



SEC FORM – I-ACGR

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2019**
2. SEC Identification Number **152747** 3. BIR Tax Identification No. **000-153-790-000**
4. Exact name of issuer as specified in its charter **AYALA LAND, INC.**
5. **Makati City, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **31F, Tower One, Ayala Triangle, Ayala Avenue, Makati City** **1226**
Address of principal office Postal Code
8. **(632) 7908-3111**
Issuer's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT			
	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Provide information or link/reference to a document containing information on the following:	
2. Board has an appropriate mix of competence and expertise.	Compliant	1. Academic qualifications, industry knowledge, professional experience, expertise and relevant trainings of directors	
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant	<p><i>The ALI Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the property sector.</i></p> <p>Ref: pg 48-53 > ALI 2019 Integrated Report > Board of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>Designation, years appointed and expertise of the Board of Directors</i></p> <p>Ref pg 97 > ALI 2019 Integrated Report > Board Matters https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Relevant Trainings of Directors

Ref: pg 100-101 > ALI 2019 Integrated Report > 2019 Training and Continuous Education of Ayala Land Board of Directors
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

2. Qualification standards for directors to facilitate the selection of potential nominees and to serve as benchmark for the evaluation of its performance

Qualification standards for directors to facilitate the selection of potential nominees in the Board.

Ref: pg 1 > Charter of the Corporate Governance and Nomination Committee > 1. Membership > 1.1 Composition
<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Corp.-Governance-and-Nomination-Comm.pdf>

Process and criteria for nominations to the Board

Ref: pg 104 > 2019 Integrated Report > Process and Criteria for Nominations to the Board
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Recommendation 1.2

1. Board is composed of a majority of non-executive directors.	Compliant	<p>Identify or provide link/reference to a document identifying the directors and the type of their directorships</p> <p><i>ALI's Board is composed of a majority of Non-Executive Directors.</i> Ref: pg 97 > 2019 Integrated Report > Corporate Governance > Board Matters > Board of Directors 2019 table https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Recommendation 1.3

1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	<p>Provide link or reference to the company's Board Charter and Manual on Corporate Governance relating to its policy on training of directors.</p> <p><i>ALI provides in its Board Charter and Manual on Corporate Governance (CG Manual) a policy on training of directors</i> Ref: pg 13 > ALI CG Manual > 1.13 Specific Responsibilities of each Director > item i. https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>Orientation for New Directors</i> Ref: pg 101 > ALI 2019 Integrated Report > Training and Continuous Education https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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2. Company has an orientation program for first time directors.	Compliant	Provide information or link/reference to a document containing information on the orientation program and trainings of directors for the previous year, including the number of hours attended and topics covered.	
3. Company has relevant annual continuing training for all directors.	Compliant	<p>2019 Training and Continuing Education of ALI Board of Directors Ref: pg 100 - 101 > ALI 2019 Integrated Report > 2019 Training and Continuing Education Ayala Land Board of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's board diversity policy. Indicate gender composition of the board.</p> <p>Board Diversity Ref: pg 3 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.2 Diversity https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 96 > 2019 Integrated Report > Board Matters > Skills Competency, and Diversity https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

		<p>Ref: pg 1 > Board Charter > Item 2 Membership > 2.1 Composition https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p> <p>There is one female member of the Board. Ref: pg 52 > 2019 Integrated Report > Profiles of Rizalina G, Mantaring https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Compliant	<p>Provide information on or link/reference to a document containing the company's policy and measureable objectives for implementing board diversity.</p> <p>Provide link or reference to a progress report in achieving its objectives.</p> <p>Board Diversity Ref: pg 3 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.2 Diversity https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Board Composition Ref: pg 1 > Board Charter > Item 2 Membership > 2.1 Composition https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p>	

		ALI Board Skills Matrix Ref: pg 97 > 2019 Integrated Report > Board Matters > 2019 Board of Directors Skills Matrix https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Provide information on or link/reference to a document containing information on the Corporate Secretary, including his/her name, qualifications, duties and functions. The Board is assisted by a Corporate Secretary that is a separate individual from the Chief Compliance Officer and is not a member of the Board. Ref: pg 95 > ALI 2019 Integrated Report > Governance Structure > Corporate Secretary https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		
3. Corporate Secretary is not a member of the Board of Directors.	Compliant		
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Provide information or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered The Corporate Secretary attends training/s on corporate governance. Ref: pg 10 > Certificate of Attendance of Directors and Reportable Officers > ALI IR Website	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/2019-ALI-BOD-Trainings-Attended.pdf	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	<p>Provide proof that corporate secretary distributed board meeting materials at least five business days before scheduled meeting</p> <p>Board materials are distributed to the Board of Directors at least five business days prior to the meeting.</p> <p>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Meetings and Attendance</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	<p>Provide information on or link/reference to a document containing information on the Compliance Officer, including his/her name, position, qualifications, duties and functions.</p> <p>The Board is assisted by a Chief Compliance Officer with a rank of Senior Vice President and is not a member of the Board.</p> <p>Ref: pg 95 > ALI 2019 Integrated Report > Chief Compliance Officer</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Duties and responsibilities of the Compliance Officer</p>	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Compliant		

		<p>Ref: pg 33 > ALI CG Manual > Article V Audit and Compliance > 3. Compliance System > The Compliance Officer shall perform the following duties</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
4. Compliance Officer attends training/s on corporate governance.	Compliant	<p>Provide information on or link/reference to a document containing information on the corporate governance training attended, including number of hours and topics covered</p> <p>The Chief Compliance Officer attends trainings on corporate governance.</p> <p>Ref: pg 13 > Certificate of Attendance of Directors and Reportable Officers > ALI IR Website</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/2019-ALI-BOD-Trainings-Attended.pdf</p>	
<p>Principle 2: The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.</p>			
<p>Recommendation 2.1</p>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	<p>Provide information or reference to a document containing information on how the directors performed their duties (can include board resolutions, minutes of meeting)</p> <p>Duties and Responsibilities of Board of Directors</p>	

Ref: pg 12 > ALI CG Manual > Article II
Governance > 1.13 Specific Responsibilities
of each Director
<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

Accomplishments of each Board Committee

Executive Committee

Ref: pg 101-102 > ALI 2019 Integrated
Report > Board Committees > Executive
Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Audit Committee

Ref: pg 102-103 > ALI 2019 Integrated
Report > Board Committees > Audit
Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Board Risk Oversight Committee

Ref: pg 103 > ALI 2019 Integrated Report >
Board Committees > Board Risk Oversight
Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Corporate Governance and Nomination

Ref: pg 103-104 > ALI 2019 Integrated Report > Board Committees > Corporate Governance and Nomination Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Personnel and Compensation Committee

Ref: pg 104-105 > ALI 2019 Integrated Report > Board Committees > Personnel and Compensation Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Related Party Transactions Review Committee

Ref: pg 106 > ALI 2019 Integrated Report > Board Committees > Related Party Transactions Review Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Sustainability Committee

Ref: pg 106 > ALI 2019 Integrated Report > Board Committees > Sustainability Committee
<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Recommendation 2.2			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Provide information or link/reference to a document containing information on how the directors performed this function (can include board resolutions, minutes of meeting).	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	<p>Indicate frequency of review of business objective and strategy</p> <p><i>The Board oversees the development, review and approval of the company's business objectives and strategy.</i> Ref: pg 9 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.10 General responsibility of the Board for Good Governance > item B https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>The Board held six regular meetings in 2019.</i> Ref: pg 97-98 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Meetings and Attendance https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	Indicate or provide link/reference to a document containing the company's vision, mission and core values. Indicate frequency of review of the vision, mission and core values.	

		<p>ALI's Vision, Mission and Core Values Ref: ALI IR website > About Us > Our Company > Vision, Mission and Values https://ir.ayalaland.com.ph/about-us/our-company/mission-vision-and-values/</p> <p>The Board reviews the Vision and Mission annually. Ref: pg 4 > ALI Board of Directors Charter> Article 4 Powers, Duties and Responsibilities > Item B https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>Provide information on or link/reference to a document containing information on the strategy execution process.</p> <p>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluates and monitors implementation of such strategies. Ref: pg 11 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.12 Specific Duties of the Board of Directors> item E https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	

Recommendation 2.3

1. Board is headed by a competent and qualified Chairperson.	Compliant	<p>Provide information or reference to a document containing information on the Chairperson, including his/her name and qualifications</p> <p><i>The Board is headed by a competent and qualified Chairperson.</i> Ref: pg 50 > ALI 2019 Integrated Report > Chairman's Profile https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Recommendation 2.4

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Compliant	<p>Disclose and provide information or link/reference to a document containing information on the company's succession planning policies and programs and its implementation</p>	
2. Board adopts a policy on the retirement for directors and key officers.	Compliant	<p><i>The Board ensures and adopts an effective succession planning program for directors and key officers.</i> Ref: pg 10 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.10 General Responsibility of the Board for Good Governance > item d > item v https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf <i>The Board adopts a policy on the retirement for directors and key officers.</i></p>	

		<p>Ref: pg 4 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.4 Retirement Age</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Provide information on or link/reference to a document containing information on the company's remuneration policy and its implementation, including the relationship between remuneration and performance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliant		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p><i>The Personnel and Compensation Committee of the Board aligns the remuneration of key officers and board members with the long-term interests of the company.</i></p> <p>Ref: pg 2 > ALI Charter of the Personnel and Compensation Committee> Section 2 >Item h</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Personnel-and-Compensation-Comm.pdf</p> <p><i>ALI adopts a policy specifying the relationship between remuneration and performance.</i></p> <p>Ref: pg 85 > ALI 2019 Integrated Report > Social Engagement > Employees and Workers > Compensation and rewards</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

		<p>No Director is involved in deciding his or her own remuneration.</p> <p>Ref: pg 14 > ALI CG Manual > Article II Corporate Governance > 1. The Board of Directors > 1.15 Compensation and Liability Insurance Coverage of Directors > Item b</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	<p>Provide proof of board approval</p> <p>The Board of Directors through the Personnel and Compensation Committee established a formal and transparent procedure for developing and for fixing the remuneration packages of corporate officers and directors.</p> <p>Ref: pg 1 > ALI Charter of the Personnel and Compensation Committee> Section 2 Powers, Duties and Responsibilities of the Committee >Item a</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Personnel-and-Compensation-Comm.pdf</p> <p>The Board of Directors approves the grant to qualified executives, pursuant to ALI's Employee Stock Ownership Plan, which was duly recommended by the Personnel and Compensation Committee.</p> <p>Ref: Results of Regular ALI Board Meeting (Feb 2019) > ALI IR website > Disclosures > Item 2</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/Disclosure-2019-02-27-Results-of-the-Regular-Board-Meeting_signed.pdf	
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.	Compliant	<p>Provide information on or link/reference to a document containing measurable standards to align performance-based remuneration with the long-term interest of the company.</p> <p><i>ALI's senior executives are rewarded based on their performance through bonuses and stock ownership (ESOWN) as part of ALI's compensation policy. These are based on individual key deliverables which are established at the start of the year. The ESOWN is awarded to high-potential officers who consistently exceed their key performance indicators. The ESOWN is a deferred stock ownership program which allows employees to pay for their grants over a multi-year period, and hence, aligns their performance with that of the company's over the long term.</i></p> <p>Ref: pg 86 > 2019 Integrated Report > Social Engagement > Employees and Workers > Compensation and Rewards</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	Provide information or reference to a document containing information on the company's nomination and election policy and process and its implementation, including the criteria used in selecting new directors, how the shortlisted candidates and how it encourages nominations from shareholders.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant	<p>1. The Board has a formal and transparent nomination and election policy. Ref: pg 2 > ALI Charter of the Board of Directors > 2. Membership > 2.3 Election of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p> <p>2. The Board, through the Corporate Governance and Nomination Committee, determines the nomination and election process as disclosed in the company's CG Manual. Ref: pg 16 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.2 Corporate Governance and Nomination Committee > Items g - j https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant	Provide proof if minority shareholders have a right to nominate candidates to the board	

3. The Board nomination and election policy includes how the company accepted nominations from minority shareholders.

Ref: pg 2 > ALI Charter of the Board of Directors > 2. Membership > 2.3 Election of Directors

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf>

Nominations from minority shareholders is discussed in the CG Manual under Shareholders Rights – Voting right and in the Charter of Board of Directors under Election of Directors.

