

E. Responsibilities of the Board

| E.1 Board Duties and Responsibilities                                  |   | Guiding Reference  | Yes/No | Explanation/Supporting Documents  |
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| Clearly defined board responsibilities and corporate governance policy |   |  |        |   |
| E.1.1  | Does the company disclose its corporate governance policy/ board charter?                   | <b>G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on:</b><br>9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.  | Yes    | <b>ALI discloses its corporate governance policy and board charter.</b><br><br><b>Board Charter:</b> Corporate Governance > Board of Directors > ALI Board of Directors Charter<br><br><a href="https://ir.ayalaland.com.ph/about-us/our-company/board-of-directors/file_126_charter-of-the-board-of-directors-26may2014-3/">https://ir.ayalaland.com.ph/about-us/our-company/board-of-directors/file_126_charter-of-the-board-of-directors-26may2014-3/</a><br><br><b>Corporate Governance Manual:</b> Corporate Governance > Corporate Governance Manual > ALI Revised Corporate Governance Manual<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</a><br><br><b>2016 ACGR:</b> Pg 1-3 Item (b) “Brief summary of the corporate governance policy”<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a><br><br><b>2016 Integrated Report:</b> Pg 89 “Board Duties and Responsibilities”<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a> |
| E.1.2  | Are the types of decisions requiring board of directors/commissioners' approval disclosed ? | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</b><br>1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.<br>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.<br>3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.<br>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.<br>5. Ensuring a formal and transparent board nomination and election process.<br>6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.<br>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. | Yes    | <b>ALI discloses the types of decisions requiring approval by the Board.</b><br><br><b>IR Website:</b> Corporate Governance > Board Responsibilities > Board Duties and Responsibilities<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</a><br><br><b>ALI Board of Directors Charter:</b> Corporate Governance > Board of Directors > ALI Board of Directors Charter Section 4 Powers, Duties and Responsibilities of the Board<br><br><a href="https://ir.ayalaland.com.ph/about-us/our-company/board-of-directors/file_126_charter-of-the-board-of-directors-26may2014-3/">https://ir.ayalaland.com.ph/about-us/our-company/board-of-directors/file_126_charter-of-the-board-of-directors-26may2014-3/</a><br><br><b>2016 Integrated Report:</b> Pg 89 “Board Duties and Responsibilities”<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>   |
| E.1.3  | Are the roles and responsibilities of the board of directors/commissioners clearly stated ? |  | Yes    | <b>ALI discloses the various duties and responsibilities of the Board.</b>  |

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|                          |  | 8. Overseeing the process of disclosure and communications.  |     | <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Board Duties and Responsibilities</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 30, 4) Work done and issues addressed</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 89, Responsibilities of the Board &gt; Board Duties and Responsibilities</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| Corporate Vision/Mission |  |  |     |  |
| E.1.4                    | Does the company have an updated vision and mission statement?   | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board ICGN (2014): 4.1 Codes of Conduct/Ethics</b></p> <p>The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p> | Yes | <p>Our vision is to enhance our standing and reputation as the Philippines' leading real estate developer, and to be a strong partner in nation building.</p> <p><b>IR Website:</b> About Us &gt; Our Company &gt; Mission, Vision and Values</p> <p><a href="http://ir.ayalaland.com.ph/AboutUs.aspx?id=64">http://ir.ayalaland.com.ph/AboutUs.aspx?id=64</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 5 Our Vision and Mission</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| E.1.5                    | Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p><b>D. The board should fulfil certain key functions, including:</b></p> <p>Reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p>   | Yes | <p><b>The Board conducts a review of the Company's vision and mission, strategies and corporate governance practices on an annual basis.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Board Duties and Responsibilities</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 3 (c) How often does the Board review and approve the vision and mission?</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 21, 2nd column, 2nd paragraph</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |

