Property, with total area of 24 Hectares, is beside the property sold to SM. The Company is discounting this property due to its CLOA issue. Mr. Roxas inquired about the amount of debt for RAHC which Mr. Escobar replied is at PhP 700 Million. Mr. Roxas commented that if one of the sites can be sold, the company should be fine. Mr. Luchanco inquired if we have reached out to other hotel chains. Mr. S.R. Elizalde replied that a broker has been engaged and will reach out on behalf of RAHC. Mr. Escobar said that this initiative is called right-sizing because it will also entail a reduction in OPEX for other sites. Finally, for RSAI, Mr. Gaspar reported that this refers to raising equity from external sources. Ms. Bernardo inquired if these are net of tax numbers which Mr. Escobar confirmed.

The Consolidated Budget Statement of Income was then shown.

BUDGET STATEMENT OF INCOME (CONSOLIDATED)
For the Years 2020 to 2021



Consolidated Gross Profit					
	%Inc				
Php Million	2019 LE	2020	20 vs'19	2021	2022
Revenue					
Roxaco-Realty/Anya	393	851	116%	572	778
RAHC-GoHotel	327	295	-10%	316	333
RSAI	138	367	166%	406	467
Total	858	1,512	76%	1,294	1,577
Gross Profit					
Roxaco-Realty/Anya	179	587	227%	236	382
RAHC-GoHotel	161	171	6%	188	202
RSAI	(16)	94	680%	133	164
Total	324	852	163%	558	749
NET INCOME/(LOSS)					
Roxaco-Realty/Anya	(38)	249	758%	43	123
RAHC-GoHotel	(100)	24	124%	44	65
RSAI	(138)	8	106%	56	97
Total	(276)	282	202%	144	286

BUDGET STATEMENT OF INCOME (CONSOLIDATED)
For the Years 2020 to 2021



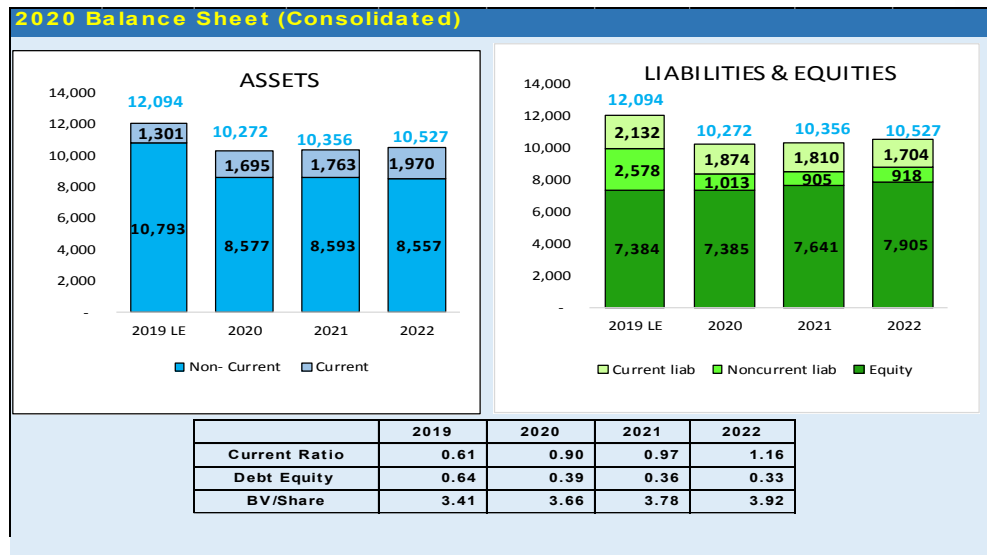
Budget Statement of Income (Consolidated)					
	Inc(%)				
Php Million	2019 LE	2020	'20vs'19	2021	2022
SALES	858	1,512	76%	1,294	1,577
COST OF SALES	(534)	(660)	24%	(737)	(829)
GROSS PROFIT	324	852		558	749
GP Rate	38%	56%		43%	47%
OPEX	(427)	(406)	-5%	(383)	(386)
Equity/Gain on sale	(139)	95	-168%	123	-
Other Income	226	44	-81%	82	46
OPERATING INCOME	(15)	586		380	410
Interest	(325)	(164)	-50%	(107)	(87)
NIBT	(340)	422		273	323
Income tax	(13)	119	-1003%	22	57
NIAT	(327)	303	193%	250	267
Depreciation	112	93	-16%	94	95
EBITDA	97	679		474	505

Mr. Roxas inquired about the drop in Gross Profit for RLC from 2020 to 2021. Mr. Escobar explained that this is on account of the one time sale of the Sagbat Property. Mr. F.R. Elizalde inquired about potential joint ventures. Mr. S.R. Elizalde replied that potential areas for joint venture are Anya Phase 3, Solana and Montana projects in Palico, Sagbat and Busuanga. Sagbat is also part of a bigger property. He added that the new expressway is also going to end in the company's properties. Mr. S.R. Elizalde reported that there has been positive feedback so far. Mr. Gaspar then added that the costs for 2021 to 2022 are still built as developers and are currently being studied. As for the P&L, Mr. Escobar mentioned that the effect of NOLCO is being

reflected. Lower income tax despite higher profits. Opex is reducing over the years. The Group is continuing to control the opex as part of the objectives.

RCI and subsidiaries 2020 Balance Sheet was then presented.

BUDGET BALANCE SHEET (CONSOLIDATED)
For the Years 2020 to 2022



The current ratios, debt equity and book value will improve. The issue of going-concern must be addressed. Mr. Escobar then added that each company/business unit will report their respective budgets.

GO HOTELS BUDGET 2020

Mr. Joaquin Mercado, Area Operations Manager, presented the Budget of GO Hotels for year 2020.

Based on the current scenario, 5 sites will continue to be operated with the following aggressive objectives: increase revenues by 22% in 2020 to PhP 470 Million, Increase of Revpar by 23% to PhP 115 Million by achieving the target occupancy and average room rate, increase the GOP by 62% to PhP 109 Million, Improve EBITDA by 39% to PHP 152 Million and Opex rate to be decreased from 30% to 26% of Total Revenues.

PROFIT & LOSS SUMMARY - CONSOLIDATED				BUDGET	FORECAST			
(in PhpMillions unless indicated)	2017	2018	2019 LE	2020	2021	2022	2023	2024
Available Rooms	234,802	351,495	351,495	352,458	352,458	352,458	352,458	352,458
Occupancy %	40%	46%	59%	69%	73%	76%	78%	79%
Average Room Rate	1,468	1,513	1,499	1,560	1,596	1,623	1,653	1,683
Revpar	622	711	942	1,155	1,243	1,313	1,371	1,421
Cash BEPar	683	811	1,026	1,032	1,006	959	922	897
Pnl BE Par	832	981	1,215	1,229	1,205	1,161	1,127	1,104
Total Revenues	146.0	250.0	331.0	407.0	438.1	462.9	483.2	501.0
COS	109.8	172.3	166.0	190.8	198.0	202.9	207.3	210.3
OPERATING INCOME	36.1	77.7	164.9	216.2	240.1	260.0	275.9	290.7
<i>GP Rate</i>	25%	31%	50%	53%	55%	56%	57%	58%
OPEX	29.5	60.9	97.4	106.4	109.5	112.1	114.7	116.8
GOP	6.6	16.8	67.6	109.8	130.5	147.9	161.2	173.8
<i>%</i>	5%	7%	20%	27%	30%	32%	33%	35%
NON OPEX	9.9	15.5	19.7	21.9	22.6	23.4	24.3	25.2
SubTotal	-3.3	1.3	47.9	87.9	107.9	124.4	136.9	148.6
Depreciation	35.0	59.8	61.9	64.3	65.0	65.6	66.3	66.9
EBITDA	31.7	61.2	109.8	152.2	172.9	190.0	203.1	215.5
<i>%</i>	22%	24%	33%	37%	39%	41%	42%	43%
Depreciation & Amortization	35.0	59.8	66.4	69.5	70.4	71.3	72.2	73.0
Interest Expense	46.1	96.1	136.6	105.0	84.7	60.3	40.0	25.7
NIBT	-49.4	-94.8	-93.2	-22.3	17.8	58.5	91.0	116.8
Income Taxes	.0	.0	3.1	4.0	4.5	4.8	5.0	5.1
Net Income (Loss)	-49.4	-94.8	-96.2	-26.3	13.2	53.7	86.0	111.7

BUDGET SUMMARY and FORECAST

2020 Operating Plan - Three Operating Sites (AIR, NED, ERM)

PROFIT & LOSS SUMMARY - CONSOLIDATED				BUDGET	FORECAST			
(in PhpMillions unless indicated)	2017	2018	2019 LE	2020	2021	2022	2023	2024
Available Rooms	234,802	351,495	351,495	214,110	214,110	214,110	214,110	214,110
Occupancy %	40%	46%	59%	78%	82%	84%	86%	88%
Average Room Rate	1,468	1,513	1,499	1,663	1,705	1,734	1,766	1,796
Revpar	622	711	942	1,377	1,476	1,554	1,618	1,674
Cash BEPar	683	811	1,026	1,062	1,064	1,043	1,040	1,030
Pnl BE Par	832	981	1,215	1,263	1,269	1,250	1,249	1,242
Total Revenues	146.0	250.0	331.0	294.9	316.1	332.6	346.5	358.4
COS	109.8	172.3	166.0	124.1	127.9	130.9	133.6	135.5
OPERATING INCOME	36.1	77.7	164.9	170.9	188.2	201.8	212.8	222.9
<i>GP Rate</i>	25%	31%	50%	58%	60%	61%	61%	62%
OPEX	29.5	60.9	97.4	78.1	80.3	82.0	83.9	85.3
GOP	6.6	16.8	67.6	92.8	107.9	119.7	129.0	137.6
<i>%</i>	5%	7%	20%	31%	34%	36%	37%	38%
NON OPEX	9.9	15.5	19.7	13.4	13.8	14.2	14.7	15.3
SubTotal	-3.3	1.3	47.9	79.4	94.1	105.5	114.2	122.4
Depreciation	35.0	59.8	61.9	39.5	39.9	40.3	40.7	41.1
EBITDA	31.7	61.2	109.8	118.9	134.0	145.8	154.9	163.5
<i>%</i>	22%	24%	33%	40%	42%	44%	45%	46%
Depreciation & Amortization	35.0	59.8	66.4	43.1	43.7	44.3	44.8	45.3
Interest Expense	46.1	96.1	136.6	48.1	42.2	32.7	27.1	21.6
NIBT	-49.4	-94.8	-93.2	27.7	48.1	68.9	83.0	96.5
Income Taxes	.0	.0	3.1	3.3	3.7	3.8	4.0	4.1
Net Income (Loss)	-49.4	-94.8	-96.2	24.4	44.5	65.0	79.0	92.4

For 2020, total revenues projected is PhP 407 Million, EBITDA is PhP 152.3 Million and RAHC will end with a net loss of PhP (26.3 Million). Cubao and Timog are projected to continue to operate at a loss up to 2024 while North EDSA is expected to achieve profit by 2021.

