

Level 2 | Bonus Items

(B) A. Rights of Shareholders

(B) A.1 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.		Guiding Reference		
(B) A. 1. 1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (5) The objective of facilitating shareholder participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all listed companies. The principles recommend that voting by proxy be generally accepted. Indeed, it is important to the promotion and protection of shareholders rights that investors can place reliance upon directed proxy voting.	Yes	ALI allows voting in absentia through the proxy solicitation and voting process. A proxy form is attached in every notice sent to each stockholder by mail. IR Website: Corporate Governance > Equitable Treatment of Shareholders > Notice of Annual General Meeting http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72 2016 Definitive Information Statement: Disclosures > Information Statements (SEC Form 20-IS) > 2016 Definitive Information Statement, Pg 3 (page 3 of 182) Proxy Form https://ir.ayalaland.com.ph/wp-content/uploads/2017/03/ALI-2017-DIS.pdf 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 57, Item (g) Proxy Voting Policies https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report, Pg 78, Equitable Treatment of Shareholders > Notice of Annual General Meeting https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf

(B) B. Equitable Treatment of Shareholders

(B) B.1 Notice of AGM		Guiding Reference		
(B) B. 1. 1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. OECD Principle III (A) ICGN 8.3.2 Shareholder participation in governance Shareholders should have the right to participate in key corporate governance	Yes	ALI sends a notice to the stockholders of the date of meetings at least 21 days before the scheduled date of meetings. IR Website: Corporate Governance > Equitable Treatment of Shareholders > Notice of Annual General Meeting http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 58, Item 3

		<p>decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholder ownership rights The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>		<p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report, Pg 78, Equitable Treatment of Shareholders, Notice of Annual General Meeting</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</p>
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(B) C. Role of Stakeholders

(B) C.1		Guiding Reference		
(B) C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	OECD - IV. The role of Stakeholders	Yes	<p>The company adopt an internationally recognized reporting framework for sustainability following the GRI and Integrated Reporting.</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report, About this report</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</p>

(B) D. Disclosure and Transparency

(B) D.1		Guiding Reference		
(B) D.1.1	Are the audited annual financial report /statement released within 60 days from the financial year end?	<p>OECD Principle V (A) (1) The financial and operating results of the company. Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies.</p> <p>OECD Principle V (E) ICGN 7.2 Timely disclosure ICGN 7.3 Affirmation of financial statements The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	Yes	<p>ALI released the Definitive Information Statement on March 22, 2016 while the SEC 17-A FY 2016 report was released on April 14, 2017.</p> <p>2016 Definitive Information Statement: Disclosures > Information Statements (SEC Form 20-IS) > Mar 24, 2017, 2016 Definitive Information Statement</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/03/ALI-2017-DIS.pdf</p> <p>SEC 17-A FY 2016: Disclosures > Integrated Reports (SEC Form 17-A) > April 14, 2016, SEC 17-A FY 2016</p> <p>http://ir.ayalaland.com.ph/uploads/files/SEC%2017-A%20FY%202016.pdf</p>

				<p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 49, 5) Date of release of audited financial report</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p>
(B) D.1.2	Does the company disclose details of remuneration of the CEO?	<p>OECD Principle V (A)</p> <p>(4) Disclosure on an individual basis (including termination and retirement provisions) is increasingly regarded as good practice and is now mandated in many countries. In these cases, some jurisdictions call for remuneration of a certain number of the highest paid executives to be disclosed, while in others it is confined to specified positions.</p>	No	<p>ALI discloses the remuneration of the board of directors.</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 107 Remuneration</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</p>

(B) E. Responsibilities of the Board

(B)E.1 Board Competencies and Diversity		Guiding Reference		
(B)E.1.1	Does the company have at least one female independent director/commissioner?	<p>OECD Principle VI (E)</p> <p>(4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management</p>	Yes	<p>Ms. Rizalina G. Mantaring and Ms. Ma. Angela E. Igancio are independent directors of ALI.</p> <p>IR Website: Corporate Governance > Board of Directors</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 60, Board of Directors</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</p> <p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 1, A. BOARD MATTERS 1) Board of Directors, (a) Composition of the Board (Definitive Information Statement)</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p>
(B)E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	<p>OECD Principle VI (E)</p> <p>(4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management</p>	Yes	ALI has policy and disclose measurable objectives for implementing its bio diversity and report on progress in achieving its objectives.
(B)E.2 Board Structure				
(B)E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	<p>ICGN 2.4.4 Composition of board committees</p> <p>The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.</p>	Yes	<p>ALI's Nomination Committee consists of 3 members, 1 independent director and 2 with non-executive directors.</p> <p>IR Website: Corporate Governance > Board Committees > Nomination Committee</p>