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| E.1.6 | Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy? | <p><b>ICGN (2014): 4.1 Codes of Conduct/Ethics</b><br/>The board should adopt high standards of business ethics through codes of conduct/ ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p> <p><b>ICGN (2014): 1.2 Responsibilities</b><br/>The board is accountable to shareholders and relevant stakeholders and is responsible for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board members should:<br/>a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments</p> | <b>Yes</b> | <p>To ensure good governance of the corporation, the Board establishes the vision and mission and strategic objectives and key policies and procedures for management of the Corporation, as well as the mechanism for monitoring and evaluating Management's performance.</p> <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Board Duties and Responsibilities&gt; 2nd paragraph<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 70, 1st column, 7th paragraph (w)<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
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| E.2 Board Structure       |  | Guiding Reference  | Yes/No     | Explanation/Supporting Documents  |
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| Code of Ethics or Conduct |  |  |            |   |
| E.2.1                     | Are the details of the code of ethics or conduct disclosed?  | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(C) The board should apply high ethical standards. It should take into account the interests of stakeholders.</p> | <b>Yes</b> | <p><b>ALI discloses the details of its code of ethics and conduct.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Code of Conduct and Ethics<br/><a href="http://ir.ayalaland.com.ph/uploads/files/File_72_Code%20of%20Ethical%20Behavior.pdf">http://ir.ayalaland.com.ph/uploads/files/File_72_Code%20of%20Ethical%20Behavior.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 15, B. CODE OF BUSINESS CONDUCT AND ETHICS<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>   |
| E.2.2                     | Are all directors/commissioners, senior management and employees required to comply with the code/s? |  | <b>Yes</b> | <p><b>All directors, the management and employees of Ayala Land, Inc. are required to comply to Ayala Land's Code of Ethical Behavior.</b></p> <p><b>Compliance with the principles of good governance shall start with the Board of Directors.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Code of Conduct and Ethics<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=56">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=56</a></p> <p><b>Corporate Governance Manual:</b> Corporate Governance &gt; Corporate Governance Manual &gt; Pg 13, 1.8 General Responsibility of the Board for Good Governance, a)<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 15, B. CODE OF BUSINESS CONDUCT AND ETHICS, 1) Discuss briefly the company's</p> |

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|                               |   |  |     | <p>policies on the following business conduct or ethics affecting directors, senior management and employees</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 82, Role of Stakeholders, Employees, 1st bullet and Pg 89, Responsibilities of the Board, Board Duties and Responsibilities, Item (t)</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| E.2.3                         | Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct? | <p>The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights. Company-wide codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement.</p> | Yes | <p><b>ALI has established a compliance structure which assigns oversight responsibility for the Company's Code of Ethical Behavior program to the Human Resources Group (HRG) Head or his/her designate.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Code of Conduct and Ethics &gt; Implementation and Monitoring of Compliance to the Code of Ethical Behavior</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=56">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=56</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 16 3) Discuss how the company implements and monitors compliance with the code of ethics or conduct.</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>                       |
| Board Structure & Composition |   |  |     |  |
| E.2.4                         | Do independent directors/commissioners make up at least 50% of the board of directors/commissioners?      | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(E) The board should be able to exercise objective independent judgement on corporate affairs.</p>  | Yes | <p><b>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.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors &gt; 2nd sentence</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 1 A. BOARD MATTERS 1) Board of Directors (a) Composition of the Board (Definitive Information Statement)</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 91, Board Structure</p> |

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| E.2.5 | <p>Does the company have a term limit of nine years or less or 2 terms of five years<sup>1</sup> each for its independent directors/ commissioners?</p> <p><sup>1</sup> The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011</p> | <p><b>UK CODE (2016):</b><br/>B.2.3 Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.</p>  | Yes | <p><b>Independent directors of ALI may serve for a period of not more than nine (9) years.</b></p> <p><b>ALI Board of Directors Charter:</b> Corporate Governance &gt; Board of Directors &gt; ALI Board of Directors Charter &gt; Pg 1</p> <p>Item 2.1 Composition</p> <p><a href="http://ir.ayalaland.com.ph/uploads/files/File_126_Charter%20of%20the%20Board%20of%20Directors%2026May2014.pdf">http://ir.ayalaland.com.ph/uploads/files/File_126_Charter%20of%20the%20Board%20of%20Directors%2026May2014.pdf</a></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=14</a></p> <p><b>Corporate Governance Manual:</b> Corporate Governance &gt; Corporate Governance Manual &gt; Pg 1. 1.5 Independent Directors</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/AU-CG-Manual-05-26-2017.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/AU-CG-Manual-05-26-2017.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 10, paragraph before item 5</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 91, Board Structure</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.2.6 | Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously?  | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E)</b> The board should be able to exercise objective independent judgement on corporate affairs.</p> <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. Some countries have limited the number of board positions that can be held. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders.</p> <p>Disclosure about other board memberships to shareholders is therefore a key instrument to improve board nominations. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant</p> | Yes | <p><b>Independent directors shall hold no more than five (5) board seats in any group of publicly-listed companies and executive directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group.</b></p> <p><b>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.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Independent Directors &gt; Policy on Multiple Board Seats</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</a></p>  |