Mr. Mercado then added that if we only consider the three performing sites, we can reach PhP 17.6 Million by 2020. Ms. Bernardo inquired if there is a change of marketing strategy to attract more customers. The marketing team replied that there is a plan to grow our website and bookings, improve the corporate segment, and improve the OTAs. Mr. Roxas then inquired about the issues with the Go Hotel website and if this has been addressed. Management replied that Robinsons has not addressed the issue but management has created a micro site in the meantime to address the traffic. Resolving the issue will take around six (6) months. Mr. S.R. Elizalde reported Robinsons has a new member of their management team from Red Planet, which generates sales mostly online. At present, RAHC only generates 3% of sales from the website. Ms. Bernardo inquired about the people using our hotels, to which Management replied that it is mostly local customers, however, the profile of guests vary per hotel/sites and every property is marketed differently. Mr. F.R. Elizalde asked if there is a possibility for starting our own brand for the existing sites, to which Mr. S.R. Elizalde replied that while this is possible, there are very high pre-termination penalties that will apply. Mr. Gaspar mentioned that management can operate its own brand in locations outside of the vicinity of the existing sites.

Mr. Mercado stated that Opex rates will be decreased from 30% to 26%. Go Hotels Cubao and Timog are also targeted to be sold for PhP 1 Billion to prospective buyers. Mr. Roxas asked about the benchmark of the competition in terms of Opex which Mr. Mercado replied that there is still room for reduction on fixed costs and manpower. Mr. Gaspar cautioned the Board that there is no assurance as to the time it will take to complete the sale of the two properties. Mr. Roxas said we need to work on the reduction of Opex even pending the sales of the two (2) properties.

Ms. Bernardo then asked how confident the team is that they can meet the budget. Mr. Roxas commented that management still has to pull back, tighten the hatches and address the balance sheet then look at it again with a more aggressive approach. The clear mandate of the Board is debt reduction and improvement in the operating performance - improve topline and costs. Mr. F.R. Elizalde asked what kind of royalties the company pays and Mr. S. R. Elizalde replied that we pay Robinsons Land 5% franchise fee plus 1% variable. Ms. Bernardo asked if there is a target that needs to be met to get paid and Management replied that there is none.

Balance Sheet was presented by Hayren S. Badillo.

CONSOLIDATED FINANCIAL POSITION

BALANCE SHEET							
<i>(All amounts PMillions unless indicated)</i>		2019	2020	2021	2022	2023	2024
		Latest Estimate	Budget				
Assets							
Cash		7	7	6	3	2	3
Accounts Receivable		23	22	18	17	16	16
VAT Input Tax		151	69	54	37	19	
Other Current assets		45	45	45	45	45	45
Total Current Assets		226	142	123	102	82	64
PPE		2,132	1,242	1,271	1,286	1,295	1,305
Other Non- Current Assets		107	69	69	69	69	69
Total Non- Current Assets		2,239	1,311	1,341	1,355	1,364	1,374
Total Assets		2,465	1,453	1,463	1,457	1,447	1,437
Liabilities and Equity							
Accounts and Other payable		103	65	66	60	58	59
Retention Payable		51	21				
Current liabilities		154	86	66	60	58	59
Bank Loan - net of current portion		1,706	707	663	583	485	373
Deferred Income Tax Liability		54	26	35	39	42	45
Noncurrent liabilities		1,760	733	698	622	527	418
Total Liabilities		1,914	819	764	682	586	477
Shareholder's Equity							
Share Capital		713	713	713	713	713	713
Revaluation Surplus		126	60	81	91	98	105
Retained Earnings (Deficit)		-288	-139	-95	-30	49	142
Total Shareholder's Equity		551	634	699	775	861	960
Liabilities & Shareholder's Equity		2,465	1,453	1,463	1,457	1,447	1,437
Debt Equity Ratio		3.47	1.29	1.09	0.88	0.68	0.50
Current Ratio		1.47	1.65	1.86	1.70	1.41	1.08
Working Capital (in Million)		72	56	57	42	24	5

CONSOLIDATED CASH FLOWS

Statement of Cash Flows		FORECAST					
<i>(Amounts in Pmillions unless indicated)</i>		LE 2019	2020	2021	2022	2023	2024
			BUDGET				
OPERATING ACTIVITIES							
Income (Loss) before income tax		-93	28	48	69	83	97
Adjustments for:							
Depreciation & Reserve		63	40	4	4	4	4
Operating income		105	116	94	106	114	122
Working capital changes		36	-36	-6	-11	-7	-5
Retention Payable			-30	-21			
Input Vat		23	119	15	17	18	19
Net cash used for operations		163	169	83	112	125	137
Income taxes			-3	-1	-4	-4	-4
Net cash from operating activities		28	118	43	78	97	113
INVESTING ACTIVITIES							
Net movement in noncurrent asset		-14	881				
FINANCING ACTIVITIES							
Net availment/repayment of loans		-67	-999	-44	-81	-98	-113
NET CASH FOR THE YEAR		-52		-1	-2	-1	
CASH AT BEGINNING OF YEAR		59	7	7	6	3	2
CASH AT END OF YEAR		7	7	6	3	2	3

Current Asset is PhP 226 Million while Total Current Liability is PhP 495 Million. Financial position will improve the debt to equity ratio, they forecast positive working capital. For cash flow, the main highlight is to pay off loans against debt level.

ANYA RESORT TAGAYTAY

Mr. Juan Roca, Managing Director of Anya Hospitality Group, reported the Summary of Assumptions for Calendar Year 2020 as follows:

- Revenue allocation is 60% rooms and 40% f&b;

- Increase room revenue by 10%, occupancy rate increase from 48% to 52%, increase ARR by 18%, increase in room GP rate to 70%;
- F&B Assumptions: increase in food and beverage by 9% and 10%, respectively, and increase the GP rate to 36%.

ART Profit & Loss Projections/Budget was shown.

ANYA RESORT TAGAYTAY: P&L (in Millions)

	2018	2019 LE	2020	2021	2022
REVENUE:	114	141	173	196	228
Rooms	60	74	92	103	122
Food & Beverage	47	60	72	84	96
Spa and other minor operating depts	7	8	9	10	15
COST OF SERVICES	58	66	78	84	90
GROSS PROFIT	56	75	94	111	139
Operating expenses	69	61	71	72	74
GROSS OPERATING PROFIT	(13)	14	23	39	65
Management & incentive fees	3	5	6	8	11
Insurance expense	1	1	1	2	1
EBITDA before sharing	(16)	9	17	30	54
Revenue Sharing	26	32	39	43	51
Association dues	1	1	1	1	1
EBITDA after sharing	(43)	(25)	(23)	(14)	1
Depreciation expense	20	20	22	22	22
EBIT	(63)	(45)	(45)	(36)	(21)
Interest expenses	25	37	30	18	17
Net Income before Income Tax	(88)	(82)	(75)	(54)	(38)

Projected revenue for CY 2020 is PhP173 Million, GP at PhP 94 Million, Net income before income tax of PhP 75 Million by 2022. The company will hit breakeven level at EBITDA. The P&L breakeven will be after seven years of operations. Mr. Roxas asked about the total debt level of ART which Ms. Pedernal replied and confirmed is at PhP 700 Million.

The main KPIs were then shown as follows:

	2018	2019	2020*	2020 vs 2019		2019 vs 2018	
				Var	%	Var	%
Available rooms	28,470	28,470	28,548	78	0%	-	0%
Occ % (paid)	40%	48%	52%	4%	8%	8%	20%
ARR	5,348	5,369	6,351	981	18%	21	0%
Rev PAR	2,135	2,569	3,287	718	28%	434	20%
Food covers	70,821	77,554	84,438	6,884	9%	6,733	10%
Ave. Food check (in peso)	592	634	699	65	10%	42	7%
Beverage covers	64,517	66,291	72,786	6,495	10%	1,774	3%
Ave. Beverage check (in peso)	116	168	177	8	5%	52	45%
Cash break-even	5,883	7,118	7,916	799	11%	1,235	21%
P&L break-even	6,576	7,824	8,672	848	11%	1,248	19%

The trend is an increase throughout the years with the variance illustrated. Mr. Roxas asked if the entry cash breakeven is the room rate breakeven, to which Mr. Roca replied that it needs to be compared with Rev par.

Marketing Plan for f&B was then presented as follows:

- Increase allocation for breakfast
- Strengthen marketing in Tagaytay for more awareness/visibility
- Food & Beverage promotions
- Travel agencies engagement to increase traffic.

Mr. Montinola inquired if any competitor charges a higher rate than ART. Mr. Roca replied that there is none except for Escala Tagaytay, which is the closest in terms of room rate. Mr. Montinola then asked if there is a hotel who charges higher than our corporate rates. Mr. Roca replied that there is none and added that the management wants to increase the corporate accounts. Mr. S.R. Elizalde said that if we increase the FIT rate, it will be more profitable and the strategy for 2020 is to drive FIT online. Mr. Roxas asked what the ratio is and Mr. Roca replied that it is 55-45%. Mr. Roxas asked about the Opex and if the management is looking at reducing/controlling costs and maintenance. Mr. Roca confirmed this, especially the labor cost. Mr. Roxas then cautioned the team that it is still necessary to have maintenance and services that will support a PhP 17,000 room rate.

Ms. Bernardo inquired about the traffic situation in Tagaytay and Mr. S.R. Elizalde replied that it is improving because of new roads leading to Tagaytay. In fact, he added that a new road is scheduled to be completed in 2022 from CALAX to Nasugbu, Batangas.

Roxaco Land Corporation-Realty Group

Ms. Thelma C. Rodriguez reported the Summary of Assumptions for Year 2020.

- Sale of Sagbat Property with total area of 36.2 hectares by 1st half of CY 2020 at a price of PhP1,500/sq. m. or a total consideration of PhP 609 Million. The proceeds to be applied against debt repayment, interest payment and taxes due.
- Start construction of Anya Block 12 by June 2020.
- Funding for development projects not to exceed collections from realty sales (excluding Sagbat).

Mr. F.R. Elizalde asked how Anya will be sold and Mr. S.R. Elizalde replied that it is already sold out. What remains to be done is to develop it. Mr. F.R. Elizalde asked about the timeline of the development which Mr. S.R. Elizalde replied that it will take around 8-12 months and added that this is the last block and will bring up ART to 88 rooms. Mr. Roxas inquired if the appraised value is PhP1,500 per sq. m. while Mr. Luchangco asked for the zonal valuation, to which they replied is at PhP 200 per sq. m.

Ms. Norlie M. Pederal then presented the Consolidated Profit & Loss of RLC.

