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SEC Registration Number

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(Company's Full Name)

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(Business Address: No. Street City/Town/Province)

**MS. FRANCIS M. MONTOJO**  
(Contact Person)

**8884-1106**  
(Company Telephone Number)

1	2	3	1
<i>Month</i>	<i>Day</i>	<i>Month</i>	<i>Day</i>
(Fiscal Year)			

**I - A C G R**  
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<i>Month</i>	<i>Day</i>	<i>Month</i>	<i>Day</i>
(Annual Meeting)			

(Secondary License Type, If Applicable)

Dept. Requiring this Doc.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic	Foreign

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To be accomplished by SEC Personnel concerned

File Number

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Document ID

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## SEC FORM – I-ACGR

### INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **31 December 2020**
2. SEC Identification Number **163671**      3. BIR Tax Identification No. **000-804-342-000**
4. Exact name of issuer as specified in its charter **AyalaLand Logistics Holdings Corp.**
5. **Metro Manila, Philippines**       (SEC Use Only)  
Province, Country or other jurisdiction      Industry Classification Code:  
of incorporation or organization
7. **3<sup>rd</sup> Floor, Glorietta 5, Ayala Center, Makati City**      **1224**  
Address of principal office      Postal Code
8. **(632)8884-1106**  
Issuer's telephone number, including area code
9. **N/A**  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> 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.</p>			
<b>Recommendation 1.1</b>			
<p>1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.</p>	COMPLIANT	<p>The Corporation's Board is composed of individuals with academic qualifications, professional experience, and expertise that is relevant to the property industry.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>                      &gt; Item 9. Directors and Executive Officers of the Registrant &gt; pages 24-27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Integrated Annual Report (2020 Annual Report)</b>                      &gt; Corporate Governance&gt; Profiles of Directors &gt; pages 22-24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<p>2. Board has an appropriate mix of competence and expertise.</p>	COMPLIANT	<p>The Corporation's Board is composed of a diverse mix of individuals with finance, real estate, legal or management background, consistent with its policy to ensure diversity of experience and background of directors.</p> <p><b>Reference:</b></p>	

		<p><b>2020 Annual Report</b></p> <p>a) &gt; Corporate Governance&gt;Directors' Profiles&gt; pages 22-24;</p> <p>b) &gt;Corporate Governance&gt; Board Matters&gt; 2020 Table of Directors showing designation, years appointed and expertise of the Directors (Board Skills Matrix)&gt; page 26</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>SEC Form 17-A (2020)</b></p> <p>&gt; Item 9. Directors and Executive Officers of the Registrant &gt; pages 24-27</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<p>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.</p>	<p>COMPLIANT</p>	<p>All directors possess the qualifications and none of the disqualifications as provided in the Manual on Corporate Governance (as revised).</p> <p>The directors attend training annually as disclosed in the Corporation's Annual Report and Definitive Information Statement.</p> <p><b>Reference:</b></p> <p><b>Revised Manual on Corporate Governance (2020) (CG Manual 2020)</b></p> <p>&gt; Article III – Governance &gt; Item 1.3 – Qualification &gt; page 5</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	

		<p><b>2020 Annual Report</b></p> <p>a) &gt;Corporate Governance&gt; Board Committees&gt; Process and Criteria for Nominations to the Board&gt;page 32</p> <p>b) &gt; Corporate Governance&gt; Board Matters&gt; Training and Development &gt;pages 29-30</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	COMPLIANT	<p>The Board is composed of a majority of non-executive directors.</p> <p><b>Reference:</b></p> <p><b>2020 Annual Report</b></p> <p>&gt; Corporate Governance&gt; Board Matters&gt; 2020 Table of Directors -Designation of Directors&gt; page 26</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	COMPLIANT	<p>The Corporation’s Manual on Corporate Governance provides policy for training and continuing professional development of directors.</p> <p><b>Reference:</b></p> <p><b>CG Manual 2020</b></p> <p>&gt; Article III – Governance &gt; Item 2.7 – Policy on Training of Directors&gt; page 15</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	