Ref: pg 37 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1.

Shareholder Rights > 1.1 Voting Right

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

Provide information if there was an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.

4. The Board, through the Corporate Governance and Nomination Committee, determines the shortlisting of candidates.

Ref: pg 16 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.2 Corporate Governance and Nomination Committee > Items g - j

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

5. The Board, through the Corporate Governance and Nomination Committee, assess the effectiveness of the Board's processes in the nomination, election or replacement of a director.

Ref: pg 16-17 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.2 Corporate Governance and Nomination Committee > Items k -m

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

6. The Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.

Ref: pg 3-4 > ALI CG Manual > Article II Governance > 1. Board of Directors > 1.1 Composition, 1.2 Diversity and 1.3 Qualifications

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

Ref: pg 1 > ALI Charter of the Board of Directors > 2. Membership > 2.1 Composition

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf>

Optional: Recommendation to 2.6

1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.	Compliant	<p>Identify the professional search firm used or other external sources of candidates</p> <p><i>The Board, through the Corporate Governance and Nomination Committee, may likewise identify and recommend qualified individuals for nomination and election to the Board. For this purpose, the Committee shall make use of professional search firms or other external sources of candidates to search for qualified candidates to the Board.</i></p> <p>Ref: pg 104 > 2019 Integrated Report > Corporate Governance > Board Committees> Process and Criteria for Nominations, Election, and Re-appointments to the Board https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Recommendation 2.7

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provide information on or reference to a document containing the company's policy on related party transaction, including policy on review and approval of significant RPTs	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	<i>The Board has an overall responsibility in ensuring that there is a group-wide policy system in governing RPTs and other unusual or infrequently occurring transactions through the Related-Party Transactions Review Committee.</i>	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	<p>Ref: pg 22 > ALI CG Manual > Article II > 2.6 Related Party Transactions Review Committee</p>	

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

ALI's RPT Policy includes appropriate review and approval of material RPTs which guarantee fairness and transparency of the transactions.

Ref: pg 3-4 > ALI RPT Policy > 4.

Identification, Review and Approval of the Related Party Transactions

<https://ir.ayalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf>

ALI's RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile, and complexity of operations.

Ref: pg 1-3 > ALI RPT Policy > 3. Definitions

<https://ir.ayalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf>

Identify transactions that were approved pursuant to the policy.

In 2019, the RPT Review Committee reviewed, discussed, approved and endorsed five transactions.

Ref: pg 106> ALI 2019 Integrated Report > Board Committees > Related-Party Transactions Review Committee > Item 3

<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Supplement to Recommendations 2.7

<p>1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.</p>	<p>Compliant</p>	<p>Provide information on a materiality threshold for RPT disclosure and approval, if any.</p> <p>Provide information on RPT categories</p> <p><i>The RPT Policy clearly defines pre-approved RPTs which are in the nature of normal transactions in the ordinary course of business and RPT transactions that require the review of the committee for endorsement to the Board for approval. All RPTs approved by the Board are disclosed in the relevant financial reports required under IAS 24 on Related Party Disclosures and other applicable disclosure requirements. The RPT Policy was updated in August 2019 in compliance with the new guidelines by the SEC.</i></p> <p><i>Ref: pg 3-6 > ALI Related Party Transactions Policy > 4. Identification, Review and Approval of Related Party Transactions, 5. RPTs delegated to Management, 6. Identification and review of Material RPTs, and, 7. Approval of RPTs and Material RPTs</i></p> <p>https://ir.avalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf</p>	
<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant</p>	<p>Provide information on voting system, if any.</p> <p>All RPTs and Material RPTs shall be reviewed by the RPT Review Committee and approved by at least two-thirds (2/3)</p>	

		<p>vote of the Board of Directors, with at least a majority of the independent directors voting to approve the same. In case that the majority of the independent directors' vote is not secured, the Material RPT may be ratified by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock.</p> <p><i>Ref: pg 6 > ALI Related Party Transactions Policy > 7. Approval of RPTs and Material RPTs> Paragraph 2</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf</p>	
Recommendation 2.8			
<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	Compliant	<p>Provide information on or reference to a document containing the Board's policy and responsibility for approving the selection of management.</p> <p><i>The Board is primarily responsible for approving the selection of the President/CEO and other senior officers. Other Senior officers include the heads of other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive)</i></p> <p><i>Ref: pg 10 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.12 Specific duties of the Board of Directors > item c</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	

		<p>Identity the Management team appointed</p> <p><i>For 2019, appointed members of the Management Team as approved by the Board is contained in the disclosure of the results of the Annual Stockholders' Meeting (ASM) and Organizational Meeting of the Board on April 24, 2019.</i></p> <p>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p><i>For 2020, appointed members of the Management Team as approved by the Board is contained in the disclosure of the results of the Annual Stockholders' Meeting and Organizational Meeting of the Board on April 22, 2020.</i></p> <p>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
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<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>Provide information on or reference to a document containing the Board's policy and responsibility for assessing the performance of management.</p> <p>Provide information on the assessment process and indicate frequency of assessment of performance.</p> <p><i>The Board conducts an annual performance assessment of its members, the President and CEO, and Management.</i> Ref: pg 12 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.12 Specific duties of the Board of Directors > item m https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>The CEO, Chief Compliance Officer, Chief Audit Executive and Chief Risk Officer all report directly to the Board.</i> Ref: pg 96 > 2019 Integrated Report > Corporate Governance > Our Governance Structure > Chart on ALI's CG Structure https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 2.9			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document containing the Board's performance management framework for management and personnel.</p>	

<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p><i>The Board establishes the Vision and Mission, strategic objectives, key policies and procedures for the management of the corporation, as well as the mechanism for monitoring and evaluating Management's performance.</i> Ref: pg 9 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.10 General Responsibility of the Board for Good Governance > item b https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>ALI has a performance-based rewards and recognition system which is spearheaded by its Corporate Working Group to ensure that the performance of each business group is consistent with ALI's commitment to its Board and stakeholders.</i> Ref: Rewards and Compensation > ALI IR Website > Corporate Governance > Board Processes https://ir.ayalaland.com.ph/corporate-governance/board-processes/</p>	
Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to a document showing the Board's responsibility for overseeing that an appropriate internal control system is in place and what is included in the internal control system</p>	
<p>2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.</p>	<p>Compliant</p>	<p><i>The Board has an internal control system in place which includes a mechanism for</i></p>	

		<p>monitoring and managing potential conflict of interest of the Management, members and shareholders.</p> <p>Ref: pg 9 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.10 General Responsibility of the Board for good governance > item d</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>ALI has a Conflict of Interest Policy which covers all employees and is available on the company website.</p> <p>Ref: IR Website > Corporate Governance > Conflict of Interest Policy</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_137_Conflict-of-Interest-Oct-2015.pdf</p>	
3. Board approves the Internal Audit Charter.	Compliant	<p>Provide reference or link to the company's Internal Audit Charter</p> <p>ALI's Internal Audit Charter</p> <p>Ref: pg 2-3 > Audit Committee Charter > 3. Roles and Responsibilities > 3.1 Internal Audit</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf</p>	
Recommendation 2.11			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	<p>Provide information on or link/reference to a document showing the Board's oversight responsibility on the establishment of a sound enterprise risk management</p>	

2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant	<p>framework and how the board was guided by the framework.</p> <p>Provide proof of effectiveness of risk management strategies, if any.</p> <p><i>The Board oversees that ALI has in place a sound ERM framework.</i> Ref: pg 21 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.5 Board Risk Oversight Committee > item a-d https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>ALI's ERM framework guides the Board in identifying risk exposures, as well as the effectiveness of risk management strategies.</i> Ref: pg 110-117 > ALI 2019 Integrated Report > Risk Management https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	Provide link to the company's website where the Board Charter is disclosed.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	<p><i>The Board has a charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role and serves as a guide to the directors in the performance of their functions. It is publicly available on ALI's IR website.</i></p>	
3. Board Charter is publicly available and posted on the company's website.	Compliant		

		<p>Ref: ALI IR Website > Corporate Governance > Board Committees > ALI Board of Directors Charter</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p>	
Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Compliant	<p>Provide information on or link/reference to a document showing company's insider trading policy.</p> <p><i>The Board has a clear insider trading policy which also covers key officers of ALI.</i></p> <p>Ref: ALI IR Website > Corporate Governance > Insider Trading Policy</p> <p>https://ir.ayalaland.com.ph/corporate-governance/insider-trading-policy/</p>	
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.	Compliant	<p>Provide information on or link/reference to a document showing company's policy on granting loans to directors, if any.</p> <p><i>None of the directors in his or her personal capacity has been contracted by ALI for services other than those provided as a director. ALI has no other arrangement regarding the remuneration of its directors and officers aside from the compensation as stated in the CG Manual.</i></p> <p>Ref: pg 100 > ALI 2019 Integrated Report > Corporate Governance > Board Matters> Remuneration</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. Company discloses the types of decision requiring board of directors' approval.	Compliant	<p>Indicate the types of decision requiring board of directors' approval and where there are disclosed.</p> <p>ALI discloses the list of items that require Board approval under its powers, duties and responsibilities.</p> <p>Ref: pg 4-6 > ALI Charter of the Board of Directors > 4. Powers, Duties and Responsibilities > items a-x</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf</p>	
<p>Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.</p>			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	<p>Provide information or link/reference to a document containing information on all the board committees established by the company.</p> <p>The ALI Board established Board Committees to support it in the performance of its functions and in accordance with the By-Laws of the Corporation and to aid in good governance.</p> <p>Ref: pg 14 > ALI CG Manual > 2. Board Committees</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf	
Recommendation 3.2			
1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	<p>Provide information or link/reference to a document containing information on the Audit Committee, including its functions.</p> <p>Indicate if it is the Audit Committee's responsibility to recommend the appointment and removal of the company's external auditor.</p> <p><i>The ALI Board established the Audit Committee to assist fulfill its responsibility for oversight of the company's corporate governance processes with duties as stated in its charter and the CG Manual.</i> Ref: pg 18 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.4 Audit Committee https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 2-5 > ALI Audit Committee Charter > 3. Roles and Responsibilities https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf</p>	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	Provide information or link/reference to a document containing information on the members of the Audit Committee, including their qualifications and type of directorship.	