CONSOLIDATED P&L (Amounts in Millions)

	2018	2019	2020	2021	2022
REVENUES	249	398	855	576	782
Real estate sales	107	228	649	343	509
Hotel revenues	114	141	173	195	228
Hotel management	28	29	33	38	44
COST OF SALES	(187)	(214)	(264)	(336)	(395)
GROSS PROFIT	62	184	591	240	386
<i>GP Rate</i>	<i>25%</i>	<i>46%</i>	<i>69%</i>	<i>42%</i>	<i>49%</i>
OPERATING EXPENSES	(265)	(190)	(189)	(195)	(191)
OTHER INCOME	55	29	17	54	16
EBIT	(148)	23	419	99	211
INTEREST EXPENSE	(61)	(77)	(63)	(38)	(36)
NIBT	(210)	(54)	356	62	176
INCOME TAX/(BENEFIT FROM TAX)	34	(16)	107	19	53
NIAT	(176)	(38)	249	43	123
<i>NIAT Rate</i>	<i>-71%</i>	<i>-10%</i>	<i>29%</i>	<i>8%</i>	<i>16%</i>
EBIT	(148)	23	419	99	211
Depreciation	23	22	24	25	25
EBITDA	(126)	46	444	124	236
<i>EBITDA Rate</i>	<i>50%</i>	<i>11%</i>	<i>52%</i>	<i>22%</i>	<i>30%</i>

CONSOLIDATED CF (Amounts in Millions)

	2020			
	REALTY	AHG	ART	CONSO
Collection from customers	98	43	212	353
Disbursements:				
Development Costs/Cost of services	66	19	87	172
Payable to contractors	15			15
GAE	69	21	79	169
Sales and Marketing (including commission)	4			4
Others (i.e. refund, service charge, taxes)	1		37	38
CAPEX	2	2	6	10
	(58)	1	2	(55)
Collection from Sagbat sale	609			609
VAT	(65)			(65)
CWT	(27)			(27)
Net cash flow from Sagbat	517			517
Interest Payments	32	1	30	63
Principal Payments, net	358		(61)	297
Revenue Sharing	22		28	50
Income tax	67			67
NET CASH INFLOW (OUTFLOW)	(20)	-	5	(15)
CASH BEG.	21	-	2	24
CASH, END.	2	-	7	9

PhP 855 Million in projected revenues is due mainly to sale of Sagbat property. Hotel revenues will increase from PhP 141 Million to PhP 173 Million. NIAT of PhP 249 Million and EBITDA of PhP 444 Million is projected for CY 2020. Mr. Roxas asked if the management is considering paying down debt of ART and Ms. Pedernal replied this is reflected in the cash flows. RLC will pay off PhP 385 Million of ART debt and thereafter, re-avail for payment of revenue share and interest. Mr. Roxas asked if assuming that 100% of the debt was settled, will ART still be under due to the revenue share and this was confirmed by Ms. Pedernal. Mr. F.R. Elizalde inquired if the revenue share is perpetual. Mr. S.R. Elizalde replied that after the first 5 years, it will become variable. Mr. Roxas commented that the management might want to consider buying back

properties because if we own 100%, breakeven will be achieved by the 3rd Year. Mr. Montinola asked if the revenue share will go down once it becomes variable and they replied that it will not necessarily be the case. The members of the Board expressed that buying back the units is worth studying.

ROXAS-SIGMA AGRIVENTURES INC.


Mr. Tommy Ng, Vice_President for Marketing and Sales, reported on behalf of Roxas-Sigma Agriventures Inc. for Calendar Year 2020.

Sales volume assumptions were first presented.

ROXAS SIGMA AGRIVENTURES, INC. – 2020 BUDGET

Sales Volume Assumptions

IN MT	2019	2020		2021	2022
	LE	Plan		Plan	Plan
Sales Volume		CONV	ORG		
32% CC	3	192	96	331	381
24% CC	925	1,181	815	2,050	2,357
17% CC	129	464	315	896	1,030
CWC	292	150	81	265	305
VCO	6	122	26	169	195
SM	0	315	66	439	505
Total	1,355	2,423	1,400	4,150	4,773
			3,823		



RSAI projects a sales volume of 2,423 Metric Tons for 2020 and with a 15% growth for year 2021. Mr. Roxas then inquired if there is a higher demand for organic. Mr. Ng replied that demand right now is 55% organic. Mr. Roxas asked if it is foreseeable that company might want to focus on organic. Mr. Ng replied that the US and China markets have not been saturated yet and these markets are more on traditional/conventional products over organic. Mr. Gaspar shared that these porjections do not reflect some exciting potential transactions/sales because they prefer to first secure purchase orders.


Mr. Ng explained that there is a need to focus on quality, relationships (since we are primarily engaged in export sales, we need to convert customers) and price (since we are not yet well-known in the industry, we have to be prepared to be flexible even a the expense of margin). Mr. Roxas inquired who the direct competitors are from the Philippines and they replied that these are Franklin Baker, Celbis, Millenium and Cardinal, who are all doing cream. Ms. Bernardo asked what Franklin Baker is selling and Mr. Ng that they are selling cream and single strength water. He added that in terms of quality, RSAI’s products are 100% pure, which is a huge selling point. Ms. Bernardo asked if we have different buyers for different products which Mr. Ng confirmed.

Mr. Joel Bonilla, the new plant manager, then presented the production summary.

ROXAS SIGMA AGRIVENTURES, INC. – 2020 BUDGET

PRODUCTION SUMMARY

INMT	2019 LE		2020 PLAN		2021 PLAN		2022 PLAN	
RAW MATERIALS	5,365		14,226		16,877		19,409	
Coco Cream/Milk	998	19%	2,849	20%	3,277	19%	3,768	19%
CWC	81	23%	231	24%	265	24%	305	24%
VCO	56	1%	147	1%	169	1%	195	1%
SM	136	3%	381	3%	439	3%	505	3%
Total Processed	1,272	45%	3,609	48%	4,150	47%	4,773	47%
% of Recovery	24%		25%		25%		25%	
Coco Grits (Sapal)	726.05	14%	1,992	14%	2,290	14%	2,634	14%
Parings	335.05	6%	996	7%	1,145	7%	1,317	7%
Coco Shell (Boiler Fuel)	1,233.95	23%	939	7%	1,080	6%	1,242	6%
Coco Shell (For sale)		0%	2,191	15%	2,519	15%	2,897	15%
Total By Products	2,295	43%	6,117	43%	7,035	42%	8,090	42%
Loss		12%		9%				12%
% of Recovery	43%	100%	43%	100%	42%	100%	42%	100%




Raw materials needed for 2020 is 14,226 MT. The total processed products is 3,609 MT. He added that they will be mixing the old and new inventory. Mr. Gaspar inquired how many tons can be produced per day which Mr. Bonilla confirmed is at 60MT a day. Mr. Gaspar shared that the highest the plant produced continuously was 140 tons per day and the plant also has a rated capacity of 200 tons/day. For CY 2021, they expect to produce 84 tons per day while for 2022, it will be 97 tons per day. Ms. Bernardo asked if there was any damage sustained from series of earthquakes that happened in the region. Mr. Capistrano confirmed that they had the plant checked and no damage was sustained.

Mr. Domingo Capistrano, Chief Operating Officer, presented the Profit & Loss for 2020.

ROXAS SIGMA AGRIVENTURES, INC. – 2020 BUDGET P/L

In Php M

	LE 2019	2020	2021	2022
REVENUE	140	369	489	590
Commission	(2)	(2)	(3)	(3)
NET REVENUE	138	367	486	587
VARIABLE COST	91	185	222	268
CONTRIBUTION MARGIN	46	181	264	319
CM %	34%	49%	54%	54%
DEPRECIATION	22	25	25	25
OTHER OVERHEAD	40	62	64	66
FIXED COST	63	88	89	91
TOTAL COGS	154	273	311	359
GROSS INCOME (LOSS)	(16)	94	175	228
Operating Expenses				
Sales & Mktg Exp	8	7	7	7
Gen & Admin Exp	56	57	59	60
Total Operating Exp	64	65	66	68
OPERATING INCOME (LOSS)	(80)	29	109	161
Other Income (Exp)	(1)	15	17	19
EBIT	(81)	44	126	180
Interest Exp	(58)	(37)	(27)	(18)
Income Tax	0	0	0	0
NIAT	(138)	7	99	162
Depreciation	25	28	28	28
EBITDA	(56)	71	154	208



Revenue is PhP 369 Million and variable cost is PhP 185 Million which reflects a 100% increase from previous year. EBIT is PhP 44 Million while NIAT is at PhP7 Million and EBITDA is PhP 71 Million. Mr. Capistrano explained that the team is anticipating positive numbers in the bottomline due to bigger sales than what we have had in the past. Interest expense is going down primarily due to the impact of the capital infusion worth PhP 350 Million that is projected for year 2020. Mr. Montinola commented that company is going back to 60-40 debt to equity. The main driver is capital infusion and a more realistic level of inventories from 73 tons to just about 40 level and there is a provision for investment in CAPEX. Mr. Roxas inquired about the price of the driver (for sapal) and MR. Capistrano replied that it is PhP 50 Million. For the upcoming year, short term loans and payables will be reduced.

RSAI Budget Balance Sheet for 2020 was shown.

ROXAS SIGMA AGRIVENTURES, INC. – 2020 BUDGET BALANCE SHEET				
In Php M	2019	2020	2021	2022
	LE	TOTAL	WHOLE YR	WHOLE YR
ASSETS				
Current Assets				
Cash	2	67	63	155
Trade and other receivables	4	54	65	68
Inventories	73	42	35	40
Other current assets	75	83	92	98
Total Current Assets	155	247	255	361
Noncurrent Assets				
Property and equipment	916	939	911	883
Other noncurrent assets	18	11	4	0
Total Noncurrent Assets	934	950	915	883
TOTAL ASSETS	1,089	1,196	1,170	1,245
LIABILITIES AND EQUITY				
Current Liabilities				
Short-term loans	221	166	181	191
Trade and other payables	176	79	35	40
Due to related parties	113	(0)	(0)	(0)
Total Current Liabilities	510	245	216	231
Noncurrent Liabilities				
Long-term loans	433	336	240	139
Other noncurrent liabilities	8	8	8	8
Total Noncurrent Liabilities	441	344	248	146
Total Liabilities	950	589	464	377
Equity				
Capital stock	492	942	942	942
Revaluation Increment	13	13	13	13
Retained earnings (deficit)	(365)	(347)	(249)	(87)
Total Equity	139	607	706	867
Total Liabilities and Equity	1,089	1,196	1,170	1,245

Total Current Asset is PhP 247 Million while the total asset is PhP 1.196 Billion. Total Current Liabilities is PhP 245 Million while the total liabilities is PhP 589 Million. The Total Liabilities and Equity is PhP 1.196 Billion.

Cash flow projections were then shown.

ROXAS SIGMA AGRIVENTURES, INC. – 2020 BUDGET CASH FLOW

In Php M	2020	2021	2022
Beginning Cash	2	67	63
Sales Collection	303	425	552
By Product Sales	15	17	19
Others			
Total Cash Available	318	442	571
	320	509	634
Disbursements			
Raw materials	87	100	115
Direct labor	12	7	15
Packaging & other Direct	80	78	91
Direct Cost	179	186	222
Salaries & benefits	20	20	21
Utilities & maintenance	33	26	30
Others	179	62	87
Opex & Indirect Costs	231	109	137
Net Loan (payment) / avail	(207)	(97)	(102)
Net Interest Payment	(36)	(31)	(18)
Capex / Investment	(51)	(24)	(1)
Net Financing & Capex	(295)	(152)	(121)
Investing	450	0	0
Net movement	65	(4)	92
Cash Ending	67	63	155



They explained that there will be a better and more positive internally generated cash, especially from 2020 up to 2022. Mr. Roxas asked if these numbers are based on current prices or if we are looking at an improvement on current prices. Mr. Ng replied that it still reflects the discounts that management is currently extending to its clients. He further explained that we recover the discount from the higher volume generated. No price increase is planned as of yet. Mr. F.R. Elizalde asked about the capacity against the volume which Mr. Ng replied that we are currently at 40% capacity only. Mr. Roxas then remarked that if demand suddenly increases, increasing the capacity will be not a problem. Mr. Gaspar shared that there is still a manpower issue.

Mr. Gaspar then presented the Grits to High Value Project. The general objectives of the project are to generate significant incremental revenues and profits from the conversion of grits (sapal) to high-value products, to increase the profits of existing products through the reduction of product costs by adding value to the input material (coconut) and spreading shared costs to more products and to provide flexibility by producing Dessicated Coconut (DC) with CWC without building finished goods inventory beyond customer orders. Mr. Gaspar added that Grits project is feasible and profitable. This will allow us to convert the grits, which are sold at Php 2 pesos a kilo, to high value products and if dried, it can be sold as desiccated coconut, VCO, and coconut flour. For the same coconut, the management will be adding value to the byproducts and will generate more revenue and incremental profit. It will put the company in a better position because cost of coconut will be divided into more products.