		<p><b>Charter of the Corporate Governance and Nomination Committee</b>  &gt; Section 3 – Responsibilities&gt; Item 3.4&gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	
2. Company has an orientation program for first time directors.	COMPLIANT	<p>The Corporate Secretary ensures proper onboarding of all directors by conducting orientation for its new directors. The orientation covers information on the business of the company, its mission/vision, duties and responsibilities of directors, and policies affecting directors. Copies of ALLHC’s Articles of Incorporation and By-laws, CG Manual, relevant charters of the Board Committees, relevant Company policies are provided to the new director.  The orientations for the new directors were conducted on May 11, 2020 and July 2, 2020.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article IV-Management &gt; Item 2.2- Corporate Secretary &gt; paragraph h&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Training and Development&gt; paragraph 2&gt;page 29</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
<p>3. Company has relevant annual continuing training for all directors.</p>	<p>COMPLIANT</p>	<p>The Company has relevant annual continuing training for all directors and key officers.</p> <p>The Compliance Officer ensures that there is relevant training program for all directors.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  Article III – Governance &gt; Item 2.7 – Policy on Training of Directors&gt; page 15  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Training and Development&gt; Table of 2020 Training and Continuing Education of Directors&gt; pages 29- 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Certificate of Attendance of Directors in Corporate Governance Seminars</b> (posted in the website)  &gt; Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors and Key Officers dated November 10, 2020&gt; pages 1-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Certificates-of-Attendance-10-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Certificates-of-Attendance-10-November-2020.pdf</a></p>	

		<p>Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors and Key Officers dated December 16, 2020</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/Certificates-of-Attendance-16-December-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/Certificates-of-Attendance-16-December-2020.pdf</a></p>	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	COMPLIANT	<p>The Board encourages a mix of competent directors, each of whom can add value and contribute independent judgment in the formulation of sound corporate strategies and policies. The required knowledge, abilities and experience needed to successfully manage the Corporation are considered in the selection of candidates for the Board.</p> <p>With respect to gender, the Corporation shall strive that its Board shall be composed of at least two (2) female directors by 2025.</p> <p>In 2020, we have complied with the gender diversity policy as there are two (2) female directors and seven (7) male directors in the Board.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 1.2 – Diversity &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt; Board Matters&gt;Competency and Diversity&gt; page 25</p>	



		<p>b) Profiles of directors Ms. Maria Rowena Victoria M. Tomeldan and Ms. Cassandra Lianne S. Yap&gt;pages 23 and 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Optional: Recommendation 1.4</b>			
<p>1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.</p>	COMPLIANT	<p>The Company has a policy on the board diversity.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt; Board Matters&gt;Competency and Diversity&gt; page 25  b) &gt;Corporate Governance&gt;Board Matters&gt;2020 Table of Directors-Board Skills matrix&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Board Charter</b>  &gt;Section 2- Membership&gt;Item 2.1- Composition&gt; paragraphs 2-3&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<b>Recommendation 1.5</b>			
<p>1. Board is assisted by a Corporate Secretary.</p>	COMPLIANT	<p>In 2020, the Board was assisted by the following Corporate Secretaries:</p> <p>(i) Corporate Secretary- June Vee D. Monteclaro-Navarro</p> <p>(ii) Asst. Corporate Secretaries- Nimfa Ambrosia L. Perez-Paras Francis Paolo P. Tiopianco</p>	