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|                           |   | number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.    |     | <p><b>Corporate Governance Manual:</b> Corporate Governance &gt; Corporate Governance Manual &gt; Pg 13, 1.6 Policy on Multiple Board Seats</p> <p><a href="http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf">http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 7, (iv)</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>   |
| E.2.7                     | Does the company have any executive directors who serve on more than two boards of listed companies outside of the group? |  | No  | <p><b>Executive directors shall hold no more than two (2) board seats in listed companies outside the Corporation's group. Mr. Bernard Vincent O Dy., President and CEO and Executive Director holds directorships within the ALI Group only</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Independent Directors &gt; Policy on Multiple Board Seats</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=69</a></p> <p><b>Corporate Governance Manual:</b> Corporate Governance &gt; Corporate Governance Manual &gt; Pg 13, 1.6 Policy on Multiple Board Seats</p> <p><a href="http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf">http://ir.ayalaland.com.ph/uploads/files/File_71_ALI%20Revised%20CG%20Manual%2031Jul2014.pdf</a></p>   |
| Nomination Committee (NC) |   |  |     |  |
| E.2.8                     | Does the company have a Nominating Committee?   | <b>G20/OECD PRINCIPLE II: The Rights and Equitable Treatment of Shareholders and Key Ownership Functions</b> | Yes | <p><b>ALI has a Nomination Committee.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Nomination Committee</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 29, (d) Nomination Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 96, Nomination Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.2.9                     | Is the Nominating Committee comprised of a majority of independent directors/commissioners?                               |  | No  | <p><b>ALI's Nomination Committee includes 1 independent director as member</b></p> <p>Please refer to the references provided on item E.2.8.</p>   |

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| E.2.10 | Is the chairman of the Nominating Committee an independent director/commissioner?  | <p>( C ) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings:</p> <p>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p>The recognition of Independent Party in the composition of the Nomination Committee can be counted as committee members. However, to score “Y”, the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</p> <p>G20/OECD PRINCIPLE VI (E)</p> <p>1. Boards should consider assigning a sufficient number of nonexecutive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting the review of related party transactions, nomination of board members and key executives, and board remuneration.</p> | Yes | <p><b>The Chairman of the Nomination Committee, Ms. Ma. Angela Ignacio, is an Independent Director.</b></p> <p>Please refer to the references provided on item E.2.8.</p>  |
| E.2.11 | Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee?                                  | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> <p>(E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company’s size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p>   | Yes | <p><b>ALI discloses the Nomination Committee charter.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Nomination Committee &gt; ALI Nomination Committee Charter</p> <p><a href="http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_82_CHARTER-OF-NOMINATION-COMMITTEE.pdf">http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_82_CHARTER-OF-NOMINATION-COMMITTEE.pdf</a></p>  |
| E.2.12 | Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year? | <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.</p> <p>Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board</p> <p>and the board as a whole should be clear. Disclosure need not</p>  | Yes | <p><b>ALI’s Nomination Committee met at least twice during the year and is disclosed.</b></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 29, (d) Nomination Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 103, Nomination Committee Attendance</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |



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|  |   | <p>extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.</p> <p><b>G20/OECD PRINCIPLE VI (E)</b></p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p>  |     |  |
| Remuneration Committee (RC)/Compensation Committee |   |  |     |  |
| E.2.13   | Does the company have a Remuneration Committee?   | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</b></p> <p>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting.</p> <p>They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re- pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive.</p> <p>In large companies, it is considered good practice that remuneration policy and contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors and excluding executives that serve on each other's remuneration committees, which could lead to conflicts of interest. The introduction of malus and claw-back provisions is considered good practice. They grant the company the right to withhold and recover compensation from executives in cases of managerial fraud and other circumstances, for example when the company is required to restate its financial statements due to material noncompliance with financial reporting requirements.</p> <p>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board</p> | Yes | <p><b>ALI has a Remuneration Committee called Personnel and Compensation Committee.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Personnel and Compensation Committee</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 29, (e) Personnel and Compensation Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 98, Personnel and Compensation Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.2.14   | Is the Remuneration Committee comprised of a majority of independent directors/commissioners? |  | Yes | <p><b>ALI's Remuneration Committee is Chaired by Ms. Ma. Angela Ignacio, an independent director.</b></p> <p>Please refer to the references provided on item E.2.13.</p>   |
| E.2.15   | Is the chairman of the Remuneration Committee an independent director/commissioner?           |  | Yes | <p><b>ALI's Remuneration Committee is Chaired by Ms. Ma. Angela Ignacio, an independent director, with non-executive directors as members.</b></p> <p>Please refer to the references provided on item E.2.13.</p>  |



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| E.2.16               | Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee?                                    | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br><br><b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b><br>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.<br><br>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions<br><br>Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year. | Yes | <b>ALI discloses the Personnel and Compensation Committee Charter.</b><br><br><b>IR Website:</b> Corporate Governance > Board Committees > Personnel and Compensation Committee > ALI Personnel and Compensation Charter<br><br><a href="http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_83_CHARTER-OF-PERSONNEL-AND-COMPENSATION-COMMITTEE.pdf">http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_83_CHARTER-OF-PERSONNEL-AND-COMPENSATION-COMMITTEE.pdf</a>  |
| E.2.17               | Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year? | <b>(E) The board should be able to exercise objective independent judgement on corporate affairs.</b><br>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.<br><br>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions<br><br>Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year.  | Yes | <b>ALI's Personnel and Compensation Committee met at least twice during the year.</b><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 29, (e) Personnel and Compensation Committee<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 106, Personnel and Compensation Committee Attendance<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a> |
| Audit Committee (AC) |   |   |     |  |
| E.2.18               | Does the company have an Audit Committee?   | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br>(E) The board should be able to exercise objective independent judgement on corporate affairs.<br>(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. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.   | Yes | <b>ALI has an Audit Committee.</b><br><br><b>IR Website:</b> Corporate Governance > Board Committees > Audit Committee<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 27, (b) Audit Committee<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a>   |