Project Phases was shown. Mr. Roxas inquired if it will be competitive with traditional desiccated coconut market which Mr. Gaspar confirmed. Contribution margin at 68% of sales. Payback period at 1.8 years. ROI at 56%. Gross income of Php28.6 Million and will give incremental gross income. The strategic question that must be asked is, do we get into a market that we will eventually want to get out of. Mr. Gaspar explained that this request for approval is contingent on the company's ability to raise the Php 350 Million additional equity. Mr. Montinola

remarked that it may be worth considering to instead increase capacity from 40% to 60% capacity instead of this new venture. He expressed concerns that it will be a distraction. Mr. Gaspar replied that it turns a by-product into something useful. He further explained that we are already trying to go up to 60% and that there is nothing more to extract from the sapal. Mr. Montinola then remarked that this might be a timing issue because there are some questions about going-concern and should not be looking at something new even if it is for good reasons. Ms. Bernardo then asked for capital expenditure requirement for this and Mr. Gaspar replied that will cost PhP 50 Million. The Board agreed that this will be just for information for now and will be brought up formally for approval once the funding is raised. Mr. Montinola said it is important that RSAI works first then it can be considered as a by-product.

BUDGET APPROVAL

The Chairperson inquired if there were comments on the presented budget for Calendar Year 2020. After review, and upon motion made and duly seconded, the Board approved the budget as presented.

VI. OTHER MATTERS

Atty. Monica Villanueva advised the Board that the schedule of Board and Committee meetings for Calendar Year 2020 will be circulated by email.

VII. ADJOURNMENT

There being no other matters of discussion, the Board of Directors adjourned its meeting.

PREPARED BY:


MONICA ISABELLE I. VILLANUEVA
Assistant Corporate Secretary

ROXAS & COMPANY, INC.

RELATED PARTY TRANSACTIONS
AS OF DECEMBER 31, 2019

ANNEX "D"

NAME OF RELATED COUNTER PARTY	RELATIONSHIP WITH THE PARTY	TRANSACTION DATE	TYPE/NATURE OF TRANSACTION	AMOUNT OR CONTRACT PRICE	TERMS OF THE TRANSACTION	RATIONALE FOR ENTERING INTO THE TRANSACTION	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	OTHER TERMS AND CONDITIONS
ROXACO LAND	SUBSIDIARY	BEG. BALANCE	SALE OF NATIPUAN PROPERTY Collection/Payment	40,178,571	N/A	BASED ON DEED OF SALE	BOARD OF DIRECTORS	
		07/31/2019 11/13/2019		-40,178,571				
ELRO RETAIL	SHAREHOLDER	BEG. BALANCE	Various Payments Conversion to Equity ADVANCES FROM	-45,188,125	N/A	BASED ON LOAN AGREEMENT	BOARD OF DIRECTORS - RPT COMMITTEE	
		12/18/2019		5,188,125				
				40,000,000 -0				
PESAN HOLDINGS	SHAREHOLDER	BEG. BALANCE	Various Advances Conversion to Equity ADVANCES FROM	-55,606,389	N/A	BASED ON LOAN AGREEMENT	Management BOARD OF DIRECTORS - RPT COMMITTEE	
		12/18/2019		-2,867,882				
				24,999,998 -33,474,273				

PERFORMANCE MANAGEMENT GUIDELINES

I. POLICY

It is the Company's policy to conduct performance reviews with employees on a regularly scheduled basis as a means of enabling the employees to achieve their individual goals and objectives, fostering employee development and motivating employees to reach their full potential on the whole.

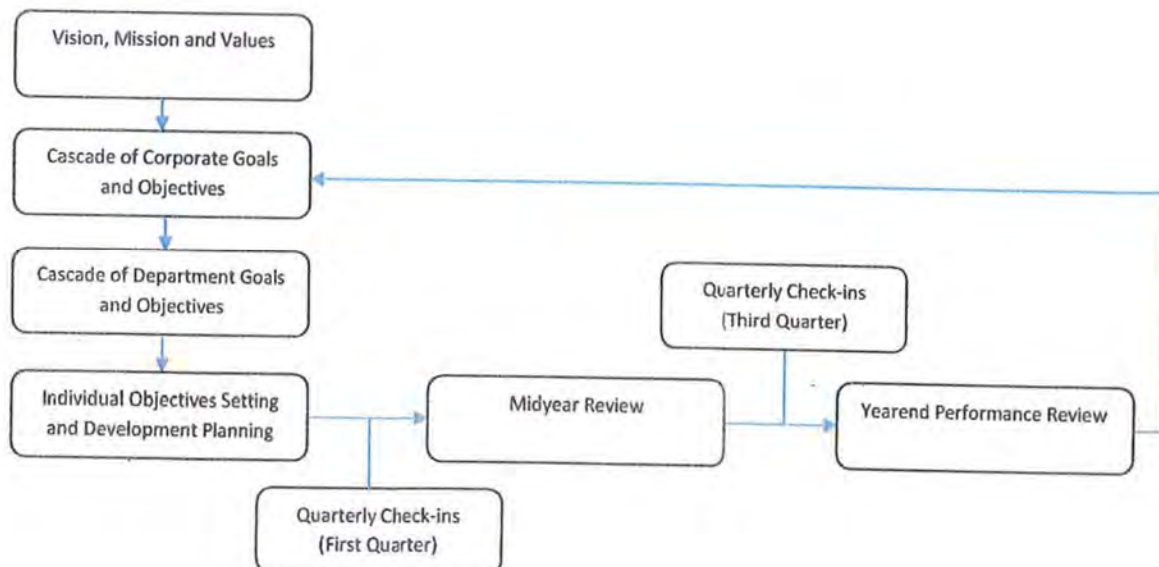
II. OBJECTIVE

The Performance Review aims to:

- enable the employees towards achievement of superior standards of work performance.
- promote a two-way system of communication between the supervisors and the employees for clarifying expectations about the employee's role and responsibilities, communicating the organizational and functional goals, providing regular and transparent feedback and sustained coaching for improving employee performance.
- identify the barriers to effective performance and removing those barriers through constant monitoring, coaching and development interventions.
- create a basis for administrative decisions, strategic planning, succession planning, promotions and performance-based pay increases.
- promote personal growth and advancement in the career of the employees by helping them to acquire the desired knowledge and skills.

III. PERFORMANCE MANAGEMENT CYCLE

The Performance Management Cycle is illustrated below:



IV. PERFORMANCE PLANNING

1. Corporate Goals/Objectives

- Top management shall establish the corporate goals/objectives aligned with the vision mission and values of the Company. These include concrete expectations with measures from each of the Business Unit (BU) and Functional Heads.
- The established corporate goals/objectives are cascaded by the relevant (BU) and Functional Heads down the line. These will form part of the Department Goals/Objectives.

2. Departmental Goals/Objectives

- Department goals/objectives must be aligned with the corporate goals/objectives set by Top management.
- The objectives must be specific, measurable, attainable, realistic, time-bound and challenging.

3. Individual Goals/Objectives

- Individual goals/ objectives of each member of the team must support the achievement of the department goals/ objectives.
- Individual goals/ objectives must thus also be specific, measurable, attainable, realistic, time-bound and challenging.

4. Calibration of Targets / Objectives

- All committed and agreed upon goals/objectives must be submitted to HR for calibration.
- HR together with Quality Assurance shall review all committed and agreed upon goals and objectives to ensure alignment with corporate goals/objectives and are specific, measurable, attainable, realistic, time-bound and challenging.
- The relevant department head will be advised of any clarification/revision/rectification that need/s to be made on the objectives consistent with the above guidelines.
- Once finalized, a copy will be retained by HR for reference.

5. Competency

- All employees will be rated according to the following general competencies:
 - Job Knowledge and Skills
 - Quality of Work
 - Customer Service/ Partnership
 - Problem Solving
 - Initiative and Motivation
 - Cost Effectiveness
 - Interpersonal Skills
 - Communication Skills

- Supervision (for supervisory staff)
- Leadership (for managers)
- Each competency is provided with a description in the Performance Management Form template to guide the rater in the assessment process.
- Critical incidents, based on the competency description, should be cited and assessed to come up with the appropriate rating for each competency.

6. Values

- On top of the general competencies, each employee's performance will also be evaluated based on how he demonstrated and exhibited the following values:
 - Excellence
 - Honesty and Integrity
 - Teamwork
 - Accountability
 - Commitment
 - Passion
- Each value is provided with descriptions to guide the rater in the assessment process.
- Critical incidents, based on the value description, should be cited and assessed to come up with a rating for each value.

7. Personal Development Planning

- Personal Development Plan must be aligned with the employee's job and/or career interests. In line with this, each manager must have a one-on-one discussion with his direct reports to better understand their career goals and the challenges they have on the job, and how to best overcome them.
- Consider the corporate, department and individual objectives in identifying the necessary skills, knowledge and attitude that support those objectives.
- A developmental plan must include a specific activity or undertaking with target date/s for completion.
- Developmental programs can include a combination of activities such as formal training, reading, working directly with subject-matter expert, one-on-one coaching and mentoring, cross posting, developmental assignment and visit to institutions that offer specific development opportunities.
- Result of development activities must manifest in the attainment of set goals.

V. PERFORMANCE REVIEW

1. MIDYEAR REVIEW

- This is a discussion on how well the individual is doing so far on his performance objectives. It provides an opportunity for the immediate superior to give feedback and/or to coach the Ratee on the achievement of goals/objectives agreed upon and areas for improvement.
- Midyear reviews are done so the Ratee can have ample time to meet or exceed the agreed performance objectives. The Ratee is also given the chance to discuss pertinent information and factors that have impact on his/her current work performance.

2. YEAREND PERFORMANCE REVIEW

- This is the annual review of the employee's individual work performance. The purpose of the discussion is for the employee and his manager to align and discuss how well did he do against the objectives they have agreed at the beginning of the year. It is also a discussion on areas for improvement moving into the future.
- In doing the performance review:
 - The Ratee makes an initial self-assessment where the employee will objectively rate his performance for the year citing specific instance/s to support his rating and incident/s to support his demonstration of the Competencies and Values. The employee submits the accomplished performance review with his self-assessment to his immediate manager for review.
 - The Rater makes his own assessment of his direct report's performance likewise citing specific instance/s to support his rating and incident/s to support his direct report's demonstration of the Competencies and Values.
 - The Rater then discusses the qualitative assessments and quantitative ratings to his next level manager for vetting.
 - When the assessment and rating have been vetted by the next level manager, the Rater discusses to the Ratee the results of the performance review.
 - The Rater and the Ratee shall endeavor to agree on the results of the performance review and affix their signatures on the Performance Review Form template. The signed copy of the form is then forwarded to HR for calibration of the ratings.

3. QUARTERLY CHECK-INS

To aid both the employee and his manager to accurately monitor the employee's performance, quarterly check-ins should be done by every manager with direct reports to check on the progress of attaining his goals/objectives. The activity will ensure that the employee is on track with his individual objectives.

4. MONITORING SHEETS

Monitoring sheets have been devised for use both by the employee and his manager to document and track progress of the employee's performance as against his goals/objectives and any further agreements he may have with his manager moving forward throughout the performance year.

VI. Roles and Responsibilities

RATER

- a) Sets and cascades Department goals/objectives in line with the agreed Corporate goals/objectives.
- b) Discusses and agrees on each of his direct report's individual objectives and development plans.