		<p>The Corporate Secretary is a separate individual from the Compliance Officer and is not a member of the Board.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article IV – Management &gt; Item 2.2 – Corporate Secretary &gt; page 25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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	<p><b>2020 GIS and Amended GIS</b>  &gt;2020 GIS &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/AyalaLand-Logistics-Holdings-Corp.-2020-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/AyalaLand-Logistics-Holdings-Corp.-2020-GIS-notarized.pdf</a></p> <p>&gt; 2020 Amended GIS &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf</a></p>	
4. Corporate Secretary attends training/s on corporate governance.	COMPLIANT	<p>The Corporate Secretary and Assistant Corporate Secretaries attend trainings on corporate governance. For 2020, they attended the corporate governance seminar on November 10, 2020.</p> <p><b>Reference:</b>  <b>Certificate of Attendance of Directors in Corporate Governance Seminars</b> (posted on the website)  &gt; Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors and Key Officers&gt;pages 10-12</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Certificates-of-Attendance-10-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Certificates-of-Attendance-10-November-2020.pdf</a>	
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	COMPLIANT	<p>The Corporate Secretary distributes the materials for Board meetings, to the extent possible, at least five (5) business days before the meeting.</p> <p><b>Reference:</b>  <b>Board Charter</b>          &gt;Section 6- Resolutions and Actions&gt;Item 6.1- Meetings, Quorum and Actions&gt; paragraph d&gt; page 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	COMPLIANT	<p>The Board is assisted by the Compliance Officer, Ms. Francis M. Montojo.</p> <p>The qualifications, duties and functions of the Compliance Officer are provided in the CG Manual.</p> <p><b>Reference:</b>  <b>2020 General Information Sheet (GIS) and Amended GIS</b>          &gt;2020 GIS &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-GIS-PSE.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-GIS-PSE.pdf</a></p>	

		<p>&gt; 2020 Amended GIS&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/AyalaLand-Logistics-Holdings-Corp.-Amended-GIS-2020-for-PSE.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/AyalaLand-Logistics-Holdings-Corp.-Amended-GIS-2020-for-PSE.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article IV-Management&gt; Item 2.6- Compliance Officer&gt; page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.</p>	<p>COMPLIANT</p>	<p>The Compliance Officer is among the top 4 senior officers of the Corporation. The Corporation has no Senior Vice President.</p> <p>The Compliance Officer has adequate authority in the Corporation. She is the concurrent Chief Finance Officer and Chief Risk Officer of the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III- Governance&gt; Item 2.6- Compliance Officer&gt; page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt; Our Leaders&gt; Senior Leaders&gt; Management Committee&gt;page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	

		<p><b>Organizational Chart</b>  &gt;About Us&gt; Organizational Chart  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Organizational-Chart-as-of-July-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Organizational-Chart-as-of-July-2020.pdf</a></p>	
3. Compliance Officer is not a member of the board.	COMPLIANT	<p>The Compliance Officer is not a member of the Board of Directors.</p> <p><b>Reference:</b>  <b>2020 Amended GIS</b>  &gt; 2020 Amended GIS (filed on May 18, 2020)  &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article IV-Management&gt; Item 2.6- Compliance Officer&gt; paragraph 1 &gt;page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
4. Compliance Officer attends training/s on corporate governance.	COMPLIANT	<p>The Compliance Officer attends corporate governance trainings. She attended a corporate governance seminar on November 10, 2020.</p> <p><b>Reference:</b>  <b>Certificate of Attendance of Directors and Key Officers in Corporate Governance Seminars</b> (posted in the website)  &gt; Investor Relations&gt;Disclosures&gt;Certificate of Attendance of Directors and Key Officers&gt; Certificate of Attendance of Ms. Francis Montojo&gt; page 9</p>	

<https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Certificates-of-Attendance-10-November-2020.pdf>

**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.

**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.</p>	<p>COMPLIANT</p>	<p>All directors act in the best interest of the Corporation in a manner characterized by transparency, accountability and fairness. The directors attend and participate in the meetings of the Board and Board Committees. Directors are provided with agenda and materials days before the meetings so they can participate actively in the meetings of the Board and Board Committees.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article III-Governance&gt;Sec. 2.3-Specific Responsibilities of Each Director &gt; pages 13-14  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>          &gt;Corporate Governance&gt;Board Committees&gt; Accomplishments of the Executive, Audit, Corporate Governance, Personnel and Compensation, Board Risk Oversight, Related Party Transactions Review and Sustainability Committees&gt; pages 31-32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
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<b>Recommendation 2.2</b>			
1. Board oversees the development, review and approval of the company's business objectives and strategy.	COMPLIANT	The Board oversees the development of the business objectives and strategy.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	COMPLIANT	<p>The Board had six (6) meetings in 2020 during which the objectives, strategies and performance of the company were discussed.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt;Article III-Governance&gt;Sec. 2.1 General Responsibilities of the Board&gt;pages 10-11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>            &gt;Corporate Governance&gt; Board Matters&gt; Directors' Attendance in Meetings of the Board and Committees in 2020&gt;page 27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	COMPLIANT	<p>The Corporation has clearly defined and updated vision, mission and core values. The Corporation reviews its mission, vision every year.</p> <p><b>Reference:</b>  <b>ALLHC website</b>            &gt;About Us&gt; Corporate Profile&gt; Vision-Mission and Core Values  <a href="https://www.ayalalandlogistics.com/corporate-profile/">https://www.ayalalandlogistics.com/corporate-profile/</a></p>	