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|        |   |   |     | <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 93, Audit Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>  |
| E.2.19 | Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners?        | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/> (E) The board should be able to exercise objective independent judgement on corporate affairs.<br/> 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board</p> | Yes | <p><b>The Audit Committee is comprised entirely of non-executive directors with independent directors as majority.</b></p> <p>Please refer to the references provided on item E.2.18.</p>   |
| E.2.20 | Is the chairman of the Audit Committee an independent director/commissioner?  |   | Yes | <p><b>The Chairman of the Audit Committee, Jaime Laya, is an independent director.</b></p> <p>Please refer to the references provided on item E.2.18.</p>   |
| E.2.21 | Does the company disclose the terms of reference/governance structure/charter of the Audit Committee?   |   | Yes | <p><b>ALI discloses the Audit Committee Charter.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Audit Committee &gt; Audit Committee Charter</p> <p><a href="http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_85_Audit-Committee-Charter-11.16.15-2-no-sign.pdf">http://obra.ph/ayala-ir/wp-content/uploads/2016/02/File_85_Audit-Committee-Charter-11.16.15-2-no-sign.pdf</a></p>  |
| E.2.22 | Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)? | <p><b>UK CODE (2016)</b></p> <p>C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.</p> <p>As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.</p>  | Yes | <p><b>Jaime C Laya, independent director and member of the Audit Committee graduated magna cum laude from University of the Philippines in 1957 with a degree in B.S. B.A. (Accountancy).</b></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 65 Board of Directors, Jaime C Laya</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> <p><b>SEC 17-A:</b> Disclosures &gt; Integrated Reports (SEC Form 17-A) &gt; April 14, 2016, SEC 17-A FY 2016 &gt; Pg 57. Jaime C. Laya</p> <p><a href="http://ir.ayalaland.com.ph/uploads/files/ALI%2017A%20Complete%20File%20April%2016.pdf">http://ir.ayalaland.com.ph/uploads/files/ALI%2017A%20Complete%20File%20April%2016.pdf</a></p> |

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| E.2.23 | Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year? |  | Yes | <p><b>ALI's Personnel and Compensation Committee met at least four times during the year.</b></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 27, (b) Audit Committee</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 106, Audit Attendance</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| E.2.24 | Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor?         | <p><b>UK CODE (2016)</b></p> <p>C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Integrated Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.</p> | Yes | <p><b>The Audit Committee has a primary responsibility for recommending the appointment, and removal of the external auditor.</b></p> <p><b>The Committee gave its recommendation on the re-appointment of SGV as the Company's external auditors for 2016 and the corresponding audit fee structure.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Audit Committee &gt; External Audit</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=15</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 31, Item 4, 3rd column, 2nd bullet</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 95, Independent Audit, i.</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |

| E.3 Board Processes           |  | Guiding Reference  | Yes/No | Explanation/Supporting Documents  |
|-------------------------------|--|--|--------|---|
| Board Meetings and Attendance |  |  |        |   |
| E.3.1                         | Are the board of directors meeting scheduled before the start of financial year? | Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way. | Yes    | <p><b>The Board Meetings are scheduled before the start of the financial year.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Board Meetings, Quorum and Attendance &gt; 2016 Board Meeting Schedule</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> |

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|       |   |  |     | <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 26-27, C. Board Meetings &amp; Attendance, Item 1</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 106, Board Processes &gt; Board Meetings and Attendance</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| E.3.2 | Does the board of directors/commissioners meet at least six times during the year?                            | <p><b>WORLD BANK PRINCIPLE 6</b><br/>(VI.I.24) Does the board meet at least six times per year?</p>  | Yes | <p><b>The Board meets at least six times in a year. In 2016, the Board had six regular meetings.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Board Meetings, Quorum and Attendance &gt; 2016 Board Meeting Schedule</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 27-29, C. Board Meetings &amp; Attendance, Item 1</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 106, Directors Attendance in 2016</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.3.3 | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>3. Board members should be able to commit themselves effectively to their responsibilities</p> <p>Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.</p> | Yes | <p><b>9 out of 9 directors attended at least 75% of all the board meetings held in 2016. The average attendance rate of the Board in 2016 was 93%.</b></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 27-29, C. Board Meetings &amp; Attendance, Item 2</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 103, Directors Attendance in 2016</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>  |
| E.3.4 | Does the company require a minimum quorum of at least 2/3 for board decisions?                                | <p><b>WORLD BANK PRINCIPLE 6</b><br/>(VI.I.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?</p>  | Yes | <p><b>Two-thirds (2/3) of the number of directors as fixed in the articles of incorporation shall constitute a quorum for the transaction of corporate business.</b></p>   |