				http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 29, (d) Nomination Committee https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 96, Nomination Committee https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(B)E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	OECD Principle VI (5) Ensuring a formal and transparent board nomination and election process. While actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. The board or nominating committee has a key role in (but not limited to): (i) Defining the general or individual profile of board members that the company may need at any given time; (ii) Considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board; (iii) Identifying potential candidates to meet desired profiles and proposing them to shareholders, and/or (iv) Considering those candidates advanced by shareholders with the right to make nominations	Yes	ALI's Nominating Committee undertakes the process of identifying the quality of directors aligned with the company's strategic directions. IR Website: Corporate Governance > Board Committees > Nomination Committee http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 29, (d) Nomination Committee https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 96, Nomination Committee https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(B)E.3 Board Appointments and Re-Election				
(B)E.3.1	Does the company use 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/commissioners?	OECD Principle VI (D) (5) The board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people. WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	Yes	ALI's Human Resource Department and accredited executive search firms are tasked to source potential candidates. IR Website: Corporate Governance > Board Processes > Succession Planning http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 8, 3) Explain how the board of directors plans for the succession of the CEO/Managing Director/President and the top key management positions? https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf
(B) E.4 Board Appointments and Re-Election				

(B) E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	OECD Principle VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.	Yes	<p>The Board is composed of nine (9) members (each a “member” or “director”), more than 50 percent of whom are independent and/or non-executive directors.</p> <p>IR Website: Corporate Governance > Board of Directors > 2nd sentence http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14</p> <p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 1 A. BOARD MATTERS 1) Board of Directors (a) Composition of the Board (Definitive Information Statement) https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 91, Board Structure https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</p>
(B) E.5 Risk Oversight				
(B) E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	King Code 2009 5. The governance of information technology The board should be responsible for information technology (IT) governance 5.1.1. The board should assume the responsibility for the governance of IT and place it on the board agenda. 5.1.2. The board should ensure that an IT charter and policies are established and implemented.	Yes	<p>ALL discusses governance process around IT issues to ensure that all key risks are identified, managed and reported to the board.</p> <p>IR Website: Corporate Governance > Corporate Governance > Enterprise Risk Management http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=37</p>
(B) E.6 Board Performance				
(B) E.6.1	Does the company have a separate board level Risk Committee?	ICGN 5.5 Risk Committee While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or other) can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's risk management approach	Yes	<p>ALI has a separate level Risk Committee.</p> <p>IR Website: Corporate Governance > Board Committees > Risk Committee http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</p> <p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 33-35 (c) Risk Committee (On 28 August 2014, the Board of Directors approved, confirmed and ratified the appointment of the Chairman and Members of the Risk Committee) Directors https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 96, Risk Committee</p>

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Level 2 | Penalty Items

(P) A. Rights of Shareholders

(P)A.1 Basic Shareholder Rights		Guiding Reference		
(P)A.1.1	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD Principle II (A)	No	<p>It is the duty of the directors to promote shareholders’ rights, remove impediments to the exercise of shareholders’ rights, and recognize lawful mechanisms to seek redress for violation of their rights.</p> <p>IR Website: Corporate Governance > Equitable Treatment of Shareholders > Shares and Voting Right</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72</p>
(P)A.2 Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.		Guiding Reference		
(P)A.2.1	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	<p>OECD Principle II (G)</p> <p>Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</p>	No	<p>ALI has an established a shareholder communication program to address the information requirements of the investing community on a daily basis.</p> <p>The Company conducts continuous dialogue with institutional investors and implements active measures to encourage the active participation of shareholders, including institutional investors at the Annual Stockholders’ Meeting, and through quarterly corporate briefings, one-on-one discussions, conference calls, and written platforms such as electronic mail.</p> <p>IR Website: IR Program</p> <p>http://ir.ayalaland.com.ph/InvestorRelations.aspx</p> <p>IR Website: Corporate Governance > Rights of Shareholders > Facilitating the Exercise of Ownership Rights by All Shareholders</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=71</p>
(P)A.3 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.		Guiding Reference		
(P)A.3.1	Did the company include any additional and unannounced agenda item into the notice of AGM/EGM?	OECD Principle II (C) 2	No	<p>ALI did not include any additional and unannounced agenda item into the notice of AGM.</p> <p>IR Website: Corporate Governance > Equitable Treatment of Shareholders > Notice of Annual General Meeting</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72</p>