		<p>ALI's Audit Committee is composed of a majority of independent directors including the Chairman.</p> <p>Ref: pg 102 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Table on Committee Memberships https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: pg 102 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Audit Committee https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	<p>Provide information or link/reference to a document containing information on the background, knowledge, skills, and/or experience of the members of the Audit Committee.</p> <p>All the members of ALI's Audit Committee have the background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p> <p>Ref: pg 51-53 > ALI 2019 Integrated Report > Board of Directors > Profiles of Jaime C. Laya, Rizalina G. Mantaring and Antonino T. Aquino https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

		<p>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Table on 2019 Board of Directors Expertise</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Audit Committee</p> <p>The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.</p> <p>Ref: pg 2, Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p>Ref: pg 102 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Table on Committee Memberships</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Provide proof that the Audit Committee approved all non-audit services conducted by the external auditor.	

		<p>ALI's Audit Committee approved all non-audit services conducted by the external auditor.</p> <p>Ref: pg 128-129 > ALI 2019 Integrated Report > Report of the Audit Committee to the Board of Directors</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	<p>Provide proof that the Audit Committee conducted regular meetings and dialogues with the external audit team without anyone from management present.</p> <p>The Audit Committee conducts regular meetings and dialogues with SGV & Co., without anyone from management present. The Committee also reviewed and approved all audit, audit-related, and permitted non-audit services provided by SGV & Co. to company and the related fees for such services. The company also assessed the compatibility of non-audit services with the auditor's roles and responsibilities to ensure that such services will not impair its independence.</p> <p>Ref: pg 129 > ALI 2019 Integrated Report > Report of the Audit Committee to the Board of Directors > Bullet 2</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Optional: Recommendation 3.2

1. Audit Committee meet at least four times during the year.	Compliant	Indicate the number of Audit Committee meetings during the year and provide proof <i>ALI's Audit Committee held four meetings in 2019.</i> Ref: pg 128 > ALI 2019 Integrated Report > Report of the Audit Committee to the Board of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	Provide proof that the Audit Committee approved the appointment and removal of the internal auditor. <i>ALI's Audit Committee approves the appoint and removal of the internal auditor.</i> Ref: pg 2 > ALI Charter of the Audit Committee > 3. Roles and Responsibilities > 3.1 Internal Audit > Item b https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf	

Recommendation 3.3

1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	Provide information or reference to a document containing information on the Corporate Governance Committee, including its functions Indicate if the Committee undertook the process of identifying the quality of	
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directors aligned with the company's strategic direction, if applicable.

On November 20, 2017, ALI's Board approved the Revised Charter of the Corporate Governance and Nomination Committee to comply with the Code of Corporate Governance for Publicly-Listed Companies.

Ref: pg 2 > SEC-PSE-PDEx Results of Board of Directors Meeting 11-20-2017 > IR Website > Disclosures

https://ir.ayalaland.com.ph/wp-content/uploads/2017/11/SEC-PSE-PDEx-Result-of-BOD-Mtg_11.20.17.pdf

ALI's Board established a Corporate Governance and Nomination Committee.

Ref: pg 15 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.2 Corporate Governance and Nomination Committee

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf>

Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting

https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Orq-BOD_4.24.19.pdf

		<p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the members of the Corporate Governance Committee, including their qualifications and type of directorship.</p> <p><i>ALI's Corporate Governance and Nomination Committee is composed of independent directors.</i></p> <p><i>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the Corporate Governance Committee.</p> <p><i>The Chairman of ALI's Corporate Governance and Nomination Committee is an independent director.</i></p> <p><i>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Compliant	Indicate the number of Corporate Governance Committee meetings held during the year and provide proof thereof.	

		<p>The Corporate Governance and Nomination Committee held five meetings in 2019. Ref: pg 99 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Summary of 2019 Board and Committee Attendance https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 3.4			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Compliant	<p>Provide information or link/reference to a document containing information on the Board Risk Oversight Committee (BROC), including its functions</p> <p>ALI's Board established a Board Risk Oversight Committee. Ref: pg 21 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.5 Board Risk Oversight Committee https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the BROC, including their qualifications and type of directorship</p> <p>ALI's Board Risk Oversight Committee is composed of a majority of independent directors, including the Chairman. Ref: pg 103 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Board Risk Oversight Committee</p>	

		<p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Orq-BOD_4.24.19.pdf</p> <p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
3. The Chairman of the BROOC is not the Chairman of the Board or of any other committee.	Compliant	<p>Provide information or link/reference to a document containing information on the Chairman of the BROOC</p> <p><i>The Chairman of ALI's BROOC is not the Chairman of the Board or any other committee.</i></p> <p><i>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual</i></p>	

		<p><i>Stockholders' Meeting and Organizational Board Meeting</i> https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Orq-BOD_4.24.19.pdf</p> <p><i>Ref: pg 102 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Table on Committee Memberships</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Compliant	<p>Provide information or link/reference to a document containing information on the background, skills, and/or experience of the members of the BROC.</p> <p><i>At least one member of ALI's BROC has relevant thorough knowledge and experience on risk and risk management.</i> <i>Ref: pg 51-53 > ALI 2019 Integrated Report > Board of Directors > Profiles of Jaime C. Laya, Rizalina G. Mantaring and Antonino T. Aquino</i></p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf <i>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Table on 2019 Board of Directors Expertise</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	<p>Provide information or link/reference to a document containing information on the Related Party Transactions (RPT) Committee, including its functions.</p> <p><i>ALI's Board established a Related Party Transactions Review Committee.</i> <i>Ref: pg 22 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.6 Related Party Transactions Review Committee</i> https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	<p>Provide information or link/reference to a document containing information on the members of the RPT Committee, including their qualifications and type of directorship.</p> <p><i>ALI's RPT Review Committee is composed of three non-executive, independent directors.</i> <i>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational</i></p>	

		<p><i>Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i> https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p><i>Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
Recommendation 3.6			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Provide information on or link/reference to the company's committee charters, containing all the required information, particularly the functions of the Committee that is necessary for performance evaluation purposes.	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant	<p><i>All of ALI's established committees at the Board level have a charter. All the charters provide standards for evaluating the performance of the committees and are fully disclosed in the ALI IR website.</i></p> <p><i>Ref: ALI IR Website > Corporate Governance > Board Committees</i> https://ir.ayalaland.com.ph/corporate-governance/board-committees/</p>	

ALI Board Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Board-of-Diretors.pdf>

ALI Executive Committee Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Executive-Comm.pdf>

ALI Audit Committee Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf>

ALI Board Risk Oversight Committee Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/ALI-Risk-Oversight-Committee-Charter-2017-08-11-Final.pdf>

ALI Corporate Governance and Nomination Committee Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Corp.-Governance-and-Nomination-Comm.pdf>

ALI Personnel and Compensation Committee Charter

<https://ir.ayalaland.com.ph/wp-content/uploads/2018/03/ALI-Charter-of-the-Personnel-and-Compensation-Comm.pdf>

		<p><i>ALI Related Party Transactions Review Committee Charter</i> https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-RPT-Review-Committee-Charter-2017-06-29-Signed-copy.pdf</p> <p><i>ALI Sustainability Committee</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/Sustainability-Committee-Charter-2017-05-17-Signed.pdf</p>	
3. Committee Charters were fully disclosed on the company's website.	Compliant	<p>Provide link to company's website where the Committee Charters are disclosed.</p> <p><i>The charters of the committees were fully disclosed on the company's website. See above response for Recommendation 3.6, items 1-2.</i></p>	
<p>Principle 4: To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.</p>			
<p>Recommendation 4.1</p>			
1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	<p>Provide information or link/reference to a document containing information on the process and procedure for tele/videoconferencing board and/or committee meetings.</p> <p>Provide information or link/reference to a document containing information on the attendance and participation of directors to Board, Committee and shareholders' meetings.</p>	

		<p>ALI's Board of Directors attend and actively participate in all meetings, in person or through tele/videoconferencing conducted in accordance with the rules and regulations of the SEC.</p> <p>Ref: pg 98-99 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Board and Committee Attendance 2019 https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: pg 8-9 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.9 Board Meetings and Quorum Requirements https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. The directors review meeting materials for all Board and Committee meetings.	Compliant	<p>Board materials are distributed to ALI's Board of Directors at least five business days to give the directors ample time to review the meeting materials prior to the meeting date.</p> <p>ALI used the Diligent Boards application in 2019 and starting 2020, the Azeus Convene application, which allows each director to access the materials online in a secure portal as well as all materials of previous meetings of the Board and the Board Committees.</p> <p>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Meetings and Attendance</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant	<p>Provide information or link/reference to a document containing information on any questions raised or clarification/explanation sought by the directors</p> <p><i>Board of Directors act judiciously before deciding on any matter by evaluating the issues, asking relevant questions and seeking clarifications as appropriate.</i> Ref: pg 13 > ALI CG Manual > Article II Governance > Item 1.13 Specific Responsibilities of each Director > Item c. https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 4.2			
1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.	Compliant	<p>Disclose if the company has a policy setting the limit of board seats that a non-executive director can hold simultaneously.</p> <p>Provide information or reference to a document containing information on the directorships of the company's directors in both listed and non-listed companies</p> <p><i>ALI has a policy on multiple board seats indicating that no independent director shall hold no more than five board seats in any group of PLCs and executive directors shall hold no more than two board seats in listed companies outside the ALI group.</i></p>	

		<p>Ref: pg 8 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.8 Policy on multiple board seats https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 50-53 > ALI 2019 Integrated Report > Board of Directors Profiles https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	<p>Provide copy of written notification to the board or minutes of board meeting wherein the matter was discussed.</p> <p><i>In the ALI CG Manual, all directors are required to notify the Board before accepting a directorship in another company.</i></p> <p>Ref: pg 13 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.13 Specific responsibilities of each director > item j. https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	<i>The President and CEO, Mr. Bernard Vincent O. Dy, does not serve in more than two boards of listed companies outside of the group.</i>	

		<p>Ref: pg 51 > ALI 2019 Integrated Report > Board Profiles</p> <p>https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant	<p>ALI schedules the Board of Directors' meetings before the start of the financial year and are held at least once every quarter.</p> <p>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Meetings and Attendance</p> <p>https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
3. Board of directors meet at least six times during the year.	Compliant	<p>Indicate the number of board meetings during the year and provide proof</p> <p>The Board held six regular meetings in 2019.</p> <p>Ref: pg 98 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Board and Committee Meeting Attendance</p> <p>https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Compliant	<p>Indicate the required minimum quorum for board decisions</p> <p>Two-thirds (2/3) of the number of ALI directors shall constitute a quorum.</p>	

		<p>Ref: pg 8 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.9 Board Meetings and Quorum Requirements</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs			
Recommendation 5.1			
<p>1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.</p>	<p>Compliant</p>	<p>Provide information or link/reference to a document containing information on the number of independent directors in the board</p> <p><i>As of 24 April 2019, the Board has 3 independent directors, constituting one-third (1/3) of its composition.</i></p> <p>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting Item 4. Election of Directors</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Org-BOD_4.24.19.pdf</p> <p><i>As of 22 April 2020, the Board has 4 independent directors, constituting more than one-third (1/3) of its composition.</i></p> <p>Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual</p>	