		<p><b>2020 Annual Report</b> &gt;Vision-Mission and Core Values&gt; page 3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Board Charter</b> &gt;Section 5- Powers, Duties and Responsibilities of the Board&gt; paragraph b&gt; page 7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<p>2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company’s business environment, and culture.</p>	<p>COMPLIANT</p>	<p>The Board provides sound written policies and strategic guidelines on key capital expenditures, and periodically evaluate and monitor implementation of such strategies.</p> <p>Management submits its plans and strategies to the Board. Management reports to the Board the status of the implementation of the strategies and results of operations as provided in the quarterly reports.</p> <p><b>Reference:</b> <b>CG Manual 2020</b> &gt; Article III-Governance&gt;Sec. 2.2-Specific Duties of the Board &gt;Item e&gt;page 12 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Quarterly Reports</b> &gt; SEC 17-Q dated 31 March 2020, 30 June 2020 and 30 September 2020</p>	



		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/1Q-2020-ALLHC_SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/1Q-2020-ALLHC_SEC-17-Q.pdf</a>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/2Q-2020-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/2Q-2020-ALLHC-SEC-17-Q.pdf</a>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/3Q-2020-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/3Q-2020-ALLHC-SEC-17-Q.pdf</a>	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	COMPLIANT	<p>The Board is headed by a competent and qualified Chairperson. The responsibilities of the Chairperson are provided in the CG Manual.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Corporate Governance&gt;Directors' Profiles&gt; Profile of Mr. Jose Emmanuel H. Jalandoni  &gt;page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>CG Manual 2020</b>  &gt;Article III-Governance&gt; Item 1.7-Chairman of the Board&gt; pages 7-8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Recommendation 2.4</b>			
1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	COMPLIANT	The Board, through its Corporate Governance and Nomination Committee, together with the Management, is tasked to plan and recommend a succession plan for the board	

		<p>members and senior officers.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III – Governance &gt; Item 2.2 – Specific Duties of the Board &gt; paragraph d &gt; page 11  b) &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance and Nomination Committee&gt; paragraphs d and k &gt; pages 19-20  c)&gt; Article IV – Management &gt; Item 1 – General Responsibilities of Management&gt; paragraph a) iv &gt; page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2- Membership &gt; Item 2.4 Vacancy &gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p> <p><b>Management Succession Policy</b> (posted in website)  &gt;Corporate Governance&gt; Company Policies&gt;Management Succession Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/management-succession-policy.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/management-succession-policy.pdf</a></p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	<p>COMPLIANT</p>	<p>The Board has set 80 years old as retirement age for directors, subject to exceptions as may be approved by the Board.</p>	

