

## ANNUAL CORPORATE GOVERNANCE REPORT

RECOMMENDED CG PRACTICE / POLICY	COMPLIANT / NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>Internal Control System and Risk Management Framework</b>			
<b>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.</b>			
<b>Recommendation 12.1</b>			
1. Company has an adequate and internal control system in the conduct of its business.	Compliant	<a href="#">Revised Manual on Corporate Governance, Article IX, Section 2, page 22;</a> <a href="#">Internal Audit Charter</a>	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	<a href="#">Revised Manual on Corporate Governance, Article IX, Section 3, page 23;</a> <a href="#">Risk Management Strategy</a>	
<b>Recommendation 12.2</b>			
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	<a href="#">Digital Annual Report;</a> <a href="#">Internal Audit Charter;</a> <a href="#">Revised Manual on Corporate Governance, Article VIII, Section 1, page 21</a>	
<b>Recommendation 12.3</b>			
1. The company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	The company does not have a Chief Audit Executive but employs an Internal Audit Head, whose functions are the same as that of a CAE. <a href="#">Job Role &amp; Profile - Head of Internal Audit;</a> <a href="#">Internal Audit Charter;</a> <a href="#">Digital Annual Report</a>	

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>The company does not have a Chief Audit Executive but employs an Internal Audit Head, whose functions are the same as that of a CAE.</p> <p><a href="#">Job Role &amp; Profile - Head of Internal Audit;</a></p> <p><a href="#">Internal Audit Charter;</a></p> <p><a href="#">Digital Annual Report</a></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		Internal Audit functions of the company is not outsourced.
<b>Recommendation 12.4</b>			
1. The company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	<p><a href="#">Revised Manual on Corporate Governance, Article IX, Section 3, page 23;</a></p> <p><a href="#">Risk Management Strategy;</a></p> <p><a href="#">Risk Management Committee Charter</a></p>	
<b>Recommendation 12.5</b>			
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	<a href="#">Digital Annual Report;</a>	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	<a href="#">Risk Management Strategy;</a>	