		<p><i>Stockholders' Meeting and Organizational Board Meeting Item 4. Election of Directors</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	
Recommendation 5.2			
<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the qualifications of the independent directors.</p> <p><i>ALI's independent directors possess all the qualifications and none of the disqualifications to hold the position.</i></p> <p><i>Ref: pg 51-52 > ALI 2019 Integrated Report > Our Leaders > Board Profiles</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>Ref: pg 27-33 > 2019 Definitive Information Statement > IR Website > Disclosures > Information Statements (SEC Form 20-IS) > Certification of Independent Directors</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/ALI-2019-DIS-2019-03-26.pdf</p>	
Supplement to Recommendation 5.2			
<p>1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.</p>	Compliant	<p>Provide link/reference to a document containing information that directors are not constrained to vote independently.</p> <p><i>ALI has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never</i></p>	

		<p>prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</p> <p>Ref: pg 30-31 > ALI CG Manual > Article IV Governance Policy on Conflict of Interest https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	<p>Provide information or link/reference to a document showing the years IDs have served as such.</p> <p>ALI's independent directors serve for a cumulative term of nine years.</p> <p>Ref: pg 96 and 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Independent Directors; Table on 2019 Board of Directors https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>An independent director, after serving nine years, shall be perpetually barred from being elected as such in the company, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same</p>	

		<p>conditions provided for in the rules and regulations of the SEC. Ref: pg 6 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.5 Disqualifications > Item j. https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>ALI's independent directors may serve for a period of not more than nine years. Ref: pg 7 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.7 Independent Directors https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	<p>Provide information or link/reference to a document containing information on the company's policy on term limits for its independent director</p> <p>An independent director, after serving nine years, shall be perpetually barred from being elected as such in the company, without prejudice to being elected as independent director in other companies outside of the business conglomerate, where applicable, under the same conditions provided for in the rules and regulations of the SEC. Ref: pg 6 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.5 Disqualifications > Item J</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	<p>Provide reference to the meritorious justification and proof of shareholders' approval during the annual shareholders' meeting.</p> <p><i>ALI's CG Manual only allows for independent directors to serve a maximum term of nine years. In the event that an independent director shall be retained beyond this, ALI's Board will have to provide meritorious justification and seek shareholders' approval during the ASM.</i></p> <p>Ref: pg 7 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.7 Independent Directors</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Compliant	<p>Identify the company's Chairman of the Board and Chief Executive Officer</p> <p><i>ALI's Chairman of the Board and Chief Executive Officer are held by separate individuals.</i></p> <p>Ref: pg 94 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > The Chairman, Vice Chairman, and President and CEO</p>	

		https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Table on 2019 Board of Directors https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Provide information or link/reference to a document containing information on the roles and responsibilities of the Chairman of the Board and Chief Executive Officer. Identify the relationship of Chairman and CEO. ALI's Chairman of the Board and CEO have clearly defined responsibilities. Ref: pg 26 > ALI CG Manual > Article III Management > 3. Roles of the executive officers of the corporation > 3.1 Chairman of the Board and 3.3 President and Chief Executive Officer https://ir.avalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf Ref: pg 94 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > The Chairman, Vice Chairman, and President and CEO	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	<p>Provide information or link/reference to a document containing information on a lead independent director and his roles and responsibilities, if any.</p> <p>Indicate if Chairman is independent.</p> <p>On 24 April 2019, Mr. Jaime C. Laya was appointed as lead independent director. Ref: pg 2 > Results of the 2019 Annual Stockholders' Meeting and Organizational Board Meeting, 24 April 2019 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting https://ir.ayalaland.com.ph/wp-content/uploads/2019/05/SEC-PSE-PDEx-Result-of-ASM-and-Orq-BOD_4.24.19.pdf</p> <p>On 22 April 2020, Ms. Rizalina G. Mantaring was appointed as lead independent director. Ref: pg 2 > Results of the 2020 Annual Stockholders' Meeting and Organizational Board Meeting, 22 April 2020 > IR Website > Disclosures > Results of the Annual Stockholders' Meeting and Organizational Board Meeting https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/SEC-PSE-PDEx-Results-of-ASM-and-OM_4.22.2020.pdf</p>	

		<p>Roles and responsibilities of the Lead Independent Director</p> <p>Ref: pg 8 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.7 Independent Directors > item e</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	<p>Provide proof of abstention, if this was the case</p> <p><i>There have been no cases of directors with material interest in a transaction affecting the company and ALI's directors and key management personnel are required to abstain and/or inhibit themselves from participating in discussions on a particular agenda item where they are conflicted.</i></p> <p>Ref: pg 100-101 > ALI 2019 Integrated Report > Corporate Governance > Board Committees> Disclosure of Conflict of Interest</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>ALI has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all</i></p>	

		<p>shareholders and the company without regard to their own personal and selfish interests.</p> <p>Ref: pg 30-31 > ALI CG Manual > Article IV Governance Policy on Conflict of Interest https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 5.7			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Compliant	<p>Provide proof and details of said meeting, if any.</p> <p>Provide information on the frequency and attendees of meetings.</p>	
2. The meetings are chaired by the lead independent director.	Compliant	<p>ALI's NEDS met last October 31, 2019, without any executive director.</p> <p>Ref: pg 9 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.9 Board Meetings and Quorum Requirements > item d https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 97 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Meetings and Attendance > Paragraph 2 https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>The Lead Independent Director, Dr. Jaime C. Laya, chaired the NEDs meeting last October 31, 2019.</p>	

		<p>Ref: pg 99 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Board and Committee Meeting Attendance 2019 > Non-executive Directors Meeting https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>ALI's Lead Independent Director convenes and chairs meetings of the non-executive directors.</p> <p>Ref: pg 8 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.7 Independent Directors > item e https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Compliant	<p>Provide name/s of company CEO for the past 2 years</p> <p>None. Mr. Bernard Vincent O. Dy is President and CEO of ALI for six years since his appointment in April 2014. Mr. Antonino T. Aquino, current non-executive director, was the CEO from April 2009 to April 2014.</p>	

Principle 6: The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

Recommendation 6.1

1. Board conducts an annual self-assessment of its performance as a whole.	Compliant	Provide proof of self-assessments conducted for the whole board, the individual members, the Chairman and the Committees	
2. The Chairman conducts a self-assessment of his performance.	Compliant		
3. The individual members conduct a self-assessment of their performance.	Compliant	<i>The ALI Board, the Chairman, individual members, and each committee conducts an annual self-assessment of its performance. In 2018, an online version of the self-assessment survey was developed and made available for the members of the Board.</i>	
4. Each committee conducts a self-assessment of its performance.	Compliant	<p>Ref: pg 10 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.11 Board Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 101 > ALI 2019 Integrated Report > Corporate Governance > Board Matters> Annual Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Summary of Board Self-Assessment Results 2014 - 2019 Ref: ALI IR Website > Corporate Governance > Board Self-Assessment https://ir.ayalaland.com.ph/corporate-governance/board-self-assessment/</p>	

<p>5. Every three years, the assessments are supported by an external facilitator.</p>	<p>Compliant</p>	<p>Identify the external facilitator and provide proof of use of an external facilitator.</p> <p><i>To strengthen the objectivity of the assessment, the Board will engage an external facilitator to conduct the process every three years beginning 2019. This policy was instituted in May 2017.</i> Ref: pg 10 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.11 Board Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p><i>In 2019, AON Hewitt Southeast Asia, an external facilitator, was engaged to conduct the annual assessment exercise.</i> Ref: pg 10 > ALI CG Manual > Article II Governance > 1. The Board of Directors > 1.11 Board Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 101 > ALI 2019 Integrated Report > Corporate Governance > Board Matters> Annual Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Recommendation 6.2

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Compliant	Provide information or link/reference to a document containing information on the system of the company to evaluate the performance of the board, individual directors and committees, including a feedback mechanism from shareholders	
2. The system allows for a feedback mechanism from the shareholders.	Compliant	<p><i>ALI's Board has a performance appraisal system that determines the performance of the Board, individual directors and committees. One of the tools used is the self-assessment exercise.</i></p> <p>Ref: pg 101 > ALI 2019 Integrated Report > Corporate Governance > Board Matters> Annual Self-Assessment https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>Summary of Board and Committees Self-Assessment Results 2014-2019</i></p> <p>Ref: ALI IR Website > Corporate Governance > Board Self-Assessment https://ir.ayalaland.com.ph/corporate-governance/board-self-assessment/</p> <p><i>ALI's Board allows for a feedback mechanism from shareholders during the Q&A session of the Annual Stockholders' Meeting.</i></p> <p>Ref: pg 11 > Minutes of the 2019 Annual Stockholders' Meeting > IR Website > Disclosures > Minutes of the meeting, item 10. Other Matters</p>	

		<p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/04/ALI-Minutes-Annual-Stockholders-Meeting-24-April-2019.pdf</p> <p>Ref: pg 10 > Minutes of the 2020 Annual Stockholders' Meeting > IR Website > Disclosures > Minutes of the meeting, item 10. Other Matters</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-Minutes-ASM-2020-draft-as-of-27Apr2020.pdf</p> <p>ALI has a Contact Us section and published the emails of the respective contact persons on the website for shareholders and the public.</p> <p>ALI Website > Contact Us link on Header</p> <p>https://ir.ayalaland.com.ph/</p>	
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Principle 7: Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

Recommendation 7.1

1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Compliant	<p>Provide information on or link/reference to the company's Code of Business Conduct and Ethics.</p> <p>ALI's Board has a Code of Conduct and Ethics.</p> <p>Ref: Code of Conduct and Ethics > IR Website > Corporate Governance</p> <p>https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</p>	
2. The Code is properly disseminated to the Board, senior management and employees.	Compliant	<p>Provide information on or discuss how the company disseminated the Code to its Board, senior management and employees.</p>	

		<p>The Code is properly disseminated to the Board, senior management and employees. Ref: Code of Conduct and Ethics > IR Website > Corporate Governance https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</p>	
3. The Code is disclosed and made available to the public through the company website.	Compliant	<p>Provide a link to the company's website where the Code of Business Conduct and Ethics is posted/ disclosed.</p> <p>ALI's Code of Ethical Behavior is available to the public through the company website. Ref: ALI Code of Ethical Behavior > Code of Conduct and Ethics > IR Website > Corporate Governance https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_72_Code-of-Ethical-Behavior.pdf</p>	
Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Compliant	<p>Provide information on or link/reference to a document containing information on the company's policy and procedure on curbing and penalizing bribery</p> <p>ALI has an Anti-Corruption Program. Ref: pg 108-109 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Anti-Corruption Programs and Procedures https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Compliant	Provide proof of implementation and monitoring of compliance with the Code of Business Conduct and Ethics and internal policies.	
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Compliant	<p>Indicate who are required to comply with the Code of Business Conduct and Ethics and any findings on non-compliance.</p> <p><i>ALI's Board ensures the proper and efficient implementation and monitoring of compliance with its Code of Ethical Behavior and internal policies.</i></p> <p><i>Ref: pg 108-109 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Anti-Corruption Programs and Procedures</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Disclosure and Transparency

Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

Recommendation 8.1

1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.	Compliant	<p>Provide information on or link/reference to the company's disclosure policies and procedures including reports distributed/made available to shareholders and other stockholders</p> <p><i>Management, through the Investor Relations function, shall be responsible for public and timely disclosure of all material information about the company.</i></p>	
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		<p>Ref: pg 35 > ALI CG Manual > Article VI Communication and Information > 1. Management's Responsibility for Information and 2. The Investor Relations Function</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Supplement to Recommendations 8.1			
<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	Compliant	<p>Indicate the number of days within which the consolidated and interim reports were published, distributed or made available from the end of the fiscal year and end of the reporting period, respectively.</p> <p><i>ALI publicly discloses its consolidated financial statements within 60 days from the end of the fiscal year while interim quarterly reports are submitted within 45 days from the end of the reporting period.</i></p> <p>Ref: Ayala Land Audited Financial Statements as of year ended December 31, 2019 > PSE Edge Website > ALI > Company Disclosures > Material Information/Transactions Feb 28, 2020</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edqe_no=6f265bb5ed1fff5a0de8473cebbd6407</p> <p>Ref: ALI SEC 17Q 1Q 2019 > PSE Edge Website > ALI > Company Disclosures > Quarterly Report May 15, 2019</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edqe_no=11d07adda87e8e0cefdcf15ec263a54d</p>	

