

ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
Disclosure and Transparency			
Principle 8: The company should establish corporate disclosure policies and procedures that are practical and in accordance with the 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	Revised Manual on Corporate Governance, Article XI, Section 5, page 26; Article XII, page 27; Digital Annual Report; Audited Financial Statements	
Recommendation 8.2			
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.	Compliant	Digital Annual Report; 2020 General Information Sheet	
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,	Compliant	Digital Annual Report; 2020 General Information Sheet	
Recommendation 8.3			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code	Compliant	Compensation & Remuneration Committee Charter;	

2. Company provides a clear disclosure of its policies and procedure for setting Executive remuneration, including the level and mix of the same in the Annual Corporate Governance Report consistent with ASEAN Corporate Governance Scorecard (ACGS) and the Revised Corporation Code,	Compliant	Compensation & Remuneration Committee Charter;	
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant	Compensation & Remuneration Committee Charter;	The compensation of directors and executive officers are confidential and not disclosed to the public, but the shareholders, which are all directors, have access to said compensation breakdown.

Recommendation 8.4

1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Related Party Transaction Policy; Quarterly Related Party Transaction Reports: <ul style="list-style-type: none"> • PLGIC RPT Report - 1st Quarter 2020 • PLGIC RPT Report - 2nd Quarter 2020 • PLGIC RPT Report - 3rd Quarter 2020 • PLGIC RPT Report - 4th Quarter 2020 	
2. Company discloses material or significant RPTs in its Annual Company Report or Annual Corporate Governance Report, reviewed and approved by the Board, and submitted for confirmation by majority vote of the stockholders in the annual stockholders' meeting during the year.	Compliant	Related Party Transaction Policy; Quarterly Related Party Transaction Reports: <ul style="list-style-type: none"> • PLGIC RPT Report - 1st Quarter 2020 • PLGIC RPT Report - 2nd Quarter 2020 • PLGIC RPT Report - 3rd Quarter 2020 • PLGIC RPT Report - 4th Quarter 2020 	

Recommendation 8.5

1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	Revised Manual on Corporate Governance	
2. Company's MCG is posted on its company website.	Compliant		

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

Recommendation 9.1

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors,	Compliant	Audit Committee Charter	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	Audit Committee Charter; Minutes of Annual Meeting of Stockholders held on 27 October 2020 - Item 7, Appointment of the External Auditors	
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		The company has maintained the same external auditor.

Recommendation 9.2

1. Audit Committee Charter includes Audit Committee's responsibility on: <ol 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	Audit Committee Charter	
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	Audit Committee Charter	

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		External Auditors does not engage in non-audit services for the company
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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		External Auditors does not engage in non-audit services for the company
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	Digital Annual Report: Paper Conservation and Disposal Policy	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	Digital Annual Report:	

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

Recommendation 11.1

1. The company should have a website to ensure a comprehensive, cost efficient, transparent, and timely manner of disseminating relevant information to the public.	Compliant	<p>Various communication channels are used by the company, such as through website, email, SMS blasts and posting through social media platforms.</p> <p>2020 Paramount News/Media Releases</p> <p>Digital Annual Report:</p>	
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