- c) Conducts quarterly check-in reviews.
- d) Conducts performance review with the Ratee twice a year.
- e) Conducts coaching to address any key performance issues, as necessary.
- f) Discusses his performance review and assessment of his direct reports to his next level manager for vetting.
- g) Discusses the results of the performance review of his direct reports.
- h) Explains how the final rating serves as a basis in cases of promotions, salary increases, bonuses and the like.

RATEE

- a) Discusses and agrees with his manager on his individual goals/objectives and development plans.
- b) Religiously accomplishes monitoring sheets to record performance.
- c) Initiates quarterly check-ins with his manager.
- d) Initiates performance review with his manager and submits self-assessment before the actual yearend performance review discussion, submitting relevant monitoring sheets and such other documents to support his self-assessment.
- e) Asks questions and/or clarification, as necessary; and
- f) Signs off on the Performance Review and Development Plan form template to signify that a discussion of the results thereof happened between him and his manager.

NEXT LEVEL MANAGER

- a) Reviews and evaluates Ratee and Rater assessment and rating.
- b) Approves the assessment and rating.
- c) Provides recommendation/s to the relevant manager on how to further reinforce high performance in the team.

**ROXAS AND COMPANY, INC.
MINUTES OF THE MEETING OF THE
AUDIT AND RISK COMMITTEE**

Held on 06 December 2019 at 2:00pm
RCI Boardroom, 7th Floor, Cacho-Gonzales Building
101 Aguirre Street, Legaspi Village, Makati City

PRESENT:

MS. CORAZON S. DE LA PAZ-BERNARDO – *Chairperson, Audit and Risk Committee,
Independent Director, Non-Executive Director*
MR. AURELIO R. MONTINOLA III – *Member, Non-Executive Director, Independent
Director*
MR. FRANCISCO JOSE R. ELIZALDE – *Member, Non-executive Director*

OTHERS PRESENT:

SGV TEAM:

MR. KRISTOPHER S. CATALAN
MR. FELINOR PASCUA JR.
MR. MARTIN GUANTES
MR. FERNANDO L. GASPAR
MS. GAMAYCA Q. CASEM
ATTY. MONICA ISABELLE I. VILLANUEVA

I. CALL TO ORDER

The Chairperson, Dir. Corazon Dela Paz-Bernardo, called the meeting to order and presided over the same. The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, recorded the minutes of the meeting.

II. CERTIFICATION OF A QUORUM

With the presence of all Committee Members, the Assistant Corporate Secretary certified that there was quorum to conduct the business of the Committee.

III. ROXAS AND COMPANY INC. AND SUBSIDIARIES 31 DECEMBER 2019 AUDIT

Mr. K. S. Catalan presented the for RCI and subsidiaries for the 31 December 2019 audits. He added that the issues are essentially the same as those raised at the last meeting of the Audit Committee held on November 2019.

Audit timeline

The audit timeline was presented thus: remaining audit approach from December 2019 up to April 2020, consisting of RSAI site visit, year-end trial balance and audit requirements, year-end substantive procedures, submission of income tax calculation, submission of draft separate and consolidated financial statements, closing meeting with management and review of the drafts separate and consolidated financial statements and related disclosures, release report on the separate and consolidated financial statements, and approval of the RCI Board of Directors of the issuance of audited separate and consolidated financial statements.

Areas of audit emphasis

The Consolidated Statement of Financial Position as of 30 September 2019 was presented. Cash and cash equivalents on current assets is PhP 49,647 Million while trade and other receivables is PhP 14,383 Million and real estate for sale and development is PhP 532,380 Million. Total Non-current assets is PhP 11.6 Million while the total assets is PhP 12.7 Million. Total current liabilities is PhP 2.5 Million and total non-current liabilities is PhP 2.3 Million thus the total liabilities is PhP 4.9 Million. Total liabilities and shareholder's equity is PhP 12.7 Million.

On the issue of ability to continue as a going concern, Mr. Catalan explained that the question is whether there is enough capital to continue. Mr. F. Elizalde remarked that most of the liabilities have been renegotiated in terms of maturities and Mr. Catalan replied that there is still a need to create value and cash flow for the subsidiaries. Management plans were then discussed thus: sale of idle properties, sale of RHI investment (will not be attractive because of PhP1.9B net loss of RHI), reissuance of treasury shares, issuance of preferred shares, and re-negotiation of loan maturities. The sale of properties to SM and Ayala has raised PhP 198 Million and there is also an ongoing discussion with Sta. Lucia. The issuance of preferred shares amounting PhP 500 Million and re-negotiation of loan maturities have been already been completed. Finally, RSAI is still trying to raise equity and increase operations, the potential sale of RHI investment and reissuance or sale of RCI treasury sales is currently ongoing.

The planned audit procedures were then discussed. Mr. Catalan presented the procedures to evaluate management assessment on the entity's ability to continue, review prospective financial information and underlying assumptions, obtain cash flow forecast, evaluate management plans for future actions in relation to its going concern assessment and discuss with the management its plans to liquidate assets, borrow money, reduce expenditures and increase ownership equity. Ms. Bernardo then requested that they provide an advance copy of the report before it is filed with the SEC.

Mr. Montinola summarized the issues raised by SGV: operating capacity can get resolved due to sale of assets while negative working capital is a question of how it can be handled, and finally SGV will want to see a budget for 2020, which should be positive EBITDA. Mr. Montinola added that the re-valuation of certain assets like the plant in Mindanao can address some of these concerns while the planned sales of other assets can address the rest of these issues. Mr. Catalan commented that the company is in a positive net asset position but that not in a liquid asset position. With respect to SEC requirements, it is required to raise a material uncertainty if there is a negative net equity.

Impairment of RSAT's coconut processing plant

Actual sales is lower than the budgeted sales, working capital is negative and the plant is operating below capacity. Mr. Catalan remarked that there is a need to project cash flows from operations of the plant. For impairment purposes, accounting requires that the value in use be determined to justify the continuous carrying amount. Mr. Montinola inquired about the carrying amount as of today then Mr. Pascua replied that it is around PhP 900 Million less depreciation.

Planned audit procedures were discussed: update the understanding of the Group's impairment assessment process, the related controls, the valuation model and assumptions applied; Conduct site visit of the plant and involvement of internal specialist in evaluating the methodologies and the assumptions used in the assessment of the recoverable amount.

Potential impairment of the hospitality assets

Go Hotels occupancy rate is up by 6% versus last year however it is still below 7% of budgeted occupancy. The potentially underperforming sites, Timog and Cubao, have 41% and 45% occupancy, respectively, while Anya's occupancy rate is up by 9% versus last year. However, this is still 7% below budgeted occupancy. The actual occupancy rate is 43%. For nine months, RAHC and Anya incurred a net loss of (PhP 73 Million) and (PhP 20 Million), respectively.

Planned audit procedures were discussed: update the understanding of the Group's impairment assessment process, the related controls, the valuation model and assumptions applied; involvement of internal specialist in evaluating the methodologies and the assumptions used in the assessment of the recoverable amount; and obtain management's assessment whether the planned sale of the Go Hotels will be considered as discontinued operations under PFRS 5.

Mr. Catalan then reported that the additional plan is either a sale or to find a new partner. Upon being asked for an update, Mr. Gaspar replied that there is a transaction in place, which the group is trying to close by end of the year. He reported that the process has already started. Mr. Catalan added that if there is an active buyer before 31 December 2019, it will be re-classified as a current asset available for sale.

Valuation of investment in an associate

As of 30 September 2019, RHI has a shortfall of PhP 1.3 Million. Impairment indicators identified for 2019 include: fair value of RHI shares is lower than the carrying value of investment in RHI; and continuous volatility in sugar production and market prices and intense market competition.

Planned audit procedures were discussed. On the valuation, there is a need to update the understanding of the Group's impairment assessment process, the related controls, the valuation model and assumptions applied, involvement of internal specialist in evaluating the methodologies and the assumptions used, compare growth rates and weighted average cost of capital with the relevant external data, compare the revenue and margin growth rates and EBITDA to the historical performance of the cash generating unit and review the SGV disclosures about the assumptions. On the equity accounting, there is a need to recompute the RCI share in net income of RHI, obtain an understanding of RHI quedan system and test the relevant controls on the information system and manual processes, inquire with RHI's legal counsel and management about the status and

potential exposures of the significant claims and their basis of assessment of the outcome of the claims, and compare property related data in the appraisal reports against RHI's records.

Due to the reported substantial losses, it will be re-classified as a non-current asset unless there is an active program to before the year-end.

Revenue and Cost Recognition

Impact on the financial statements were discussed, which includes: the assessment of the stage of completion and level of buyer's equity, completeness of signed contract to sell and variable considerations representing options granting material rights.

Planned audit procedures were introduced thus: update the processes for determining the POC, assess competence and objectivity of the project development engineers by reference of qualifications, experience and reporting responsibilities, trace costs accumulated to the supporting documents for selected projects, visit selected sites and made relevant inquiries, perform test computation prepared by the management for the percentage of completion, evaluate management's basis of the buyer's equity, obtain an understanding of the entity's process for implementing PFRS 15, evaluate design and test the operating effectiveness of adoption controls that address the risks, per from substantive audit procedures and assess adequacy of the entity's financial statement.

Mr. Catalan reported that the issues have been raised that the management is aware of what needs to be done.

At this juncture, Mr. Montinola commented that what management should be doing is to ensure that the financials are accurate and that the company can continue as a going concern. Mr. Gaspar reported that while we were not able to do what we said we will do for 2019, we still found alternative measures to raise money because we are very cognizant of the situation.

Classification of Investment Properties

Impact of the classification of investment properties on the financial statements was discussed. Classification of parcels of land as part of investment properties is significant because the assessment requires significant judgment by management based on the status of the legal proceedings. There is an inherent uncertainty over the outcome of this matter, which is brought about by the differences in the interpretation and application of the regulations, laws and rulings.

Planned audit procedures were introduced. Discuss with management the status of the cases relating to land properties under CARL and obtain correspondences from the relevant authorities and opinions of the external and internal legal counsels. Thereafter, there will be a need to evaluate the position of the company by considering the law, rulings and jurisprudence.

Valuation of Investment Properties and Land under Property and Equipment

The valuation of the investment properties and land properties under property and equipment requires the assistance of an external appraiser, whose calculations involve certain

assumptions, such as sales price of similar properties and adjustments to sales price based on internal and external factor.

Based on the quarterly reviews, no fair value adjustment was recognized in the investment properties since the last appraisal report made in December 2018. Management assessed that there is no significant change or development in the covered properties from the latest valuation report date that would significantly change the market value of the properties.

Planned audit procedures were introduced: evaluate the objectivity, independence and expertise of the external appraisers; assess methodologies used by comparing against the generally accepted methodologies set by valuation standard bodies; review the information supporting the comparability and the measures of value of the selected comparable properties; assess the adjustments made to the value of the comparable properties by evaluating the factors individually and involve an internal specialist in the evaluation of management's position.

Adoption of PFRS 16

The potential impact on the financial statements will arise from the recognition of right-of-use assets and lease liabilities, depreciation and interest expense related to the right-of-use assets and lease liabilities recognized and additional financial statements disclosures. Management provided a quantification of the impact of PFRS 16 adoption on its leaseback agreement with unit owners of Anya as of 30 September 2019 amounting PhP 132 Million.

Planned audit procedures was discussed: obtain management database of contracts; evaluate management's assessment of contracts that contains a lease and are within the scope of PFRS 16; review terms and conditions to test management's identification of lease and non-lease components; recalculate and agree on contract considerations; obtain management's calculation of the lease liability and test that the lease payments and discounts rate used to calculate the lease liability are complete and accurate.