		<p>Ref: ALI SEC 17Q 2Q 2019 > PSE Edge Website > ALI > Company Disclosures > Quarterly Report August 14, 2019 https://edge.pse.com.ph/openDiscViewer.do?edge_no=5a6a4e9e425a9ba3efdfc15ec263a54d</p> <p>Ref: ALI SEC 17Q 3Q 2019 > PSE Edge Website > ALI > Company Disclosures > Quarterly Report November 14, 2019 https://edge.pse.com.ph/openDiscViewer.do?edge_no=b1fa2a647617edf4efdfc15ec263a54d</p>	
<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	Compliant	<p>Provide link or reference to the company's annual report where the following are disclosed:</p> <ol style="list-style-type: none"> 1. principal risks to minority shareholders associated with the identity of the company's controlling shareholders; 2. cross-holdings among company affiliates; and 3. any imbalances between the controlling shareholders' voting power and overall equity position in the company. <p>ALI discloses the shareholdings of controlling shareholders. Ref: pg 57> ALI SEC 17-A 2019> IR Website > Disclosures > Annual Reports (SEC Form17-A) https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-SEC17-A-2019-2020-04-14.pdf</p> <p>ALI upholds and protects the rights of minority shareholders.</p>	

		<p>Ref: pg 37 > ALI CG Manual > Article VII Stockholders Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.1 Voting Right https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 8.2			
1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Provide information on or link/reference to the company's policy requiring directors and officers to disclose their dealings in the company's share.</p>	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	<p>Indicate actual dealings of directors involving the corporation's shares including their nature, number/percentage and date of transaction.</p> <p><i>All ALI directors and officers are required to disclose/report any dealings in the company's shares within three business days.</i></p> <p>Ref: pg 108 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Anti-Corruption Programs and Procedures > Trading Blackout Policy https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>ALI Insider Trading Policy</i> https://ir.ayalaland.com.ph/corporate-governance/insider-trading-policy/</p>	

		<p>Actual dealings of directors involving the corporation's shares Ref: ALI IR Website > Disclosures > Statement of Changes in Beneficial Ownership (SEC Form 23-A, 23-B) https://ir.ayalaland.com.ph/category/disclosures/statement-of-changes-in-beneficial-ownership-of-securities-sec-form-23-a-23-b/</p>	
Supplement to Recommendation 8.2			
<p>1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).</p>	Compliant	<p>Provide information on or link/reference to the shareholdings of directors, management and top 100 shareholders.</p> <p>Provide link or reference to the company's Conglomerate Map.</p> <p>ALI discloses the trading of the corporation's shares by directors, officers and controlling shareholders. Ref: ALI IR Website > Statement of Changes in Beneficial Ownership of Securities https://ir.ayalaland.com.ph/category/disclosures/statement-of-changes-in-beneficial-ownership-of-securities-sec-form-23-a-23-b/</p> <p>ALI discloses the shareholdings of its directors, management and top 100 shareholders. Ref: ALI Top 100 Shareholders as of March 31, 2020 > ALI IR Website > Disclosures https://ir.ayalaland.com.ph/wp-content/uploads/2019/07/ALI-Top-100-Stockholders-as-of-March-31-2020.pdf</p>	

		<p>Ref: ALI Public Ownership Report as of March 31, 2020 > ALI IR Website > Disclosures</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/05/PSE-BIR-Public-Ownership-Report_3.31.20.pdf</p>	
Recommendation 8.3			
<p>1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Provide link or reference to the directors' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>ALI fully discloses the profile of its directors. Ref: pg 50-53 > ALI 2019 Integrated Report > Our Leaders > Board of Directors Profiles https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
<p>2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>	Compliant	<p>Provide link or reference to the key officers' academic qualifications, share ownership in the company, membership in other boards, other executive positions, professional experiences, expertise and relevant trainings attended.</p> <p>ALI fully discloses the profile of its key executives. Ref: pg 20-27 > 2020 Definitive Information Statement > ALI IR Website > Disclosures > Information Statements (SEC Form 20-IS)</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf	
Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for setting board remuneration</p> <p>ALI provides a clear disclosure on Board remuneration. Ref: pg 97,100 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Remuneration https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Compliant	<p>Disclose or provide link/reference to the company policy and practice for determining executive remuneration</p> <p>ALI has policies and procedures in place for setting executive remuneration. Ref: pg 17 > ALI CG Manual > Article II Governance > 2. Board Committees > 2.3 Personnel and Compensation Committee > items a-c. https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Compliant	Provide breakdown of director remuneration and executive compensation, particularly the remuneration of the CEO.	

		<p>Board of Directors 2019 Gross Remuneration Ref: pg 100 > ALI 2019 Integrated Report > Corporate Governance > Board Matters > Remuneration https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>ALI discloses on its Definitive Information Statement the remuneration of its top five most highly compensated executives, including the CEO. Ref: pg 8-9 > 2020 ALI Definitive Information Statement > Item 6 > Compensation of Director and Executive Officers https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf</p>	
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	<p>Disclose or provide reference/link to company's RPT policies</p> <p>Indicate if the director with conflict of interest abstained from the board discussion on that particular transaction.</p> <p>ALI discloses its RPT Policy on its website. Ref: ALI Related Party Transactions Review Policy > ALI IR Website > Corporate Governance https://ir.ayalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf</p>	

		<p><i>There have been no cases wherein a director in conflict of interest is involved in any of the related party transactions disclosed in the Sec Form No. 17-A.</i></p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	Compliant	<p>Provide information on all RPTs for the previous year or reference to a document containing the following information on all RPTs:</p> <ol style="list-style-type: none"> 1. name of the related counterparty; 2. relationship with the party; 3. transaction date; 4. type/nature of transaction; 5. amount or contract price; 6. terms of the transaction; 7. rationale for entering into the transaction; 8. the required approval (i.e., names of the board of directors approving, names and percentage of shareholders who approved) based on the company's policy; and 9. other terms and conditions <p><i>ALI discloses the material and significant RPTs reviewed and approved during the year.</i></p> <p><i>Ref: pg 105 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Related Party Transactions Review Committee, item 3.</i></p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Supplement to Recommendation 8.5

<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>Compliant</p>	<p>Indicate where and when directors disclose their interests in transactions or any other conflict of interests.</p> <p><i>ALI requires its directors to disclose their interests.</i> Ref: pg 100 > ALI 2019 Integrated Report > Corporate Governance > Board Committees > Disclosure of Conflict of Interest https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>ALI has a governance policy on conflict of interest to ensure that the personal interest of directors and officers should never prevail over the interest of the company, so that they may not directly or indirectly derive any personal profit or advantage by reason of their position in the company and must promote the common interest of all shareholders and the company without regard to their own personal and selfish interests.</i> Ref: pg 30-31 > ALI CG Manual > Article IV Governance Policy on Conflict of Interest https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
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Optional : Recommendation 8.5

<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>Provide link or reference where this is disclosed, if any</p>	
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		<p>ALI ensures that all RPTs are conducted on an arms' length basis, at normal prices, and will inure to the best interest of the company.</p> <p>Ref: pg 1 > 2. Statement of Policy and Coverage > ALI RPT Policy > ALI IR Website > Corporate Governance</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2019/10/ALI-Revised-RPT-Policy-SEC-received-2019-10-18-website.pdf</p>	
Recommendation 8.6			
1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	<p>Provide link or reference where this is disclosed</p> <p>ALI Disclosures</p> <p>Ref: ALI IR Website > Disclosures</p> <p>https://ir.ayalaland.com.ph/category/disclosures/</p>	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Compliant	<p>Identify independent party appointed to evaluate the fairness of the transaction price</p> <p>Disclose the rules and procedures for evaluating the fairness of the transaction price, if any.</p> <p>In case of mergers, acquisitions and/or takeovers requiring shareholders' approval, the Board of Directors may appoint an independent party to evaluate the fairness of the terms of the transaction.</p> <p>Ref: pg 108 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Fairness Evaluation in cases of Mergers, Acquisitions and/or takeovers</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Supplement to Recommendation 8.6			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	<p>Provide link or reference where these are disclosed.</p> <p>All material transactions/information are disclosed on the IR website. Ref: ALI IR Website > Disclosures https://ir.ayalaland.com.ph/category/disclosures/</p>	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	<p>Provide link to the company's website where the Manual on Corporate Governance is posted.</p> <p>ALI's corporate governance policies, programs and procedures are contained in its CG Manual. It is submitted to the SEC and PSE and is posted on the IR website. Ref: ALI Corporate Governance Manual > ALI IR Website > Corporate Governance > CG Manual https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant	<p>ALI's corporate governance policies, programs and procedures are contained in its CG Manual. It is submitted to the SEC and PSE and is posted on the IR website. Ref: ALI Corporate Governance Manual > ALI IR Website > Corporate Governance > CG Manual https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>http://edge.pse.com.ph/openDiscViewer.do?edge_no=85f6e869ccc502bf3318251c9257320d#sthash.DMQY105b.dpbs</p>	

Supplement to Recommendation 8.7

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.		<p>Provide proof of submission.</p> <p>ALI's proof of submission of the CG Manual to the PSE. Ref: ALI CG Manual > PSE edge > ALI > Other SEC Forms, Reports and Requirements May 30, 2017 http://edge.pse.com.ph/openDiscViewer.do?edge_no=85f6e869ccc502bf3318251c9257320d#sthash.cX0Eydq4.dpbs</p>	
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Optional: Principle 8

1. Does the company's Annual Report disclose the following information:	Compliant	Provide link or reference to the company's Annual Report containing the said information.	
a. Corporate Objectives	Compliant	<p>ALI 2019 Integrated Report > IR Website > Home > Annual Reports https://ir.avalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Corporate Objectives Ref: pg 58</p> <p>Financial and non-financial performance indicators Ref: pg 7</p> <p>Dividend Declaration Ref: pg 107</p> <p>Biographical Details Ref: pg 50-53</p>	
b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors' meetings held during the year	Compliant		
g. Total remuneration of each member of the board of directors	Compliant		

		<p>Attendance of each director Ref: pg 98-99</p> <p>Remuneration Ref: pg 97,100</p>	
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Statement confirming the company's full compliance with the Code of Corporate Governance Ref: pg 96 > ALI 2019 Integrated Report > Corporate Governance > Corporate Governance Structure > Strategic Business Units and Subsidiaries > last paragraph https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Board of Directors Statement Ref: pg 128 > ALI 2019 Integrated Report > Financials > Report of the Audit Committee to the Board of Directors > 3rd bullet https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.	Compliant	<p>Provide link or reference to where this is contained in the Annual Report</p> <p>Board of Directors Statement</p>	