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|                       |   |  |        | <p><b>A majority of the Directors shall constitute a quorum for the holding of a meeting and any resolution by a majority of the quorum duly convened in session shall be valid as a corporate act.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Board Meetings, Quorum and Attendance</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 27, C. Board Meetings &amp; Attendance, Item 4</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 89, 2nd Column, 3rd paragraph</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.3.5                 | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present?        | <p><b>WORLD BANK PRINCIPLE 6</b><br/>(VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions?</p> <p><b>G20/OECD PRINCIPLE VI (E)</b><br/>Independent board members can contribute significantly to the decision making of the board. They can bring an objective view to the evaluation of the performance of the board and management. In addition, they can play an important role in areas where the interests of management, the company and its shareholders may diverge such as executive remuneration, succession planning, changes of corporate control, take-over defences, large acquisitions and the audit function. In order for them to play this key role, it is desirable that boards declare who they consider to be independent and the criterion for this judgement. Some jurisdictions also require separate meetings of independent directors on a periodic basis.</p> | Yes    | <p><b>Executive sessions are held every now and then without the presence of any executives.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Board Independence and Conflict of Interest</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 27, C. Board Meetings &amp; Attendance</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>   |
| Access to Information |   |  | Yes/No | Explanation/Supporting Documents  |
| E.3.6                 | Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p>Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non- executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary, the internal auditor, and the head of risk management or chief risk officer, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely</p>                                | Yes    | <p><b>Board materials are distributed to the Board of Directors at least five business days prior to the meeting.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Access to Information</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 32, C. Board Meetings &amp; Attendance, 5) Access to information, Item a</p>   |

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|       |  | <p>information. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models.</p> <p><b>WORLD BANK<br/>PRINCIPLE 6</b><br/>(VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p> |     | <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a>   |
| E.3.7 | Does the company secretary play a significant role in supporting the board in discharging its responsibilities?                        | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p><b>ICSA Guidance on the Corporate Governance Role of the Company Secretary</b></p>  | Yes | <p><b>The Corporate Secretary oversees the adequate flow of information to other Board members prior to meetings and serves as an adviser to the directors on their responsibilities and obligations.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; The Corporate Secretary<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 22, (c) State the policy of the role of the company secretary. Does such role include assisting the Chairman in preparing the board agenda, facilitating training of directors, keeping directors updated regarding any relevant statutory and regulatory changes, etc?<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 104, Board Processes, The Corporate Secretary<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.3.8 | Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments? | <p><b>WORLD BANK PRINCIPLE 6</b><br/>(VI.D.2.12) Do company boards have a professional and qualified company secretary?</p>   | Yes | <p><b>The Corporate Secretary, Mr. Solomon Hermosura, graduated valedictorian with Bachelor of Laws degree from San Beda College in 1986 and placed third in the 1986 Bar Examination.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; The Corporate Secretary<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 22, (d) Is the company secretary trained in legal, accountancy or company secretarial practices? Please explain should the answer be in the negative.<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>  |

| Board Appointment and Re-Election |  |  | Yes/No | Explanation/Supporting Documents   |
|-----------------------------------|--|--|--------|--|
| E.3.9                             | Does the company disclose the criteria used in selecting new directors/commissioners?  | <p><b>G20/OECD PRINCIPLE II (C) (4):</b><br/>To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(D) The board should fulfil certain key functions, including:<br/>5. Ensuring a formal and transparent board nomination and election process.</p> <p>These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, 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. Second, the board has a key role in defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, 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.</p> | Yes    | <p><b>ALI discloses the criteria in selecting its new directors.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 14, 5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors), (b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 105, Board Appointments and re-election<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>                    |
| E.3.10                            | Did the company describe the process followed in appointing new directors/commissioners?   |  | Yes    | <p><b>ALI discloses the process followed in appointing new directors/commissioners.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 10, 5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors), (b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 105, Board Appointments and re-election<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.3.11                            | Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years <sup>2</sup> each? | <b>CGN (2014): 3.6 Elections</b>   | Yes    | <p><b>All ALI directors are subject to re-election annually.</b></p> <p><b>The directors shall be elected by the Corporation's stockholders entitled to vote at their annual meeting</b></p>   |