Adoption of PFRS 9

Mr. Catalan reported that last year, no credit losses were recognized. PFRS 19 is classified into two criteria that includes the company's business model for managing the assets and whether the contractual cash flows represent solely payments of principal and interest on the principal amount outstanding. The adoption of PFRS 9 has fundamentally changed the group's accounting for impairment losses for financial assets by replacing PAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

Planned audit procedures was presented: obtain an understanding of the entity's process for implement PFRS 9; confirm the understanding of the entity's process for PFRS 9; and if taking a controls reliance strategy, evaluate the design and test the operating effectiveness of adoption controls that address the risks.

Other focus areas

Recoverability of tax assets. NOLCO of RLC and RAHC as of 31 December 2018 is PhP 226 Million while recognized and unrecognized assets on NOLCO as of 31 December 2018 is PhP 76 Million and PhP 95 Million, respectively. Net loss for RLC is PhP 34 Million while RAHC

is PhP 73 Million. Mr. Catalan remarked that RSAI's recoverability of tax assets was already corrected.

Planned audit procedures were shown: reiterating the steps to be done that includes the review of three-year taxable income forecast to assess the recoverability of deferred income tax assets, discussed with the management reasonableness of the significant items driving the taxable income in each of the group's entities; consider implications of the corporate tax and incentive rationalization act and consider potential allowance for the input VAT to be refunded.

Another focus area is determining the net realizable value of real estate for sale and development. When circumstances that previously caused real estate for sale and development to be written down below cost no longer exist or when there is a clear evidence of an increase in net realizable value because of change in economic circumstances, the amount is the lower of the cost and the revised NRV. Planned audit procedures was then presented which includes: to update the understanding on the basis of estimating the NRV and allowance for impairment loss; test the reasonableness of the management's estimates, review management's basis for reasonableness of the allowance rate used; perform test computation prepared by the management for the NRV of real estate for sale and development; test whether the real estate for sale and development are recorded at lower cost; and evaluate the adequacy of the disclosure to the consolidated financial statements.

On uncertainty over income tax treatments, Mr. Catalan recommends that Management make a list of uncertain tax positions, make an assessment if BIR will accept that position or not, and if it will not be accepted, make a provision (usually pertains to accruals of expenses without withholding tax).

Another area of focus is the tax exposure on documentary stamp tax on intercompany advances. Significant outstanding balances as of 30 September 2019 is PhP 252 Million. Planned audit procedures was presented that includes: to perform test computation prepared by management for the possible exposure of the Group on non-payment of DST and obtain updated management's position on the Group's exposure on DST deficiency.

Finally, in terms of compliance with debt covenants, Mr. Catalan reported that the company was able to secure a waiver for this year where the creditor bank approved the suspension of the DSCR requirement effective until the year ending 31 December 2019. Management requested for the same waiver for the year ending 31 December 2020. Planned audit procedures was presented: to obtain details of any covenants or other restrictive provisions of loan agreements, review and perform the calculation and other evidence designed to test whether the group has been compliance throughout the year and consider whether addition financial statement disclosure is required and whether the classification of the long-term borrowings is appropriate in the financial statements.

Overview of changes in accounting standards

Mr. Catalan then reported the changes in accounting standards that are applicable to the group for the period beginning 01 January 2019:

- Amendments to PFRS 9- Prepayment Features with Negative Compensation

- Amendments to PAS 12- Income Tax Consequences of Payments on Financial Instruments classified as Equity.
- Amendment to PAS 28 – Long Term Interests in Associates
- Amendments to PAS 19- Employee benefits, Plan amendment, Curtailment or Settlement
- Amendments to PFRS 3 and PFRS 11- Business combination and Joint arrangements
- Amendments to PFRS 3- Definition of a Business
- Amendments to PAS 1 and PAS 8- Presentation of Financial Statements and Accounting policies, changes in accounting estimates and errors, definition of material.
- PFRS 17, Insurance Contracts

Mr. Catalan added that the while these amendments are currently not applicable to the group, it may apply to future transactions. The amendments to PAS 23, Philippine Interpretation IFRIC-23 and PFRS 16 are currently being assessed.

Recent changes and proposed changes to laws and regulations that are applicable to the group were enumerated as follows:

- SEC Memo 4-2019 – Sustainability Reporting Guidelines for PLC’s
- SEC Memo 10-2019 – Rules on Material Related Party Transactions for PLC’s
- SEC Memo 12-2019 – Adoption on Revised Conceptual Framework
- SEC Memo 15-2019 – Revision of GIS to include Beneficial Ownership
- SEC Memo 16-2019 – Guidelines on the numbers and qualifications of incorporators under the Revised Corporation Code.
- SEC Notice- Clarifications of the filing of AFS pursuant to the Revised Corporation Code of the Philippines.
- Request from SEC to the public to submit their comments, feedback and inputs on the draft Code of Corporate Governance for Public Companies.
- Launch of Sustainability Reporting Guidelines for publicly listed companies (PLCs), requiring on a “comply or explain” basis to submit sustainability reports starting 2020
- BOA Resolution adopting the 2018 edition of the IESBA Code of Ethics for Professional Accountants as the Code of Ethics for Professional Accountants in the Philippines (2018 Code).
- Repeal of Board of Accountancy Resolution Nos. 03-2016; 68-2016; 115-2016; 163-2017; and 185-2017 on the Compilation Services.
- Revised Securities Regulation Code (SRC) Code 68 (October 3, 2019) as follows:
 - a) Changes in covered entities
 - b) Financial reporting framework
 - c) Revised definition of error, fraud and significant subsidiary
 - d) Categories of independent auditors and requirements
 - e) Changes related to financial statements
 - f) Other documents to be filed with financial statements
 - g) Test of materiality
 - h) Re-issuance of financial statements

Significant Tax Updates

Summary on tax updates were shown. The definition of top withholdings agents was revised and is now defined as taxpayers whose gross sales/receipts or gross purchases is at least PhP12 Million revenue per year. Updates on the Transfer Pricing Guidelines were also included and it provides standardized audit procedures and techniques in the conduct of audit of taxpayers with related party or intra-firm transactions and in conduct of TP Audit, the BIR will be examining several documents such as the taxpayer's policy and documentation. The BIR will also require the taxpayer to submit within five (5) working days from receipt of notice, various information/proof, in prescribed formats.

Disallowance of expenses are not subjected to withholding taxes and for Improperly Accumulated Earnings Tax (IAET), the standards used for determining whether a corporation is a closely-held corporation or a publicly-held corporation exempt from IAET were discussed. Ms. Bernardo inquired if the corporation is covered or classified as a closely held corporation and Mr. Catalan confirmed that it is not due to the treasury shares.

Mr. Catalan then inquired if there were any reported fraud incidents and any non-compliance with the rules and regulation which Ms. Bernardo confirmed that there is none. Mr. then Catalan reiterated the independence of the SGV group from management and directors.

IV. INTERNAL AUDITOR'S REPORT AND AUDIT PLAN 2020

Ms. Gamayca Casem presented the Audit Plan for CY 2020.

Ms. Casem enumerated the sources of auditable activities as follows: (1) prior years' audit activities subject to follow-up or retests (2) external Auditor's prior and current reports (3) Board of Directors, Audit Committee and Management meetings (4) Special Management requests (5) Entities' end-to-end processes and (6) Internal Auditors' skills set.

Risk Assessment and Prioritization were rated based on the following factors: (1) Fraud potential, (2) Process complexity, (3) Degree of judgement required, (4) Financial reporting impact, (5) Volume of transactions, (6) Compliance risk and (7) History of issues

Manpower and Budget were then presented for approval of the Audit Committee:

A. Manpower

Position	Name	Scope	Man-Days
Audit Manager	--- Vacant --- (<i>Resigned - Dec</i>)	RCI & Subsidiaries	-
Senior Auditors	April Genevive Tocooyo (<i>Interim Audit Lead</i>)		133 days
	Anthony Von Ludwig Dimson		208 days
Junior Auditors	--- Vacant --- (<i>Resigned - Jul</i>)	RSAI (<i>Tupi-based</i>)	-
	--- Vacant --- (<i>Transferred to Operations - Jan</i>)		-

B. Conso 2020 Internal Audit Department Budget (in million P)

Account	2019 Budget	2019 Actual	2020 Budget	RCI (Parent)	RLC (Real Estate)	RAHC (Go Hotels)	RSAI (Coconut)	AHG (Hotel Mgt)	ART (Any)
OPEX	5.4	3.0	3.9	2.9	0.1	0.2	0.5	0.1	0.1
CAPEX	2.0	-	1.0	0.9	-	-	0.1	-	-

Ms. Bernardo inquired why the actual is significantly lower than budget for 2019. Ms. Casem replied that the audit team did not hire a junior audit, another one resigned, another one transferred to operations, and finally there were no training and development conducted for the year.

RCI and Subsidiaries Risk Areas to Cover for 2020 was then presented.

No.	Entity	High Risk Areas Identified <i>(subject to quarterly re-assessment)</i>
1	All Entities	Petty Cash, Revolving Fund, Cash Advances and Liquidation
2	RAHC (Go Hotel)	Revenue, Receivable and Collection Cycle
3		Revenue, Receivable and Collection Cycle
4	ART (Anya)	Kitchen: <ul style="list-style-type: none"> - Requisition of Inventory of Ingredients - Production of Breakfast Buffet Spread - HACCP Standards on Cleanliness, Hygiene and Sanitation - Service Standards
5		Logistics: <ul style="list-style-type: none"> - Material Requirements Planning - Production Planning - Inventory Management - Stuffing and Shipping Operations
6	RSAI (Coconut)	Raw Materials Sourcing: <ul style="list-style-type: none"> - Nuts Receiving - Organic Certification Procedure
7		Production: <ul style="list-style-type: none"> - Coconut Cream Production - Coconut Meat Processing - Other Handling Procedure
8		Systems Compliance - BRC and Halal

Finally, Ms. Casem reiterated and confirmed their independence and commitment to (1) Integrity, (2) Objectivity, (3) Confidentiality, and (4) Competence.

Ms. Bernardo then inquired about what needs to be focused on and Ms. Casem replied that the two (2) senior auditors should focus in the 1st quarter on pending open items for the past years. Ms. Casem will prepare a list for the Audit Committee and Mr. Gaspar.

Ms. Bernardo then advised the Audit Committee that Ms. Casem has resigned and a replacement needs to be hired as soon as possible. In the meantime, the two (2) remaining auditors will perform the work required.

VII. ADJOURNMENT

There being no other matters of discussion, the Committee adjourned its meeting.

PREPARED BY:


MONICA ISABELLE I. VILLANUEVA
 Assistant Corporate Secretary

REPUBLIC OF THE PHILIPPINES)
) S.S.