		<p>Ref: pg 128 > ALI 2019 Integrated Report > Financials > Report of the Audit Committee to the Board of Directors > 3rd bullet</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
<p>5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).</p>	Compliant	<p>Provide link or reference to where these are contained in the Annual Report</p> <p>Key Risks</p> <p>Ref: pg 113-117 > ALI 2019 Integrated Report > Risk Management > Key risks and mitigating measures</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
<p>Principle 9: The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.</p>			
<p>Recommendation 9.1</p>			
<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	Compliant	<p>Provide information or link/reference to a document containing information on the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.</p> <p>The Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal and fees of the external auditor.</p> <p>Ref: pg 4-5 > ALI Audit Committee Charter > 3. Roles and Responsibilities > 3.3 Independent Audit > items a, b, c, g</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	<p>Indicate the percentage of shareholders that ratified the appointment, reappointment, removal and fees of the external auditor.</p> <p><i>The Board, through the Audit Committee, recommends to the stockholders a duly accredited external auditor who shall undertake an independent audit and shall provide an objective assurance on the preparation of ALI's financial statements.</i></p> <p>Ref: pg 32 > ALI CG Manual > Article V Audit and Compliance > 2. External Audit > Item a</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.	Compliant	<p>Provide information on or link/reference to a document containing the company's reason for removal or change of external auditor.</p> <p><i>The reason/s for the resignation, dismissal or cessation from service and date thereof of an external auditor shall be reported in ALI's annual and current reports. Since its incorporation, ALI has not removed nor changed its external auditor.</i></p> <p>Ref: pg 33 > ALI CG Manual > Article V Audit and Compliance > 2. External Audit > Item e</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	

Supplement to Recommendation 9.1

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	<p>Provide information on or link/reference to a document containing the policy of rotating the lead audit partner every five years.</p> <p><i>The Partner-in-charge is rotated every five years or earlier.</i></p> <p>Ref: pg 33 > ALI CG Manual > Article V Audit and Compliance > 2. External Audit > Item d https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
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Recommendation 9.2

<p>1. Audit Committee Charter includes the Audit Committee's responsibility on:</p> <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>ALI's Audit Committee Charter</i></p> <p>Ref: ALI Charter of the Audit Committee > ALI IR Website > Corporate Governance > Board Committees > Audit Committee https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf</p>	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	<p>Provide link/reference to the company's Audit Committee Charter</p> <p><i>Refer to response provided in Recommendation 9.2, item 1.</i></p>	

Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Provide link/reference to the company's Audit Committee Charter <i>Refer to response provided in Recommendation 9.2, item 1.</i>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Provide link/reference to the company's Audit Committee Charter <i>Refer to response provided in Recommendation 9.2, item 1.</i>	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Disclose the nature of non-audit services performed by the external auditor, if any. <i>ALI discloses the nature of non-audit services performed by the external auditor in the Annual Report.</i> <i>Ref: pg 106 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > External Audit, Audit and Audit-related Fees</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	Provide link or reference to guidelines or policies on non-audit services <i>Guidelines on Non-Audit Services</i> <i>Ref: pg 5 > Charter of the Audit Committee > 3. Roles and Responsibilities > 3.3 Independent Audit > Item g</i>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	<p>Provide information on audit and non-audit fees paid.</p> <p><i>ALI discloses the nature of non-audit services performed by the external auditor in the Annual Report and fees paid for non-audit services do not outweigh the audit services.</i></p> <p>Ref: pg 106 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > External Audit, Audit and Audit-related Fees</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	<p>Provide information on company's external auditor, such as:</p> <ol style="list-style-type: none"> 1. Name of the audit engagement partner; 2. Accreditation number; 3. Date Accredited; 4. Expiry date of accreditation; and 5. Name, address, contact number of the audit firm. <p><i>Audit Engagement Partner:</i> <i>Michael C. Sabado</i> <i>SEC Accreditation number:</i> 0664-AR-4 <i>Date Accredited:</i> Nov 11, 2019 <i>Expiry:</i> Nov 10, 2022</p>	

		Name, address, contact number of audit firm: SyCip Gorres Velayo & Co. 6760 Ayala Avenue 1226 Makati City Philippines Tel (632) 8910307 Website https://www.ey.com/ph/en/home	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	Provide information on the following: 1. Date it was subjected to SOAR inspection, if subjected; 2. Name of the Audit firm; and 3. Members of the engagement team inspected by the SEC. SGV & Co. agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program. The inspection was done from Nov 12 – 28, 2018. The names of the members of the engagement team were provided to the SEC during the inspection.	
Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Disclose or provide link on the company's policies and practices on the disclosure of non-financial information, including EESG issues. The Board commits at all times to full disclosure of material information, including non-financial information, with emphasis on the management of economic,	

		<p>environment, social and governance issues of the business, which underpin sustainability. It shall cause the filing of all required information through the appropriate Exchange mechanisms for listed companies and submissions to the Commission for the interest of its stockholders and other stakeholders.</p> <p>Ref: Pg 39 > ALI CG Manual > Article VI Communication and Information > 1. Management's Responsibility for Information > last paragraph</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>About the ALI Integrated Report</p> <p>Ref: pg 2 > 2019 ALI Integrated Report > About this Report</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	<p>Provide link to Sustainability Report, if any. Disclose the standards used.</p> <p>The sustainability initiatives of the company is an integral part of its Annual Report.</p> <p>About the ALI Integrated Report</p> <p>Ref: pg 2, 152-155 > 2019 ALI Integrated Report > About this Report; Statement of Management's Responsibility in the preparation of the 2019 Integrated Report; Independent Assurance Statement</p>	

<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

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

Recommendation 11.1

<p>1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.</p>	<p>Compliant</p>	<p>Disclose and identify the communication channels used by the company (i.e., website, Analyst's briefing, Media briefings /press conferences, Quarterly reporting, Current reporting, etc.). Provide links, if any.</p> <p><i>ALI holds media and analyst briefings to ensure timely and accurate dissemination of public, material and relevant information to its shareholders</i> Ref: pg 87 > ALI 2019 Integrated Report > Social Engagement > Shareholders and Analysts > Analysts' Quarterly Briefings, Investor Meetings, Roadshows and Conferences and Media https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: Analyst Briefing Podcasts > ALI IR Website > Home > Podcasts and Videos https://ir.ayalaland.com.ph/category/podcasts-and-videos/</p>	
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Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	Provide link to company website	
a. Financial statements/reports (latest quarterly)	Compliant	ALI IR Website https://ir.ayalaland.com.ph/	
b. Materials provided in briefings to analysts and media	Compliant	Financial Statements https://ir.ayalaland.com.ph/category/disclosures/annual-reports/	
c. Downloadable annual report	Compliant	Analyst Briefing Materials https://ir.ayalaland.com.ph/category/presentations/	
d. Notice of ASM and/or SSM	Compliant	Downloadable Annual Report https://ir.ayalaland.com.ph/financials/annual-reports/	
e. Minutes of ASM and/or SSM	Compliant	Notice of ASM https://ir.ayalaland.com.ph/category/disclosures/notice-of-asm/	
f. Company's Articles of Incorporation and By-Laws	Compliant	Minutes of ASM https://ir.ayalaland.com.ph/category/disclosures/minutes-of-meetings/ Articles of Incorporation and By-laws https://ir.ayalaland.com.ph/about-us/our-company/articles-of-incorporation-and-by-laws/	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	ALI IR Website https://ir.ayalaland.com.ph/	

Internal Control System and Risk Management Framework

Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

Recommendation 12.1

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p>Compliant</p>	<p>List quality service programs for the internal audit functions. Indicate frequency of review of the internal control system</p> <p><i>ALI has an adequate and effective internal control system.</i> Ref: pg 2 > Charter of the Audit Committee > 3. Roles and Responsibilities > 3.1 Internal Audit https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>Compliant</p>	<p>Identify international framework used for Enterprise Risk Management</p> <p>Provide information or reference to a document containing information on:</p> <ol style="list-style-type: none"> 1. Company's risk management procedures and processes 2. Key risks the company is currently facing 3. How the company manages the key risks <p>Indicate frequency of review of the enterprise risk management framework.</p> <p><i>ALI has an adequate and effective risk management framework.</i></p>	

		<p>Ref: pg 110-117 > 2019 ALI Integrated Report > Risk Management https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: pg 21-22 > ALI Corporate Governance Manual > Article II > Item 2.5 Board Risk Oversight Committee https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Supplement to Recommendations 12.1			
<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	Compliant	<p>Provide information on or link/ reference to a document containing the company's compliance program covering compliance with laws and relevant regulations.</p> <p>Indicate frequency of review.</p> <p>ALI has a formal compliance system in place. Ref: pg 33> ALI CG Manual > Article V Audit and Compliance > 3. The Compliance System https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p> <p>Ref: pg 101 > 2019 ALI Integrated Report > Corporate Governance > Board Matters > Training and Continuous Education https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Optional: Recommendation 12.1

1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	<p>Provide information on IT governance process</p> <p><i>ALI has a governance process on IT issues and are reported by the Chief Risk Officer to the Board Risk Oversight Committee.</i></p> <p>Ref: pg 117 > ALI 2019 Integrated Report > Risk Management > Key Risks and Mitigating Measures > Cyber Risk</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Recommendation 12.2

1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	<p>Disclose if the internal audit is in-house or outsourced. If outsourced, identify external firm.</p> <p><i>Internal audit is in-house with specific responsibilities on Independent Audit.</i></p> <p>Ref: pg 4 > ALI Charter of the Audit Committee > 3. Roles and Responsibilities > 3.3 Independent Audit</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-Audit-Committee-Charter-2017-10-06-Final.pdf</p> <p>Ref: pg 18-19 > ALI Corporate Governance Manual > Article II > Item 2.4 Audit Committee > Internal Audit</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
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Recommendation 12.3

1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	<p>Identify the company's Chief Audit Executive (CAE) and provide information on or reference to a document containing his/her responsibilities.</p> <p>ALI has a qualified Chief Audit Executive Ref: pg 95 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > Chief Audit Executive https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third-party service provider.	Compliant	<p>Refer to the response on Recommendation 12.3, item 1.</p>	
3. In case of a fully outsourced internal audit activity a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	<p>Identify qualified independent executive or senior management personnel, if applicable.</p> <p>ALI's internal audit function is done 100% internally. However, in the event that the audit function should be outsourced, ALI has a qualified senior management personnel who can oversee the activity. Ms. Ma. Divina Y. Lopez was appointed Chief Audit Executive of ALI in April 2019 and can assume this function if needed. Ref: pg 95 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > Chief Audit Executive https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Recommendation 12.4

1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p>Provide information on company's risk management function.</p> <p><i>ALI has a separate risk management function.</i></p> <p>Ref: pg 110-117 > ALI 2019 Integrated Report > Risk Management https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: pg 21-22 > ALI Corporate Governance Manual > Article II > Item 2.5 Board Risk Oversight Committee https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
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Supplement to Recommendation 12.4

1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	<p>Identify source of external technical support, if any.</p> <p><i>ALI seeks external technical support in risk management from various consultants and third parties.</i></p> <ol style="list-style-type: none">1. <i>KPMG Singapore</i> for the development of ALI's Enterprise-Wide Risk Management (EWRM) framework which raised ALI's program comparable to regional peers2. <i>Marsh Risk Consulting</i> for risk identification and review of key sites as well as risk mitigation and control for operational and physical hazards	
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Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	<p>Identify the company's Chief Risk Officer (CRO) and provide information on or reference to a document containing his/her responsibilities and qualifications/background.</p> <p>ALI has a Chief Risk Officer. Ref: pg 96 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > Chief Risk Officer https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The CRO has adequate authority, stature, resources and support to fulfill his responsibilities.	