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|                      | <p><sup>2</sup>The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011</p>  | <p>Board members should be conscious of their accountability to shareholders. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted.</p> <p><b>WORLD BANK<br/>PRINCIPLE 6</b><br/>(VI.I.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p>  |     | <p><b>in accordance with the By-laws and the rules of procedure for annual meeting of stockholders.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 10, 5) Changes in the Board of Directors (Executive, Non-Executive and Independent Directors), (b) Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 105, Board Appointments and re-election</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| Remuneration Matters |  |   |     |   |
| E.3.12               | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(D) The board should fulfil certain key functions, including:<br/>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives.</p> <p>Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive.</p> | Yes | <p><b>Each director of the Corporation shall be entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for his services as director.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Remuneration</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 24, D. Remuneration Matters, 1) Remuneration Process</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 107, Remuneration</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>  |
| E.3.13               | Is there disclosure of the fee structure for non-executive directors/commissioners?  | <p><b>UK CODE (2016)</b><br/>D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p>  | Yes | <p><b>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.</b></p>  |

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|        |   | Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.   |     | <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Remuneration</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 24, 2) Remuneration Policy and Structure for Executive and Non-Executive Directors</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 107, Remuneration, 3rd paragraph</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p>   |
| E.3.14 | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives?   | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(D) The board should fulfil certain key functions, including:<br/>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p><b>ICGN (2014): 6.1 Alignment</b><br/>Remuneration should be designed to effectively align the interests of the CEO and senior management with those of the company and its shareholders. Remuneration should be reasonable and equitable and the quantum should be determined within the context of the company as a whole.</p>   | Yes | <p><b>The Board of Directors shall have the sole authority to determine the amount, form and structure of the fees and other compensation of directors.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Remuneration</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 24 D. REMUNERATION MATTERS, 2) Remuneration Policy and Structure for Executive and Non-Executive Directors</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 107, Remuneration, 1st paragraph, 2nd sentence</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| E.3.15 | Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as clawback provision and deferred bonuses? | <p><b>ASX CODE (2016)</b><br/><b>Recommendation 8.2:</b> A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> <p>The disclosures regarding the remuneration of executive directors and other senior executives should include a summary of the entity's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the entity's financial statements.</p> | Yes | <p><b>The Company have measurable standards to align performance-based remuneration of the executive directors and senior executives with long-term interests of the company. It implements an Employee Stock Ownership (ESOWN) Plan to introduce into the Company's performance and rewards systems a long-term perspective to complement the short-term components and mechanisms that are in place.</b></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 45, Item (d)</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>   |

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|                |   | <b>G20/OECD PRINCIPLE VI (D)</b><br>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.<br><br>It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations.  |     | <b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 83, Employee Stock Ownership Plan<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>  |
| Internal Audit |   |  |     |   |
| E.3.16         | Does the company have a separate internal audit function?   | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D)</b> The board should fulfil certain key functions, including:<br>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.  | Yes | <b>ALI has a separate internal audit function.</b><br><br><b>IR Website:</b> Corporate Governance > Board Processes > Internal Audit<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 38, 2) Internal Audit<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 94, Internal Audit<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>   |
| E.3.17         | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed? | Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive. | Yes | <b>The Internal Audit Division (IAD), headed by Leovigildo D. Abot as Chief Audit Executive (CAE), reports to the Audit Committee of the Board.</b><br><br><b>IR Website:</b> Corporate Governance > Board Processes > Internal Audit<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 39, 2) Internal Audit, (c) Discuss the internal auditor's reporting relationship with the Audit Committee. Does the internal auditor have direct and unfettered access to the board of directors and the Audit Committee and to all records, properties and personnel?<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 94, Internal Audit<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a> |

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| E.3.18         | Does the appointment and removal of the internal auditor require the approval of the Audit Committee?   | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(D) The board should fulfil certain key functions, including:<br/>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.</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.</p>   | Yes | <p><b>The Audit Committee is in-charge of setting up the Internal Audit Division, including the appointment of the Chief Audit Executive (CAE).</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Committees &gt; Audit Committee &gt; Internal Audit<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 39, 2) Internal Audit, (b) Do the appointment and/or removal of the Internal Auditor or the accounting /auditing firm or corporation to which the internal audit function is outsourced require the approval of the audit committee?<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 94, Internal Audit<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
|                |   | <p><b>WORLD BANK PRINCIPLE 6</b><br/>(VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p><b>ASX (2016)</b><br/><b>Principle 4: Safeguard integrity in corporate reporting</b><br/><b>Recommendation 4.1</b><br/>Commentary: if the entity has an internal audit function:</p> <ul style="list-style-type: none"> <li>• the appointment or removal of the head of internal audit;</li> <li>• the scope and adequacy of the internal audit work plan; and</li> <li>• the objectivity and performance of the internal audit function.</li> </ul>   |     |  |
| Risk Oversight |   |   |     |  |
| E.3.19         | Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(D) The board should fulfil certain key functions, including:<br/>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.</p> <p><b>G20/OECD PRINCIPLE VI (D)</b><br/>1. An area of increasing importance for boards and which is closely related to corporate strategy is oversight of the company's risk management. Such risk management oversight will involve oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it will manage the risks it creates through its operations and relationships.</p> <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b></p> | Yes | <p><b>ALI discloses its internal control procedures/risk management systems it has in place.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Corporate Governance &gt; Enterprise Risk Management<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=37">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=37</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 33, 2) Risk Policy (a) Company<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>  |