SECRETARY'S CERTIFICATE

I, **PETER D.A. BAROT**, Filipino, of legal age, and with office address at Penthouse, Liberty Center 104 H.V. Dela Costa St., Salcedo Village 1227 Makati, Metro Manila after having been duly sworn to in accordance with law, hereby certify as follows:

- I am the duly appointed and incumbent Corporate Secretary of **ROXAS AND COMPANY, INC.**, a corporation duly organized and existing under the laws of the Philippines, with principal office located at 7th Floor, Cacho-Gonzales Building, 101 Aguirre Street, Legaspi Village, 1229 Makati City (the "Corporation");
- As the Corporate Secretary, I have custody and access to the corporate records of the Corporation;
- Based on the Corporation's records, the regular and special meetings of the Board of Directors for the calendar year 2019 were attended, in person or through teleconference, by at least one (1) independent director and each member of the Board of Directors attended at least fifty percent (50%) of all Regular and Special Meetings for the year 2019. Their attendance are summarized as follows:

Directors	05 Apr	10 May	02 Jul	05 Aug	12 Nov
Mr. Roxas, Pedro O.	√	√	√	√	√
Mr. Gaspar, Fernando L.	√	√	√	√	√
Mr. Elizalde, Carlos R.	√	√	√	X	X
Mr. Elizalde, Francisco R.	√	√	√	√	√
Ms. De La Paz-Bernardo, Corazon S.	√	√	√	√	√
Mr. Montinola III, Aurelio R.	√	X	√	√	√
Mr. Luchanco, Guillermo D.	√	X	√	√	√

- The meetings of Audit and Risk Committee for the calendar year 2019 were attended, in person or through teleconference, by the following:

Members	02 Apr	02 May	01 Aug	07 Nov	06 Dec
Ms. De La Paz-Bernardo, Corazon S.	√	√	√	√	√
Mr. Elizalde, Francisco R.	√	√	√	√	√
Mr. Montinola III, Aurelio R.	√	√	√	√	√

- The meetings of Related Party Transactions Committee for the calendar year 2019 were attended, in person or through teleconference, by the following:

Members	02 May	30 Jul	01 Aug	06 Dec
Mr. Montinola III, Aurelio R.	√	√	√	√
Ms. De La Paz-Bernardo, Corazon S.	√	√	√	√
Mr. Elizalde, Francisco R.	√	√	√	√

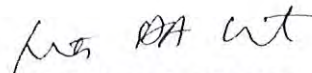
6. The Governance Committee Meeting held last 28 May 2019 was attended, in person or through teleconference, by the following:

Mr. Roxas, Pedro O.
Mr. Luchangco, Guillermo D.

7. I certify that the above listed attendance of the Board of Directors in the meetings for the year 2019 are true and correct based on the Corporation's records.

AUG 27, 2020

IN WITNESS WHEREOF, I hereunto affix my signature this _____ day of _____ in MAKATI CITY.


PETER D.A. BAROT
Corporate Secretary

AUG 27, 2020

SUBSCRIBED AND SWORN to before me this _____ at Makati City, Philippines, affiant exhibited to me his Passport No. P0746669B issued on 20 February 2019 at Manila, Philippines.

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Page No. 29;
Book No. 184;
Series of 2020


ATTY. JOHN DOMINGO A. PONCE, JR.
NOTARY PUBLIC
APPOINTMENT No. M-52 / MAKATI CITY
UNTIL DECEMBER 31, 2020
PTR No. 8147226 / 01-2-20 / MAKATI CITY
IBP No. 109884 01-0-2020 / RIZAL
MCLE COMPLIANCE No. VI-0027026 / 02-28-2019
ROLL NO. 36482 / TRN No. 106-090-102-090
Unit 0-14 Makati Executive Tower 3
Bon. Gil Puyat Avenue, Pio del Pilar,
Makati City, Metro Manila

ANNEX "H-1"

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **CORAZON S. DE LA PAZ-BERNARDO**, Filipino, of legal age and with office address at Unit 24A, Lorraine, The Proscenium, Rockwell Center Makati, Estrella Street, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Roxas and Company, Inc.** and have been its Independent Director since year 2013.
2. I am affiliated with the following companies or organizations:

COMPANY/ORGANIZATION	POSITION/RELATIONSHIP	PERIOD OF SERVICE
MFI POLYTECHNIC INSTITUTE, INC.	TRUSTEE/TREASURER	1989 TO PRESENT
LAURA VICUNA FOUNDATION FOR STREET CHILDREN	TRUSTEE/ASSISTANT TREASURER	1990 TO PRESENT
JAIME V. ONGPIN FOUNDATION, INC.	TRUSTEE/ VICE CHAIRPERSON	1991 TO PRESENT 2013 TO PRESENT
JAIME V. ONGPIN MICROFINANCE FOUNDATION.	CHAIRMAN	2017 TO PRESENT
MIRIAM COLLEGE	INDEPENDENT TRUSTEE	1998 TO PRESENT
PLDT, INC.*	ADVISOR TO THE BOARD AUDIT COMMITTEE	2004 TO PRESENT
BDO UNIBANK, INC.*	ADVISER TO THE BOARD & AUDIT COMMITTEE	2012 TO PRESENT
UNIVERSITY OF THE EAST	INDEPENDENT TRUSTEE	2007 TO PRESENT
UE RAMON MAGSAYSAY MEMORIAL MEDICAL CENTER	INDEPENDENT TRUSTEE	2007 TO PRESENT
PHILIPPINE BUSINESS FOR EDUCATION	TRUSTEE	2015 TO 2017
SHAREHOLDERS ASSOCIATION OF THE PHILIPPINES	TRUSTEE VICE CHAIRMAN	2013 TO PRESENT 2016 TO PRESENT
DEL MONTE PHILIPPINES, INC.	INDEPENDENT DIRECTOR	2018 TO PRESENT
PHINMA EDUCATION HOLDINGS INC.	INDEPENDENT DIRECTOR	2020
REPUBLIC GLASS HOLDINGS CORPORATION (RGHC)*	INDEPENDENT DIRECTOR	2012 TO PRESENT
D&L INDUSTRIES, INC.*	INDEPENDENT DIRECTOR	APRIL 2017 TO PRESENT

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Roxas and Company, Inc. as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as independent director under the Securities Regulation Code.

5. I disclose that I am the subject of the following administrative investigation or proceeding

OFFENSE CHARGED/INVESTIGATED	TRIBUNAL OR AGENCY INVOLVED	STATUS
OMB-C-C-16-0341: For violation of Section 3(E), Republic Act No. 3019, and Article 217 of the Revised Penal Code.	Office of the Ombudsman	DISMISSED WITHOUT PREJUDICE ON MAY 31, 2017; REFERRED TO COA PER SECTION 24 OF R.A. NO. 10149

6. I shall inform the Corporate Secretary of Roxas and Company, Inc. of any changes in the abovementioned information within five (5) days from its occurrence.

Signed on this ___ day of _____ 2020 in Makati City.

JUL 07 2020

Corazon S. De La Paz-Bernardo
CORAZON S. DE LA PAZ-BERNARDO
 Affiant

SUBSCRIBED AND SWORN to before me this JUL 07 2020 day of _____ 2020 in Makati City Affiant personally appeared before me and exhibited to me his Community Tax Certificate No. 04404302 issued in MAKATI on 02-10-2020 and Passport No. P1087569A issued on 12-05-2016 and valid until 12-04-2021.

Doc. No. 123
 Page No. 89
 Book No. 180
 Series of 2020.

John Bernabe S. Torres, Jr.
 NOTARY PUBLIC
 APPOINTED BY THE COMMISSION ON GOVERNMENT ACCOUNTS AND AUDITING
 FEB 2016
 OFFICE: 1101 P. O. BOX 1101, MAKATI CITY
 TEL. NO. 8762-1101
 MAILING ADDRESS: 1101 P. O. BOX 1101, MAKATI CITY
 1101 P. O. BOX 1101, MAKATI CITY
 1101 P. O. BOX 1101, MAKATI CITY
 1101 P. O. BOX 1101, MAKATI CITY

ANNEX “H-2”

CERTIFICATE OF INDEPENDENT DIRECTOR

I, **AURELIO R. MONTINOLA III**, Filipino, of legal age and with office address at AMON Trading, 10F Pacific Star Bldg., Sen. Gil Puyat corner Makati Avenue, Makati City, after having been duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Roxas and Company, Inc.** (formerly CADD Group Corporation) for the calendar year 2020.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Date Assumed
Bank of the Philippine Islands	Director	14 January 2004
BPI Family Savings Bank, Inc.	Director	01 July 1985
BPI Capital Corporation	Director	24 April 2007
BPI Direct BankO, Inc. A Savings Bank (formerly known as BPI Direct Savings Bank, Inc.)	Director	22 February 2017
BPI/MS Insurance Company	Director	25 January 2002
BPI Foundation, Inc.	Trustee	2002
Nicanor Reyes Educational Foundation, Inc.	Chairman	07 October 2013
East Asia Computer Center Inc.	Chairman	03 October 2013
FEU High School Inc.	Chairman	22 September 2014
FEU Cavite	Chairman	2018
Philippine Business for Education Inc.	Vice-Chairman/Trustee	01 June 2009
Far Eastern University	Chairman/Trustee	August 2013
FEU Alabang	Chairman/Director	November 2017
Amon Trading Corporation	Chairman/Director	1996
Armon Realty, Inc.	Chairman/President and Director	1993
Monti-Rey Inc.	Chairman/Director	1996
Derrc, Inc.	Chairman/Director	2001
Desrey, Inc.	Chairman/Director	1996
Seyrel Investment & Realty Corporation	Chairman/Director	1996
Mere, Inc.	Vice-Chairman/Director	February 2006
Western Resources Corporation	Director	1982
Amanda Carina Holdings, Inc.	Chairman/President/Director	March 2011
Management Association of the Philippines	Member/Vice President and Governor	2005/2020
Pres. Manuel A. Roxas Foundation	Trustee	2008
Philippine Trade Foundation, Inc.	Member	June 2010
Anita Magsaysay Ho Foundation	Trustee	17 February 1993
Roosevelt College, Inc.	Chairman	2016
Ramon Magsaysay Award Foundation	Trustee	October 2017
Solar Pacific City Sun Corporation	Director	2017

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of Roxas and Company, Inc. as provided for in Section 38 of the Securities Regulation Code and Its Implementing Rules and Regulations.
4. I shall faithfully and diligently comply with my duties and responsibilities as Independent director under the Securities Regulation Code.
5. I shall inform the Corporate Secretary of Roxas and Company, Inc. of any changes in the abovementioned information within five days from its occurrence.

Signed on this JUL 07 2020 day of _____ 2020 in Makati City.



AURELIO R. MONTINOLA III
Affiant

JUL 07 2020

SUBSCRIBED AND SWORN to before me this _____ day of _____ 2020 in Makati City, Affiant personally appeared before me and exhibited to me his Phil Passport No. P2310021A issued on 16 March 2017 at DFA Manila.

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Series of 2020.