		Ref: pg 96 > ALI 2019 Integrated Report > Corporate Governance > Our Governance Structure > Chief Risk Officer https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Additional Recommendation to Principle 12			
1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	ALI CEO, CFO and CAE attestation Ref: ALI IR website > Corporate Governance > CEO, CFO and CAE attestation https://ir.ayalaland.com.ph/corporate-governance/ceo-cfo-cae-attestation/	
Cultivating a Synergic Relationship with Shareholders			
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Provide link or reference to the company's Manual on Corporate Governance where shareholders' rights are disclosed. Shareholders' rights are disclosed in the CG Manual. Ref: pg 34-39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Provide link to company's website Shareholders' rights are disclosed on the IR Website.	

		<p>Ref: pg 34-39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests https://ir.ayalaland.com.ph/corporate-governance/rights-of-shareholders/</p>	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	<p><i>Each common and preferred share of ALI entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</i> Ref: pg 87 > ALI 2019 Integrated Report > Social Engagement> Shareholders and Analysts > Shareholders Voting Rights https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	<p>Provide information on all classes of shares, including their voting rights if any.</p> <p><i>Each common and preferred share of ALI entitles the person, in whose name the share is registered in the books of the Corporation, to one vote.</i> Ref: pg 87 > ALI 2019 Integrated Report > Social Engagement> Shareholders and Analysts > Shareholders Voting Rights https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p><i>ALI's Board ensures that all shareholders are treated equally with respect to their rights.</i></p>	

		<p>Ref: pg 34-39 > ALI CG Manual > Article VII <i>Stockholders' Rights and Protection of Minority Stockholders' Interests</i> https://ir.ayalaland.com.ph/corporate-governance/rights-of-shareholders/</p>	
3. Board has an effective, secure, and efficient voting system.	Compliant	<p>Provide link to voting procedure. Indicate if voting is by poll or show of hands.</p> <p><i>The Board has an effective, secure, and efficient voting system.</i> Ref: pg 106-107 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Voting Procedure https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
4. Board has an effective shareholder voting mechanism such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	<p>Provide information on shareholder voting mechanisms such as supermajority or "majority of minority", if any.</p> <p><i>ALI's Board ensures the protection of minority shareholders.</i> Ref: pg 34-39 > ALI CG Manual > Article VII <i>Stockholders' Rights and Protection of Minority Stockholders' Interests</i> https://ir.ayalaland.com.ph/corporate-governance/rights-of-shareholders/</p>	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	<p>Provide information on how this was allowed by board (i.e., minutes of meeting, board resolution)</p> <p><i>The minority shareholders shall have the right to propose the holding of a meeting,</i></p>	

		<p>and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.</p> <p>Ref: pg 38 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.4 Right to Information</p> <p>https://ir.ayalaland.com.ph/corporate-governance/rights-of-shareholders/</p>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	<p>Provide information or link/reference to the policies on treatment of minority shareholders</p> <p>ALI's Board clearly articulates and enforces policies with respect to treatment of minority shareholders.</p> <p>Ref: pg 34-39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests</p> <p>https://ir.ayalaland.com.ph/corporate-governance/rights-of-shareholders/</p>	
7. Company has a transparent and specific dividend policy.	Compliant	<p>Provide information on or link/reference to the company's dividend Policy.</p> <p>Indicate if company declared dividends. If yes, indicate the number of days within which the dividends were paid after declaration. In case the company has offered scrip-dividends, indicate if the company paid the dividends within 60 days from declaration</p>	

		<p>ALI's Dividend Declaration Ref: pg 107 > 2019 ALI Integrated Report > Corporate Governance > Policies and Practices > Dividend Declaration https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>ALI declared its first-half cash dividends on its common shares on February 20, 2020 for shareholders on record as of March 6, 2020 with the payment date on March 20, 2020, 30 days after its declaration. https://edge.pse.com.ph/openDiscViewer.do?edge_no=c84b7bb88db714bc0de8473cebbd6407</p> <p>ALI declared its dividends for its preferred shares on May 24, 2019 for shareholders on record as of June 7, 2019 with the payment date on June 21, 2019, 28 days after its declaration. http://edge.pse.com.ph/openDiscViewer.do?edge_no=82988ddb1ee8bab4efdfc15ec263a54d</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant	<p>Identify the independent party that counted/validated the votes at the ASM, if any.</p> <p>SGV & Co. was appointed as the independent party to validate the votes. Ref: pg 106 > ALI 2019 Integrated Report > Corporate Governance > Board Committees> External Audit, Audit and Audit-related Fees</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	<p>Indicate the number of days before the annual stockholders' meeting or special stockholders' meeting when the notice and agenda were sent out.</p> <p>Indicate whether shareholders' approval of remuneration or any changes therein were included in the agenda of the meeting.</p> <p>Provide link to the Agenda included in the company's Information Statement (SEC Form 20-IS)</p> <p>ALI sent the Notice of Annual Shareholders' Meeting to shareholders on March 27, 2019, 29 days before the Annual Stockholders' Meeting on April 24, 2019. Ref: 2019 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR Website > Disclosures > 2019 Information Statements (SEC Form 20-IS) https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/ALI-2019-DIS-2019-03-26.pdf</p> <p>ALI sent the Notice of Annual Shareholders' Meeting to shareholders on March 26, 2020, 28 days before the Annual Stockholders' Meeting on April 22, 2020. Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR</p>	

		Website > Disclosures > 2020 Information Statements (SEC Form 20-IS) https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf	
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	Provide link or reference to the company's notice of Annual Shareholders' Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Link to the Notice of ASM Ref: 2019 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR Website > Disclosures > 2019 Information Statements (SEC Form 20-IS) https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/ALI-2019-DIS-2019-03-26.pdf	
b. Auditors seeking appointment/re-appointment	Compliant	https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/ALI-2019-DIS-2019-03-26.pdf	
c. Proxy documents	Compliant	Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR Website > Disclosures > 2020 Information Statements (SEC Form 20-IS) https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	Provide link or reference to the rationale for the agenda items ALI provides the explanation for the agenda items for the ASM. Ref: 2019 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR Website > Disclosures > 2019 Information Statements (SEC Form 20-IS)	

		https://ir.ayalaland.com.ph/wp-content/uploads/2019/03/ALI-2019-DIS-2019-03-26.pdf <i>Ref: 2020 Notice and Agenda of Annual Stockholders' Meeting and DIS > ALI IR Website > Disclosures > 2020 Information Statements (SEC Form 20-IS)</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	<p>Provide information or reference to a document containing information on all relevant questions raised and answers during the ASM and special meeting and the results of the vote taken during the most recent ASM/SSM.</p> <p><i>The voting results are posted on the website on the following day of the ASM.</i> <i>Ref: 2019 ASM Voting Results posted on April 25, 2019 > ALI IR Website > Disclosures > Minutes of Meetings</i> https://ir.ayalaland.com.ph/wp-content/uploads/2019/04/2019-ALI-Voting-Results.pdf</p> <p><i>Ref: 2020 ASM Voting Results posted on April 22, 2020 > ALI IR Website > Disclosures > Minutes of Meetings</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2020-Voting-Results.pdf</p>	

		<p>Minutes of the ASM Ref: Minutes of the 2019 Annual Stockholders' Meeting > ALI IR Website > Disclosures > Minutes of Meetings https://ir.ayalaland.com.ph/wp-content/uploads/2019/04/ALI-Minutes-Annual-Stockholders-Mtg.-2019-24April2019.pdf</p> <p>Ref: Minutes of the 2020 Annual Stockholders' Meeting > ALI IR Website > Disclosures > Minutes of Meetings https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-Minutes-ASM-2020-draft-as-of-27Apr2020.pdf</p>	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	<p>Provide link to minutes of meeting in the company website.</p> <p>Indicate voting results for all agenda items, including the approving, dissenting and abstaining votes. Indicate also if the voting on resolutions was by poll.</p> <p>Include whether there was opportunity to ask question and the answers given, if any</p> <p>Minutes of the 2019 ASM was posted on the ALI IR website on April 29, 2019, within three business days from the date of the ASM, April 24, 2019. Ref: Minutes of the 2019 Annual Stockholders' Meeting > ALI IR Website > Disclosures > Minutes of Meetings</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2019/04/ALI-Minutes-Annual-Stockholders-Mtg.-2019-24April2019.pdf Minutes of the 2020 ASM was posted on the ALI IR website on April 27, 2020, within three business days from the date of the ASM, April 22, 2019. Ref: Minutes of the 2020 Annual Stockholders' Meeting > ALI IR Website > Disclosures > Minutes of Meetings https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-Minutes-ASM-2020-draft-as-of-27Apr2020.pdf	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Indicate if the external auditor and other relevant individuals were present during the ASM and/or special meeting The Partner-in-charge, Michael C. Sabado, and other relevant individuals were present during the ASM.	
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	Provide details of the alternative dispute resolution made available to resolve intra-corporate disputes The Corporation adopts the rules and procedures set forth under Republic Act No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004, as an alternative means to settle disputes	

		<p>with a view towards preventing excessive litigation.</p> <p>Ref: pg 39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	<p>Provide link/reference to where it is found in the Manual on Corporate Governance</p> <p>ALI has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner that is included in its CG Manual.</p> <p>Ref: pg 39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	<p>Disclose the contact details of the officer/office responsible for investor relations, such as:</p> <ol style="list-style-type: none"> 1. Name of the person 2. Telephone number 3. Fax number 4. E-mail address 	

		Name: Michael Anthony L. Garcia Tel: (632) 7908 3677 Fax: (632) 7750 6970 Email: garcia.mike@ayalaland.com.ph	
2. IRO is present at every shareholder's meeting.	Compliant	Indicate if the IRO was present during the ASM. <i>The IRO is present at every Annual Shareholders' Meeting.</i>	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	Provide information on how anti-takeover measures or similar devices were avoided by the board, if any. <i>ALI's Board of Directors avoids anti-takeover measures or similar devices that may entrench ineffective management of the existing controlling shareholder group. An example is the observance of one year-term for its directors. Stockholders are given the opportunity to nominate new candidates for directorship during the ASM. Materials provided to stockholders expressly state that ALI does not solicit proxies.</i> Ref: pg 11 > ALI 2020 Information Statement > Item 5 Directors and Executive Officers https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf Ref: pg 8 > ALI 2020 Information Statement > Information required on the information statement	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	<p>Indicate the company's public float.</p> <p>ALI's public float is 54.6% as of March 31, 2020.</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=b6067045e3687c2b0de8473cebbd6407</p>	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	<p>Disclose or provide link/reference to policies and practices to encourage shareholders' participation beyond ASM</p> <p>ALI's CEO, CFO and IRO regularly engage shareholders and analysts through quarterly briefings, one-on-one meetings, conferences and roadshows, conference calls and electronic mail. In addition, contact details of the IRO are readily available on the IR website and the 2019 Integrated Report.</p> <p>Ref: pg 87 > 2019 Integrated Report > Social Engagement > Shareholders and Analysts</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	<p>Disclose the process and procedure for secure electronic voting in absentia, if any.</p> <p>Stockholders who are unable to go to the venue of the ASM may vote electronically in</p>	

		<p>absentia on matters in the agenda upon registration and validation online. Ref: pg 106 > 2019 Integrated Report > Corporate Governance > Policies and Practices > Voting Procedure https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: pg 20 > ALI 2020 Information Statement > Annex A Requirements and Procedure for electronic voting in absentia and participation by remote communication https://ir.ayalaland.com.ph/wp-content/uploads/2020/03/ALI-2020-DIS_PSE-EDGE.pdf</p>	
Duties to Stakeholders			
<p>Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.</p>			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	<p>Identify the company's shareholder and provide information or reference to a document containing information on the company's policies and programs for its stakeholders.</p> <p>ALI's social engagement practices Ref: pg 80-91 > ALI 2019 Integrated Report > Social Engagement https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

Compliant

Identify policies and programs for the protection and fair treatment of company's stakeholders

The Board has clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.