		<p>The Company's executives are employees, and subject to the retirement policy, of the parent company, Ayala Land, Inc. (ALI).</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III-Governance&gt;Sec. 1.4 – Retirement Age&gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Recommendation 2.5</b>			
<p>1. Board aligns the remuneration of key officers and board members with long-term interests of the company.</p>	COMPLIANT	<p>The Board, through the Personnel and Compensation Committee, ensures that the compensation of individual directors and remuneration packages of key corporate officers with the Corporation's culture, strategy, and environment.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III – Governance &gt; Item 3.4 – Personnel and Compensation Committee &gt; paragraphs a, b and g&gt; pages 20-21  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Article III-Governance&gt; Section 2.5- Compensation&gt; paragraph 2&gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<p>2. Board adopts a policy specifying the relationship between remuneration and performance.</p>	COMPLIANT	<p>The Board, through the Personnel and Compensation Committee, adopts a policy which relates remuneration with performance.</p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Article III – Governance &gt; Item 3.4 – Personnel and Compensation Committee &gt; paragraphs a and h&gt; pages 20-21  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>          &gt;Sustainability&gt; People Engagement &amp; Development&gt; last paragraph&gt; page 18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<p>3. Directors do not participate in discussions or deliberations involving his/her own remuneration.</p>	<p>COMPLIANT</p>	<p>No director shall be involved in deciding his or her own remuneration during his incumbent term.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          a) &gt; Article III – Governance &gt; Item 2.5 – Compensation and Liability Insurance Coverage of Directors &gt; paragraph b &gt; page 14          b) &gt; Article III – Governance &gt; Item 3.4 – Personnel and Compensation Committee &gt; last paragraph&gt; page 21  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>          &gt; Section 2.5 -Compensation &gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	

Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	COMPLIANT	<p>The Corporation's Board approved the management fee paid to ALLI which covers part of the salaries of the senior executives of the Corporation.</p> <p><b>Reference:</b>  <b>2020 Consolidated Audited Financial Statements</b> (posted in website)            &gt;Investor Relations&gt; Financial Performance and Stock Information&gt;&gt; 2020 AFS of ALLHC and Subsidiaries&gt; Notes to AFS&gt; Item 17- RPT&gt; Compensation of key management personnel&gt;page 60 of Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf</a></p>	
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.	NOT APPLICABLE	<p>The senior executives of the Corporation are employees of ALLI and subject to the employment contracts and benefits of ALLI. Compensation of these senior executives are partly covered by the regular management fees billed by ALLI to the Corporation. Hence, the claw back provision or deferred bonuses are not applicable on the remuneration of senior executives.</p> <p><b>Reference:</b>  <b>2020 Consolidated Audited Financial Statements</b> (posted in website)            &gt;Investor Relations&gt; Financial Performance and Stock Information&gt;&gt; 2020 AFS of ALLHC and Subsidiaries&gt; Notes to AFS&gt; Item 17- RPT&gt; Compensation of key management personnel&gt;page 60 of Notes</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf</a>	
<b>Recommendation 2.6</b>			
<p>1. Board has a formal and transparent board nomination and election policy.</p>	<p>COMPLIANT</p>	<p>The Board has a formal and transparent nomination and election policy as disclosed in the Board Charter and Charter of the Corporate Governance and Nomination Committee.</p> <p>The names of the nominees for directors and their consent thereto are to be submitted to the Corporate Governance and Nomination Committee, through the Office of the Corporate Secretary, at least thirty (30) business days before the date of the stockholders' meeting when they are to be elected.</p> <p><b>Reference:</b>  <b>Board Charter</b>  &gt; Section 2-Membership&gt; Item 2.3- Election of Directors&gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  a) &gt;Section 4- Process and Criteria for Nominations to the Board&gt; pages 3-4  b) &gt;Section 5- Nominees for Election&gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	

<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The Board, through the Corporate Governance and Nomination Committee, determines the nomination and election policy as disclosed in the CG Manual and Board Charter.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III-Governance&gt;Item 3- Board Committees&gt;sub-item 3.3 – Corporate Governance and Nomination Committee&gt; paragraphs f to j &gt; pages 19-20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt;Section 2- Membership&gt; sub-section 2.3- Election of Directors &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>COMPLIANT</p>	<p>Stockholders, including minority stockholders, may submit to the Corporate Governance and Nomination Committee, nominations to the Board on or before the deadline set by the Board. The list of names of nominees to the Board, together with the written consent of the nominees shall be submitted to the Committee, through the Office of the Corporate Secretary at least thirty (30) business days prior to the date set for the annual meeting of the stockholders.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders' Rights and</p>	