				Stockholders' Meeting Minutes: Disclosures > Minutes of Meetings > 2017 ALI Annual Stockholders' Meeting http://ir.ayalaland.com.ph/uploads/files/ALI%20Minutes%20ASM%202016%2042016.pdf
(P)A.3.2	Did the Chairman of the Board, Audit Committee Chairman and CEO attend the most recent AGM?	OECD Principle II (C) ICGN 2.4.2 Time Commitment All directors need to be able to allocate their time effectively and attendance at AGMs to meet and directly communicate with shareholders is a key responsibility of all directors and the CEO.	Yes	The Chairman of the Board, Audit Committee and CEO attended the most recent Annual General Stockholders' Meeting. IR Website: Corporate Governance > > Notice of Annual General Meeting 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 33-35 (c) Risk Committee (On 28 August 2014, the Board of Directors approved, confirmed and ratified the appointment of the Chairman and Members of the Risk Committee) Directors

(P)A.4 Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.		Guiding Reference		
(P)A.4.1	Shareholders Agreement?	OECD Principle II (D)	No	ALI discloses the Right to Participate Effectively and Vote in General Shareholder Meetings and Shares and Voting Rights of Shareholders. IR Website: Corporate Governance > Equitable Treatment of Shareholders > Shares and Voting Rights http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72 IR Website: Corporate Governance > Rights of Shareholders> Right to Participate Effectively and Vote in General Shareholder Meetings http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=71
(P)A.4.2	Voting Cap?		No	ALI discloses the Right to Participate Effectively and Vote in General Shareholder Meetings and Shares and Voting Rights of Shareholders IR Website: Corporate Governance > Equitable Treatment of Shareholders > Shares and Voting Rights http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72 IR Website: Corporate Governance > Rights of Shareholders> Right to Participate Effectively and Vote in General Shareholder Meetings http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=71
(P)A.4.3	Mutiple Voting Rights?		No	ALI discloses the Right to Participate Effectively and Vote in General Shareholder Meetings and Shares and Voting Rights of Shareholders

				<p>IR Website: Corporate Governance > Equitable Treatment of Shareholders > Shares and Voting Rights</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72</p> <p>IR Website: Corporate Governance > Rights of Shareholders> Right to Participate Effectively and Vote in General Shareholder Meetings</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=71</p>
(P)A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.	Guiding Reference		
(P)A.5.1	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of non-controlling shareholders to influence corporate policy.</p>	No	<p>There is no evidence of a pyramid ownership structure or cross holding structure in ALI.</p> <p>IR Website: About Us > Shareholding Structure</p> <p>http://ir.ayalaland.com.ph/AboutUs.aspx?id=66</p>

(P) B. Equitable Treatment of Shareholders

(P)B.1	Insider trading and abusive self-dealing should be prohibited.	Guiding Reference		
(P)B.1.1	Has there been any conviction of insider trading involving directors/commissioners, management and employees in the past three years?	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities.</p> <p>Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct</p>	No	<p>There has been no conviction of insider trading involving ALI directors, management and employees in the past three years.</p> <p>IR Website: Corporate Governance > Insider Trading Policy</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=73</p>
(P)B.2	Protecting minority shareholders from abusive action	Guiding Reference		
(P)B.2.1	Has there been any cases of non compliance with the laws, rules and regulations pertaining to material related party transactions in the past three years?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest</p>	No	<p>There has been no case of non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years.</p> <p>The Related Party Transactions Policy requires that all related party transactions between Ayala Land, Inc., its subsidiaries, affiliates, and other related entities or persons are made on an arm's length basis at normal prices. To ensure that this policy is practiced and complied with, an assessment is undertaken of related party transactions as they happen.</p>