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|        |  | (D) The board should fulfil certain key functions, including:<br>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.  |            |  |
| E.3.20 | Does the Integrated Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | <b>UK CODE (2016)</b><br>C.2.3 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the Integrated Report. 14 The monitoring and review should cover all material controls, including financial, operational and compliance controls.   | <b>Yes</b> | <b>ALI's 2016 Integrated Report disclosed that Audit Committee has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</b><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 123, Report of the Audit Committee to the Board of Directors<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>  |
| E.3.21 | Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)?   | <b>G20/OECD PRINCIPLE V: Disclosure and Transparency</b><br>(A) Disclosure should include, but not be limited to, material information on:<br>7. Foreseeable risk factors<br><br>Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.  | <b>Yes</b> | <b>ALI discloses the key risks to which the company is materially engaged.</b><br><br><b>IR Website:</b> Corporate Governance > Corporate Governance > Enterprise Risk Management<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=37">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=37</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 33, 2) Risk Policy (a)<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a> |
| E.3.22 | Does the Integrated Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?                              | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br>(D) The board should fulfil certain key functions, including:<br><br>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.<br><br>In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process | <b>Yes</b> | <b>ALI's 2016 Integrated Report disclosed that Audit Committee has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.</b><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 123, Report of the Audit Committee to the Board of Directors<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>  |

| E.4 People on the Board |  | Guiding Reference  |     |  |
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| Board Chairman          |  |  |     |  |
| E.4.1                   | Do different persons assume the roles of chairman and CEO?               | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br/>(E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision making independent of management.</p> | Yes | <p><b>ALI's Chairman is a separate individual from the CEO: Mr. Fernando Zobel de Ayala – Chairman of the Board Mr. Bernard Vincent O Dy – President and CEO</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors</p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 60-61, Board of Directors</p>  |
| E.4.2                   | Is the chairman an independent director/commissioner?                    | <p><b>UK Code (2016)</b><br/>A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Integrated Report.</p> <p><b>ASX (2016) Recommendation 2.5</b><br/>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>  | No  | <p><b>ALI's Chairman is a Non-Executive Director.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors</p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 91, Ayala Land Board of Directors</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 1, A. BOARD MATTERS 1) Board of Directors, (a) Composition of the Board (Definitive Information Statement)</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> |
| E.4.3                   | Is any of the directors a former CEO of the company in the past 2 years? |  | Yes | <p><b>Mr. Antonino T. Aquino was President and CEO of Ayala Land from April 2009 to April 2014.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors &gt; Antonino T. Aquino</p>   |
| E.4.4                   | Are the roles and responsibilities of the chairman disclosed?            | <b>ICGN (2014): Leadership and Independence</b>  | Yes | <p><b>ALI discloses the roles and responsibilities of the chairman.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Responsibilities &gt; Chairman, Vice Chairman and President and CEO</p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 103, People on the Board Chairman, Vice Chairman and President and CEO</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 7, 2) Chairman and CEO, (b) Roles, Accountabilities and Deliverables</p>  |

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|                           |   |   |            | <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a>  |
| Lead Independent Director |   |   |            |  |
| E.4.5                     | If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined?         | <p><b>King Code 2009</b><br/> <b>2. Boards and directors</b><br/> Role and function of the board - The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of the chairman of the board</p> <p>2.16.3 A lead independent director should be appointed in the case where an executive chairman is appointed or where the chairman is not independent or conflicted.</p> <p><b>ICGN (2014): 2.2 Lead independent director</b></p> <p>The chair should be independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. The board should explain the reasons why this leadership structure is appropriate and keep the structure under review. A lead independent director also provides shareholders and directors with a valuable channel of communication should they wish to discuss concerns relating to the chair.</p> | <b>Yes</b> | <p><b>Yes, the Board has appointed a lead independent director Mr. Jaime Laya.</b></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 7, 4) Other Executive, Non-Executive, and Independent Directors b) Roles, Accountabilities and Deliverable <b>8-10</b></p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 91, Independent Directors 91-92</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> |
| Skills and Competencies   |   |   |            |  |
| E.4.6                     | Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in? | <p><b>ICGN (2014): 3.1 Composition</b><br/> The board should comprise a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.</p>   | <b>Yes</b> | <p><b>Two of ALI's non-executive directors are former officers of the Company: Antonino T. Aquino and Arturo G. Corpuz.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board of Directors &gt; Arturo G. Corpuz, Antonino T. Aquino</p>   |

| E.5 Board Performance |   | Guiding Reference                                   |            |  |
|-----------------------|---|---|------------|--|
| Directors Development |   |   |            |  |
| E.5.1                 | Does the company have orientation programmes for new directors/commissioners? | This item is in most codes of corporate governance. | <b>Yes</b> | <p><b>ALI has an orientation program for new directors.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Development and Training</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 13, 6) Orientation and Education Program, (a) Disclose details of the company's orientation program for new directors, if any.</p> |