(Faint, mostly illegible text, likely a stamp or official record)

ANNEX “H-3”

CERTIFICATION OF INDEPENDENT DIRECTORS

I, **GUILLERMO D. LUCHANGCO**, Filipino, of legal age and with office address of 17th Floor, Robinson's Summit Centre, 6783 Ayala Avenue, Makati City after having duly sworn to in accordance with law do hereby declare that:

1. I am an independent director nominee of **Roxas and Company, Inc.** (formerly CADP Group Corporation) for the calendar year 2020.
2. I am affiliated with the following companies or organizations:

Company/Organization	Position/Relationship	Period of Service
Investment & Capital Corp of the Philippines	Chairman	since March 1987
ICCP Holdings Corp.	Chairman & CEO	since April 2007
ICCP Managers, Inc.	Chairman & President	since October 1987
Regatta Properties, Inc.	Chairman & CEO	since October 1993
Pueblo de Oro Development Corp.	Chairman & CEO	since February 1995
RFM-Science Park of the Philippines, Inc	Chairman & CEO	since August 1997
Science Park of the Philippines, Inc.	Chairman & CEO	since March 1989
Cebu Light Industrial Park, Inc.	Chairman & CEO	since December 1994
ICCP Land Management, Inc	Chairman & CEO	since November 1988
ICCP Ventures, Inc.	Chairman & CEO	since September 1989
ICCP-SBI Venture Partners, Inc.- U.S.	Chairman	since June 2014
ICCP-SBI Venture Partners (HongKong) Limited	Chairman & CEO	since February 2016
ICCP-SBI Venture Partners Ltd. (Cayman)	Chairman & CEO	since November 2013
ICCP Capital Markets Ltd.	Chairman	since September 2015
Fiducia Asset Management Pte. Ltd.	Chairman	since April 2009
Tech Venture Partners Ltd.	Chairman & CEO	since November 2004
Tech Venture Partners III Ltd	Chairman & CEO	since October 2004
Pacific Synergies Partners IV Ltd.	Chairman & CEO	since March 2008
Pacific Synergies Venture Partners Ltd.	Chairman & CEO	since March 2011
Stamford Investors Ltd.	Chairman	Since January 2010
Beacon Property Ventures, Inc	Chairman & President	since November 2004
Manila Exposition Complex, Inc	Chairman	since March 1995
ICCP Group Foundation, Inc.	Chairman	since April 1997
Ventrix Holdings Corporation	Chairman & President	since 1991
Pueblo de Oro Golf & Country Club, Inc.	Director	since April 1999
Ionics, Inc.	Director	since 1991
Ionics, Circuits, Ltd	Director	since 2000
Ionics EMS, Inc.	Director	since 1999
Ionics EMS, Ltd.	Director	since 2004
Ionics Properties, Inc.	Director	since 1997
Iomni Precision, Inc.	Director	since 2000
Maxima Trading	Director	since 1992
Phinma Corporation	Director	since April 2005
Inactive Companies: Palawan Agro-Development Corp. Palawan Integrated Development Corp. Optima Agri-Industrial Corp. San Isidro Mining Corp.		

As of March 1, 2020

3. To the best of my knowledge, I am not the subject of any pending criminal or administrative investigation or proceeding.
4. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of **Roxas and Company, Inc.** as provided for in Section 38 of the Securities Regulation Code and its Implementing Rules and Regulations.
5. I shall faithfully and diligently comply with my duties and responsibilities as Independent Director under the Securities Regulation Code.
6. I shall inform the Corporate Secretary of **Roxas and Company, Inc.** of any changes in the abovementioned information within five days from its occurrence.

Done, this 5th day of March, 2020 at Makati City, Philippines.




GUILLERMO D. LUCHANGCO
 Affiant

JUL 08 2020

SUBSCRIBED AND SWORN to before me this ____ day of _____ 2020 at Makati City affiant personally appeared before me and exhibited to me his Passport No. EC7496033 issued on April 26, 2016 and valid until April 25, 2021.

Doc. No. 524 ;
 Page No. 04 ;
 Book No. 140 ;
 Series of 2020


 ATTY. JOHN D. PONCE, JR.
 NOTARY PUBLIC
 APPOINTMENT NO. 102 MAKATI CITY
 UNTIL DECEMBER 31, 2020
 PTD No. 01179 (01-2-2020) MAKATI CITY
 BY No. 119015 (01-03-2020) (RZA)
 TITLE GUARANTEE No. V10077025 / 00-20-2010
 BOLA. No. 24-05-21 (01) No. 100-000-102-000
 Unit 0-14 Makati Esplanade Tower 2
 Bldg. 00 Fiscal Avenue, Pio del Pilar,
 Makati City, Metro Manila

CORAZON S. DE LA PAZ-BERNARDO

May 10, 2018

Atty. Monica Villanueva
Corporate Secretary
Roxas & Co., Inc.
7th Floor, Cacho Gonzales Building
101 Aguirre Street, Legaspi Village
Makati City

Dear Atty. Villanueva,

This is to advise you that I have been elected as Independent Director of Del Monte Philippines, Inc. (DMPI) effective April 20, 2018. However, I was informed by DMPI that the election of their independent directors remains subject to clearance by its Corporate Governance and Finance Department of the Securities and Exchange Commission (SEC).

DMPI has a pending registration and listing applications with the SEC and the Philippine Stock Exchange, Inc. respectively.

Yours very truly,



CORAZON S. DE LA PAZ-BERNARDO
Unit 19, 17-A Mckinley Road
Forbes Park, Makati City
Cel. No. 0917-8888277
Tel. No. 952-2587
Telefax No. 892-3789
E-mail: coradlpb39@gmail.com

**ROXAS AND COMPANY, INC.
MINUTES OF THE ORGANIZATIONAL MEETING
OF THE MEMBERS OF THE BOARD OF DIRECTORS**

Held on 29 May 2019 at 10:00am
Go Hotels Timog
63 Timog Ave, Diliman, Quezon City, Metro Manila

PRESENT:

PEDRO O. ROXAS
FERNANDO L. GASPAR
FRANCISCO JOSE R. ELIZALDE
CARLOS ANTONIO R. ELIZALDE
CORAZON DE LA PAZ-BERNARDO
GUILLERMO D. LUCHANGCO
AURELIO R. MONTINOLA

OTHERS PRESENT:

MR. SANTIAGO R. ELIZALDE
MR. ARMANDO B. ESCOBAR
ATTY. PETER D.A. BAROT
ATTY. MONICA ISABELLE I. VILLANUEVA

PROCEEDINGS

**I
CALL TO ORDER**

The Chairman of the Board, Mr. Pedro O. Roxas, called the meeting to order. The Assistant Corporate Secretary, Atty. Monica Isabelle I. Villanueva, recorded the minutes of the meeting.

**II
CERTIFICATION OF A QUORUM**

The Corporate Secretary, Atty. Peter D.A. Barot, certified that there was a quorum for the Board to conduct business.

**III
ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS AND CORPORATE OFFICERS**

After due deliberation and pursuant to the provisions of the By-Laws, the following persons have been duly elected as members of the Board of Directors and officers of the Corporation;

NAME	BOARD OF DIRECTORS
Pedro O. Roxas	Chairman
Carlos Antonio R. Elizalde	Member
Francisco Jose R. Elizalde	Member
Fernando L. Gaspar	Member

Guillermo D. Luchangco	Independent Director
Corazon S. Dela Paz-Bernardo	Independent Director
Aurelio R. Montinola	Independent Director

NAME	CORPORATE OFFICER
Pedro O. Roxas	Chairman
Fernando L. Gaspar	President/CEO
Guillermo D. Luchangco	Lead Independent Director
Armando B. Escobar	EVP-CFO/Treasurer/Risk Mgt. Officer
Peter Donnely A. Barot	Corporate Secretary
Monica Isabelle I. Villanueva	Asst. Corporate Secretary/Compliance Officer/Corporate Information Officer/Investments Relations Officer

The Board then elected the following persons, as members of the Committees of the Corporation:

NAME	AUDIT AND RISK COMMITTEE
Corazon S. Dela Paz-Bernardo	Chairman (Independent Director)
Aurelio R. Montinola	Member (Independent Director)
Francisco Jose R. Elizalde	Member

NAME	EXECUTIVE COMPENSATION COMMITTEE
Guillermo D. Luchangco	Chairman (Independent Director)
Corazon S. Dela Paz-Bernardo	Member (Independent Director)
Pedro O. Roxas	Member

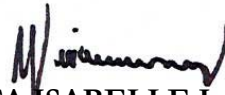
NAME	Nomination, Election & Governance Committee
Guillermo D. Luchangco	Chairman (Independent Director)
Pedro O. Roxas	Member
Carlos Antonio R. Elizalde	Member

NAME	RELATED PARTY TRANSACTION COMMITTEE
Aurelio R. Montinola III	Chairman (Independent Director)
Corazon S. Dela Paz-Bernardo	Member (Independent Director)
Francisco Jose R. Elizalde	Member

III. ADJOURNMENT

There being no further business on the Agenda, on motion duly made and seconded, the meeting was adjourned.

CERTIFIED TRUE AND CORRECT:



ATTY. MONICA ISABELLE I. VILLANUEVA
Assistant Corporate Secretary

READ AND APPROVED:

MR. PEDRO O. ROXAS
Chairman,
President and Chief Executive Officer

ANNEX "K"

ROXAS AND COMPANY, INC. MINUTES OF THE MEETING OF THE RELATED PARTY TRANSACTIONS COMMITTEE

Held on 06 December 2019 at 2:00 p.m.
RCI Boardroom, 7th Floor, Cacho-Gonzalez Building
101 Aguirre Street, Legaspi Village, Makati City

PRESENT:

MR. AURELIO R. MONTINOLA III – *Chairperson*
MRS. CORAZON S. DELA PAZ-BERNARDO - *Member*

OTHERS PRESENT:

MR. FERNANDO L. GASPAR
MONICA ISABELLE I. VILLANUEVA

I. CALL TO ORDER

The Chairperson of the Related Party Transactions Committee, Mr. Aurelio R. Montinola III, called the meeting to order and presided over the same. Atty. Monica Isabelle I. Villanueva acted as Secretary of the meeting and took the Minutes thereof.

II. CERTIFICATION OF QUORUM

With the presence of majority of the Committee Members, Atty. Villanueva certified that a quorum was present to conduct the business of the Committee. The Chairman, Mr. Montinola, manifested that one of the members of the Committee, Mr. Francisco R. Elizalde, abstained from attending this meeting and voting on the matters for discussion.

III. RELATED PARTY TRANSACTIONS

Mr. Fernando L. Gaspar presented to the Committee the request for approval of the issuance of the Corporation's treasury shares in favor of ELRO Retail Corp. (controlled by Mr. Francisco R. Elizalde) and PESAN Holdings, Inc. (controlled by Mr. Pedro O. Roxas) in settlement of their outstanding advances in the Corporation. Mr. Gaspar explained that ELRO and PESAN extended advances in favor of the Corporation in 2018 amounting to a total of One Hundred Million Pesos (PhP100,000,000.00) with 7.5% per annum interest. To date, the total amount due to ELRO is PhP41,309,583.32 while the total amount due to PESAN is PhP57,311,145.86. Management is proposing to convert the advances to ELRO in full while PhP25,000,000.00 of the total amount owing to PESAN will be converted into shares. He also added that as of 03 December 2019, RCI shares are trading at PhP2.00 to PhP2.05 per share.

The members of the Audit Committee discussed this proposal and focused on three (3) major issues:

1. Price

2. W/N the same offer has been made to other creditors
3. Benefits of the proposal to the company.

Mr. Montinola asked that management review the 30-day moving average rate of the RCI shares. A copy of the historical data of the prices of RCI shares is attached as Annex "A". After discussion, the Committee resolved to approve the following price for the transaction: either the market price or the 30-day moving average rate, whichever is higher.

Ms. Bernardo inquired if the same proposal to issue shares as payment for debt has been offered to other creditors. Mr. Gaspar replied that this has been offered to third party creditors and that so far, only one (1) creditor, Berma, has accepted such offer at the prevailing market price at the time.

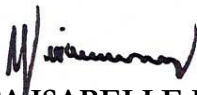
Finally, the Committee inquired about the benefits of this proposal to the company. Mr. Gaspar explained that this will allow the company to fully settle its liabilities to ELRO, partially settle its liabilities to PESAN, reduce interest cost, and improve the working capital ratio of RCI.

After discussion and considering that there were no objections, the Committee resolved to approve the issuance of treasury shares to ELRO and PESAN in payment of their advances, at the higher rate of either market price or 30-day moving average rate.

IV. ADJOURNMENT

There being no other matters for discussion, the Committee adjourned its meeting.

PREPARED BY:



MONICA ISABELLE I. VILLANUEVA
Assistant Corporate Secretary