		<p>Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>		<p>All directors and employees of Ayala Land and its subsidiaries are required to promptly disclose any business and family-related transactions with the Corporation and/or its subsidiaries, to ensure that potential conflicts of interest are surfaced and brought to the attention of management.</p> <p>IR Website: Corporate Governance > Equitable Treatment of Shareholders > Protecting Minority Shareholders from Abusive Actions http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72</p> <p>IR Website: Corporate Governance > Related Party Transactions Policy http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=74</p>
(P)B.2.2	Were there any RPTs that can be classified as financial assistance (i.e not conducted at arms length) to entities other than wholly-owned subsidiary companies?	<p>OECD Principle III (G) Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited.</p>	No	<p>None of the RPTs can be classified as financial assistance to entities other than wholly-owned subsidiary companies.</p> <p>Note 25. Related Party Transactions of the Audited Financial Statements Pg 90: Disclosures > Information Statements (SEC Form 20-IS) > 2016 Definitive Information Statement, Pg 151 of 204</p>

(P) C. Role of Stakeholders

(P)C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected.		Guiding Reference		
(P)C.1.1	Have there been any violations of any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues?	<p>OECD Principle IV (A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p> <p>OECD Principle IV (D) (7) Companies are also well advised to establish and ensure the effectiveness of internal controls, ethics, and compliance programmes or measures to comply with applicable laws, regulations, and standards, including statutes criminalizing the bribery of foreign public officials, as required under the OECD Anti-Bribery Convention, and other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions.</p>	None	ALI has NOT violated any laws pertaining to labour/employment/consumer/insolvency/commercial/competition or environmental issues.
(P)C.2 Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.		Guiding Reference		
(P)C.2.1	Has the company faced any sanctions by regulators for failure to make announcements within the requisite time period for material events?	<p>OECD Principle IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.</p>	No	ALI makes announcements within the requisite time period for material events.

(P) D. Disclosure and Transparency

(P)D.1 Sanctions from regulator on financial reports		Guiding Reference		
(P)D.1.1	Did the company receive a "qualified opinion" in its external audit report?	OECD Principle V: Disclosure and Transparency (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit. ICGN 6.2 Annual audit The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations. ICGN 7.3 Affirmation of financial statements The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.	No	ALI did not receive a “qualified opinion” in its external audit report. 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Independent Auditor’s Report https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(P)D.1.2	Did the company receive an "adverse opinion" in its external audit report?		No	ALI did not receive an “adverse opinion” in its external audit report. 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Independent Auditor’s Report https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(P)D.1.3	Did the company receive a "disclaimer opinion" in its external audit report?		No	ALI did not receive a “disclaimer opinion” in its external audit report. 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Independent Auditor’s Report https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(P)D.1.4	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?	International Auditing Standard (ISA) No. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009). Paras. 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively	No	ALI, in the past year, revised its financial statements ONLY for reasons in changes in accounting policies.

(P) E. Responsibilities of the Board

(P) E.1	Compliance with listing rules, regulations and applicable laws	Guiding Reference		
(P)E.1.1	Is there any evidence that the company has not complied with any listing rules and regulations over the past year apart from disclosure rules?	OECD Principle VI (D) (7) Ensuring the integrity of the corporation’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. Companies are also well advised to set up internal programmes and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalise bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption. Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programmes will also underpin the company’s ethical code.	None	ALI has fully complied with the listing rules and regulations of the Philippine Stock Exchange and the Securities and Exchange Commission