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|   |   |   |     | <a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 114, Development and Training<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a>   |
| E.5.2   | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes?                            | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br>(E) The board should be able to exercise objective independent judgement on corporate affairs.<br>3. Board members should be able to commit themselves effectively to their responsibilities.<br><br>In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.               | Yes | <b>Ayala Land encourages all Board members to attend orientation programs and continuous professional education programs.</b><br><br><b>IR Website:</b> Corporate Governance > Board Processes > Development and Training<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a>  |
| CEO/Executive Management Appointments and Performance |   |   |     |   |
| E.5.3   | Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management? | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br>(D) The board should fulfil certain key functions, including:<br>3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.<br><br>In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.  | Yes | <b>ALI discloses its plans on succession.</b><br><br><b>IR Website:</b> Corporate Governance > Board Processes > Succession Planning<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 8, 3)<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a>  |
| E.5.4   | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President?  | <b>G20/OECD PRINCIPLE VI: Responsibilities of the Board</b><br>(D) The board should fulfil certain key functions, including:<br>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.<br><br>Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman. | Yes | <b>ALI's Board conducts an annual performance assessment of the CEO.</b><br><br><b>IR Website:</b> Corporate Governance > Board Processes > Performance Appraisal<br><br><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a><br><br><b>2016 Integrated Report:</b> Home > Investor and Analyst Corner > 2016 Integrated Report > Pg 115, Performance Appraisal<br><br><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a><br><br><b>2016 ACGR:</b> Corporate Governance > Annual CG Report > 2016 Annual Corporate Governance Report > Pg 61, M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL |

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|                    |   |  |     | <a href="http://ir.ayalaland.com.ph/uploads/files/File_143_ALI%20ACGR%2016%202016-04-14.pdf">http://ir.ayalaland.com.ph/uploads/files/File_143_ALI%20ACGR%2016%202016-04-14.pdf</a>  |
| Board Appraisal    |   |  |     |  |
| E.5.5              | Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?   | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</b><br/>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p><b>G20/OECD PRINCIPLE VI (E)</b><br/>4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences.<br/>In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</p> | Yes | <p><b>ALI conducts an annual performance assessment of the Board of Directors.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Performance Appraisal<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 116, Performance Appraisal<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 61, M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>  |
| Director Appraisal |   |  |     |  |
| E.5.6              | Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment? | <p><b>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</b><br/>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p><b>G20/OECD PRINCIPLE VI (E)</b><br/>4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences.<br/>In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</p> | Yes | <p><b>ALI conducts an annual performance assessment for each director.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Performance Appraisal<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 116, Performance Appraisal<br/><a href="http://ir.ayalaland.com.ph/uploads/files/ALI%202016%20Annual%20Report.pdf">http://ir.ayalaland.com.ph/uploads/files/ALI%202016%20Annual%20Report.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 61, M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL<br/><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> <p><b>ALI discloses the process followed in conducting the director assessment.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Performance Appraisal<br/><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> |

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|                     |   |  |     | <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 116, Performance Appraisal</p> <p><a href="http://ir.ayalaland.com.ph/uploads/files/ALI%202016%20Annual%20Report.pdf">http://ir.ayalaland.com.ph/uploads/files/ALI%202016%20Annual%20Report.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 61, M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p>  |
| Committee Appraisal |   |  |     |  |
| E.5.7               | Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment? | <p><b>UK CODE (2016)</b></p> <p>B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p> | Yes | <p><b>ALI conducts an annual performance assessment of the Board Committees.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Board Processes &gt; Performance Appraisal</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=79</a></p> <p><b>2016 Integrated Report:</b> Home &gt; Investor and Analyst Corner &gt; 2016 Integrated Report &gt; Pg 115, Performance Appraisal</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/04/AYALA-LAND-ANNUAL-REPORT-2016%E2%80%A2041817.pdf</a></p> <p><b>2016 ACGR:</b> Corporate Governance &gt; Annual CG Report &gt; 2016 Annual Corporate Governance Report &gt; Pg 61, M. BOARD, DIRECTOR, COMMITTEE AND CEO APPRAISAL</p> <p><a href="https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf">https://ir.ayalaland.com.ph/wp-content/uploads/2017/06/2016-Annual-Corporate-Governance-Report-updated-as-of-June-08-2017-1.pdf</a></p> |

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? | <p><b>OECD Principle II (C)</b></p> <p>(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.</p> | Yes | <p><b>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.</b></p> <p><b>IR Website:</b> Corporate Governance &gt; Equitable Treatment of Shareholders &gt; Notice of Annual General Meeting</p> <p><a href="http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72">http://ir.ayalaland.com.ph/CorpGovernance.aspx?id=72</a></p> |