Ref: pg 80-91 > ALI 2019 Integrated Report > Social Engagement

<https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf>

Ref: pg 37-39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interest

<https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf>

Recommendation 14.3

1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.

Compliant

Provide the contact details (i.e., name of contact person, dedicated phone number or e-mail address, etc.) which stakeholders can use to voice their concerns and/or complaints for possible violation of their rights.

Provide information on whistleblowing policy, practices and procedures for stakeholders

Whistleblowing Contact Person:

Name: Ma. Divina Y. Lopez

		<p>Position: Chief Audit Executive appointed April 1, 2018 Tel: (632) 7908 3741 Email: lopez.divine@ayalaland.com.ph Whistleblowing Policy Ref: pg 109 > ALI 2019 Integrated Report > Corporate Governance > Policies and Practices > Whistleblowing Policy https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Ref: ALI IR Website > Contact Us https://ir.ayalaland.com.ph/</p>	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	<p>Provide information on the alternative dispute resolution system established by the company.</p> <p><i>ALI has an alternative dispute mechanism in place to resolve intra-corporate disputes in an amicable and effective manner.</i> Ref: pg 39 > ALI CG Manual > Article VII Stockholders' Rights and Protection of Minority Stockholders' Interests > 1. Shareholder Rights > 1.7 Alternative Dispute Mechanism for Intra-Corporate Dispute https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/ALI-CG-Manual-05-26-2017.pdf</p>	

Additional Recommendations to Principle 14

<p>1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.</p>	<p>Compliant</p>	<p>Disclose any requests for exemption by the company and the reason for the request.</p> <p><i>No such requests were made by ALI.</i></p>	
<p>2. Company respects intellectual property rights.</p>	<p>Compliant</p>	<p>Provide specific instances, if any.</p> <p><i>ALI applies for, obtains, registers, leases, licenses or otherwise acquires to hold, use, own, operate, sell, assign and dispose of any trademark, tradename, trade secrets, formulas, patents, inventions, copyrights and processes used in connection with or secured under letters, patents, copyrights, domestic or foreign.</i></p> <p>Ref: pg 2 > ALI Articles of Incorporation > Secondary Purpose > Item 6 https://ir.ayalaland.com.ph/wp-content/uploads/2016/02/File_75_Articles-of-Incorporation.pdf</p> <p><i>ALI maintains all its registered intellectual property rights through the submission of declarations of actual use before the Intellectual Property Office.</i></p> <p><i>ALI respects the intellectual property rights of other entities it deals with. For example, ALI's management agreements with third party hotel operators, e.g., Holiday Inn, Fairmont, etc. contain provisions defining terms of ownership and usage of the</i></p>	

		<i>relevant marks, customer data and system. The joint venture agreements of ALI with partners also contain standard clauses on respecting the intellectual property rights of each partner.</i>	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	<p>Identify policies, programs and practices that address customers' welfare or provide link/reference to a document containing the same.</p> <p>Social Engagement (Property Buyers) Ref: pg 80 > ALI 2019 Integrated Report > Social Engagement > Property Buyers https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	<p>Identify policies, programs and practices that address supplier/contractor selection procedures or provide link/reference to a document containing the same.</p> <p>Social Engagement (Business Partners, Suppliers and Service Providers) Ref: pg 86 > ALI 2019 Integrated Report > Social Engagement > Business Partners, Suppliers and Service Providers https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	

Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.

Recommendation 15.1

<p>1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.</p>	<p>Compliant</p>	<p>Provide information on or link/reference to company policies, programs and procedures that encourage employee participation.</p> <p><i>Social Engagement (Employees and Workers)</i> <i>Ref: pg 88- 86 > ALI 2019 Integrated Report > Social Engagement > Employees and Workers</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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Supplement to Recommendation 15.1

<p>1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.</p>	<p>Compliant</p>	<p>Disclose if company has in place a merit-based performance incentive mechanism such as an employee stock option plan (ESOP) or any such scheme that awards and incentivizes employees, at the same time aligns their interests with those of the shareholders.</p> <p><i>Social Engagement (Compensation and Rewards)</i> <i>Ref: pg 85 > ALI 2019 Integrated Report > Social Engagement > Health and Safety</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
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2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	<p>Disclose and provide information on policies and practices on health, safety and welfare of employees. Include statistics and data, if any.</p> <p>Social Engagement (Heath and Safety) Ref: pg 82 > ALI 2019 Integrated Report > Social Engagement > Health and Safety https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
3. Company has policies and practices on training and development of its employees.	Compliant	<p>Disclose and provide information on policies and practices on training and development of employees. Include information on any training conducted or attended.</p> <p>Social Engagement (Training and Development) Ref: pg 83-85 > ALI 2019 Integrated Report > Social Engagement > Training and Development https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	<p>Identify or provide link/reference to the company's policies, programs and practices on anti-corruption</p> <p>ALI's anti-corruption programs and procedures Ref: pg 108-109 > ALI 2019 Integrated Report > Corporate Governance > Policies</p>	

		<p>and Practices > Anti-corruption programs and procedures</p> <p>https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	<p>Identify how the board disseminated the policy and program to employees across the organization</p> <p><i>The Board, through the Human Resources office, puts emphasis on integrity as part of ALI's core values. This is part of the on-boarding program of new employees and is embedded in every level-based program as a refresher for tenured employees. In addition, each employee is mandated to submit a disclosure of possible conflicts of interest on an annual basis. The anti-corruption programs and procedures are likewise available on the ALI IR website.</i></p> <p><i>ALI's Code of Conduct and Business Ethics</i> https://ir.ayalaland.com.ph/corporate-governance/code-of-conduct-and-ethics/</p>	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	<p>Identify or provide link/reference to the company policy and procedures on penalizing employees involved in corrupt practices. Include any finding of violations of the company policy.</p> <p><i>Conflict of Interest Policy</i></p>	

		<p>Ref: pg 17 > ALI Code of Ethical Behavior > ALI IR Website > Corporate Governance > Code of Conduct and Ethics https://ir.ayalaland.com.ph/wp-content/uploads/2016/01/File_72_Code-of-Ethical-Behavior.pdf</p> <p>Business Integrity Program https://ir.ayalaland.com.ph/corporate-governance/ayala-land-business-integrity-program/</p> <p>Whistle Blower Policy https://ir.ayalaland.com.ph/corporate-governance/whistle-blower-policy/</p> <p>Business Gifts Policy https://ir.ayalaland.com.ph/corporate-governance/business-gifts-policy/</p>	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	<p>Disclose or provide link/reference to the company whistle-blowing policy and procedure for employees.</p> <p>Indicate if the framework includes procedures to protect the employees from retaliation. Provide contact details to report any illegal or unethical behavior.</p> <p>Whistleblowing Policy and Business Integrity Channel Ref: pg 109 > ALI 2019 Integrated Report > Corporate Governance > Policies and</p>	

		<p><i>Practices > Anti-corruption procedures > Whistleblowing, Business Integrity Channel</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Whistle Blower Policy https://ir.ayalaland.com.ph/corporate-governance/whistle-blower-policy/</p> <p>Business Integrity Program https://ir.ayalaland.com.ph/corporate-governance/ayala-land-business-integrity-program/</p> <p>Ref: ALI IR Website > Contact Us https://ir.ayalaland.com.ph/</p>	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	<p>Refer to responses on Recommendation 15.3, Item 1.</p>	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	<p>Provide information on how the board supervised and ensured enforcement of the whistleblowing framework, including any incident of whistleblowing.</p> <p>The Business Integrity Channels are spearheaded by the Ayala Land Ethics Committee. The Ethics Committee has a direct reporting line to the Audit Committee of the Board.</p> <p>Ref: pg 109 > ALI 2019 Integrated Report > Corporate Governance > Policies and</p>	

		<p><i>Practices > Anti-corruption procedures > Whistleblowing, Business Integrity Channel</i> https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p>	
<p>Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.</p>			
<p>Recommendation 16.1</p>			
<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>Provide information or reference to a document containing information on the company's community involvement and environment-related programs.</p> <p>Community Involvement and Environment-related programs Ref: pg 66 > ALI 2019 Integrated Report > Sustainability Four Focus Areas https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>Carbon Neutrality Ref: pg 74-75 > ALI 2019 Integrated Report > Environmental Stewardship > Carbon Neutrality https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf</p> <p>How we engage communities Ref: pg 87-89 > ALI 2019 Integrated Report > Social Engagement > Communities and NGOs</p>	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf Helping the Community during COVID-19 Ref: pg. 10 > Minutes of the 2020 Annual Stockholders' Meeting > Item 10. Other Matters https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-Minutes-ASM-2020-draft-as-of-27Apr2020.pdf	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	Identify or provide link/reference to policies, programs and practices to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development. How we create value Ref: pg 64-65 > ALI 2019 Integrated Report > How We Create Value https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	Identify or provide link/reference to policies, programs and practices to interact positively with the communities in which it operates. Community Involvement and Environment-related programs Ref: pg 66 > ALI 2019 Integrated Report > Sustainability Four Focus Areas	

		https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-2019-Integrated-Report-vF.pdf Helping the Community during COVID-19 Ref: pg. 10 > Minutes of the 2020 Annual Stockholders' Meeting > Item 10. Other Matters https://ir.ayalaland.com.ph/wp-content/uploads/2020/04/ALI-Minutes-ASM-2020-draft-as-of-27Apr2020.pdf	
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SIGNATURES



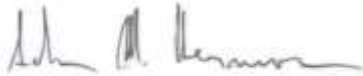
FERNANDO ZOBEL DE AYALA
Chairman of the Board



BERNARD VINCENT O. DY
President and Chief Executive Officer



AUGUSTO D. BENGZON
Chief Finance Officer and Chief Compliance Officer



SOLOMON M. HERMOSURA
Corporate Secretary



RIZALINA G. MANTARING
Lead Independent Director



REX MA. A. MENDOZA
Independent Director



SHERISA P. NUESA
Independent Director



CESAR V. PURISIMA
Independent Director

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20____, affiant(s) exhibiting to me their _____, as follows:

NAME/PASSPORT NO.

DATE OF ISSUE

PLACE OF ISSUE

Fernando Zobel de Ayala – P0349883B
Bernard Vincent O. Dy - EC8377126
Rizalina G. Mantaring - EC5964028
Rex Ma. A. Mendoza – P6999664A
Sherisa P. Nuesa – P8595622A
Cesar V. Purisima – P1834993A
Augusto D. Bengzon – P4323352B
Solomon M. Hermosura – P3081434B

January 22, 2019
July 23, 2016
November 13, 2015
May 02, 2018
September 04, 2018
February 02, 2017
January 8, 2020
October 14, 2019

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