(P)E.1.2	Have there been any instances where non-executive directors/commissioner have resigned and raised any issues of governance-related concerns?	UK CODE (JUNE 2010) A.4.3 Where directors have concerns which cannot be resolved about the running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a non-executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.	None	There were no instances where non-executive directors have resigned and raised any issues of governance-related concerns.
(P)E.2	Board Structure	Guiding Reference		
(P)E.2.1	Does the Company have any independent directors/commissioners who have served for more than nine years or two terms of five years ¹ each (which ever is higher) in the same capacity? ¹ The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011	ICGN 3.3 Tenure Non-executive directors should serve for an appropriate length of time to properly serve the board without compromising the independence of the board. The length of tenure of each director should be reviewed regularly by the nomination committee to allow for board refreshment and diversity.	None	Independent directors may serve for a period of not more than nine (9) years. IR Website: Corporate Governance > Board of Directors http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14 Corporate Governance Manual: Corporate Governance > Corporate Governance Manual > Pg 12. 1.5 Independent Directors http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 10, paragraph before item 4 https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 91, Board Structure https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf
(P)E.2.2	Did the company fail to identify who are the independent director(s) / commissioner(s)?	ICGN 2.5 Independence	No	ALI identified who are the independent directors. IR Website: Corporate Governance > Board of Directors http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14 2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 60, Board of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf 2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 1, A. BOARD MATTERS 1) Board of Directors, (a) Composition of the Board (Definitive Information Statement) https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf
(P)E.2.3	Does the company have any independent directors/non-	OECD PRINCIPLE VI (E)	No	Independent directors shall hold no more than five (5) board seats in any group of publicly-listed companies and executive

	executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	<p>(3) Board members should be able to commit themselves effectively to their responsibilities.</p> <p>Service on too many boards can interfere with the performance of board members. Companies may wish to consider whether multiple board memberships by the same person are compatible with effective board performance and disclose the information to shareholders.</p>		<p>directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group.</p> <p>A director shall exercise due discretion in accepting and holding directorships outside of Ayala Land, Inc. A director may hold any number of directorships outside of the Company provided that in the director's opinion, these other positions do not detract from the director's capacity to diligently perform his duties as a director of the Corporation</p> <p>IR Website: Corporate Governance > Board Responsibilities > Independent Directors > Policy on Multiple Board Seats</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</p> <p>Corporate Governance Manual: Corporate Governance > Corporate Governance Manual > Pg 13, 1.6 Policy on Multiple Board Seats</p> <p>http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf</p> <p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 7, (iv) Has the company set a limit on the number of board seats in other companies (publicly listed, ordinary and companies with secondary license) that an individual director or CEO may hold simultaneously? In particular, is the limit of five board seats in other publicly listed companies imposed and observed? If yes, briefly describe other guidelines:</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p>
(P)E.3	External Audit	Guiding Reference		
(P)E.3.1	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	<p>OECD Principle V</p> <p>(C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	No	None of the directors or senior management are former employees or partners of the current external auditor in the past 2 years.
(P)E.4	Board Structure and Composition	Guiding Reference		
(P)E.4.1	Has the chairman been the company CEO in the last three years?	<p>OECD Principle VI (E)</p> <p>The board should be able to exercise objective independent judgement on corporate affairs. In countries with single tier board system, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and Chair.</p>	No	ALI's Chairman, Mr. Fernando Zobel de Ayala is and was not the CEO in the last three years.

		Separation of the two posts is generally regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capability for decision making independent management. The presence of a recent CEO as Chairman may unduly influence the views of the board		
(P)E.4.2	Do independent non-executive directors/commissioners receive options, performance shares or bonuses?	<p>UK CODE (JUNE 2010)</p> <p>(D.1.3) Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Remuneration for non-executive directors should not include share options or other performance-related elements. If, by exception, options are granted, shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. Holding of share options could be relevant to the determination of a non-executive director's independence (as set out in provision B.1.1).</p> <p>ASX CODE</p> <p>Box 8.2: Guidelines for non-executive director remuneration Companies may find it useful to consider the following when considering non-executive director remuneration:</p> <ol style="list-style-type: none">1. Non-executive directors should normally be remunerated by way of fees, in the form of cash, noncash benefits, superannuation contributions or salary sacrifice into equity; they should not normally participate in schemes designed for the remuneration of executives.2. Non-executive directors should not receive options or bonus payments.3. Non-executive directors should not be provided with retirement benefits other than superannuation	No	<p>The independent non-executive directors/commissioners do not receive options performance or bonuses.</p> <p>Non-executive directors receive remuneration consisting of a fixed annual retainer fee of Php1,000,000 and a fixed per diem of Php200,000 for each regular Board meeting attended.</p> <p>IR Website: Corporate Governance > Board Processes > Remuneration</p> <p>http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</p> <p>2016 ACGR: Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 24, 2) Remuneration Policy and Structure for Executive and Non-Executive Directors</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</p> <p>2016 Integrated Report: Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 107, Remuneration, 3rd paragraph</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A22041817.pdf</p>