		<p>Protection of Minority Shareholders&gt; Item 1.1 – Voting Right&gt; page 38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt;Section 2.3- Election of Directors &gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p> <p><b>SEC 17-C dated 18 December 2019</b>  &gt;Deadline for submission of nominees for directors for the 2020 ASM&gt; Item 5&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/12/ALLHC-SEC-Form-17-C-Results-of-the-Regular-Meeting-of-our-Board-of-Directors-12-18-19.pdf</a></p>	
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>COMPLIANT</p>	<p>The Board, through the Corporate Governance and Nomination Committee, screens and shortlists all candidates nominated to become a member of the Board to ensure that all candidates/ nominees for election as directors at the ASM are qualified and possess none of the disqualifications as provided in the By-laws, Manual on Corporate Governance and relevant laws, rules and regulations.</p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b>  a)&gt;Section 4 -Process and Criteria for Nominations to the Board&gt; pages 3-4  b)&gt;Section 5- Nominees for Election&gt; page 4</p>	



		<p>c)&gt;Section 3- Responsibilities &gt; paragraphs 3.6 to 3.9 &gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3.3 – Corporate Governance Committee&gt; paragraphs g and i&gt; pages 19-20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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	<p>The Board, through the Corporate Governance and Nomination Committee, annually reviews its performance through self-assessment, with respect to the fulfillment of its functions and responsibilities which include nomination, election and replacement of directors.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3-Board Committees&gt; sub-Item 3.3 –Corporate Governance and Nomination Committee&gt; paragraph I &gt;page 20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	COMPLIANT	<p>The Board, through the Corporate Governance and Nomination Committee, ensures that all candidates/ nominees to be nominated for election as directors are</p>	

		<p>qualified as provided in the CG Manual and Board Charter.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt;Article III-Governance &gt;Item 1.2-Diversity&gt; page 4  b) &gt;Article III-Governance&gt; Item 1.3-Qualifications &gt; page 5  c) &gt;Article III – Governance &gt; Item 3.3-Corporate Governance and Nomination Committee&gt; paragraphs g and h&gt; page 19</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt; Section 2 –Membership&gt; Sec. 2.1-Composition&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<b>Optional: Recommendation to 2.6</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporate Governance and Nomination Committee may recommend nominees to the Board. For this purpose, it may use professional search firms and other external sources.</p> <p>In 2020, a new director was nominated for election during the stockholders' meeting but there was no need to use a professional search firm as a stockholder was nominated.</p> <p><b>Reference:</b>  <b>Corporate Governance and Nomination Committee Charter</b></p>	

		<p>&gt; Section 4-Process and Criteria for Nominations to the Board&gt; last paragraph&gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p>	
<b>Recommendation 2.7</b>			
<p>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.</p>	COMPLIANT	<p>The Board, through the Related Party Transactions Review Committee (RPT Committee), has the overall responsibility to ensure that there is a group-wide policy for RPTs and for other unusual or infrequently occurring transactions, particularly those which pass certain thresholds of materiality.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Art. III-Governance&gt;Item 3.6-Related Party Transactions Review Committee&gt; page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Related Party Transactions Policy</b>          a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;          b) &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p>2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the</p>	COMPLIANT	<p>The RPT Policy includes review and approval of the material RPTs by the RPT Committee.</p>	

<p>transactions.</p>		<p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  b) &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p>3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.</p>	<p>COMPLIANT</p>	<p>The Policy encompasses all entities within the group, considering the terms, business purpose, benefits and other details of the related party transaction, including the description of the transaction, affected periods to be disclosed in the financial statements, amounts, and such other information necessary for better understanding of the effect of the proposed transaction.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt;Item 3-Definitions&gt; pages 1-3  b) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  c) &gt;Item 7- Approval of RPTs and Material RPTs &gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p><b>Supplement to Recommendations 2.7</b></p>			
<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</p>	<p>COMPLIANT</p>	<p>The RPT Policy clearly defines material or significant RPTs that will have to be endorsed to the Board for approval, as well as RPTs that are considered transactions in the ordinary course of business, the review of which is delegated to management.</p>	

<p>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>All RPTs approved by the Board are disclosed in the relevant financial reports of the Corporation as required under Philippine Accounting Standard 24 on Related Party Disclosures and other applicable disclosure requirements.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt; Item 5 - Related Party Transactions Delegated to Management&gt; pages 4- 5;  b) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  c) &gt;Item 7- Approval of RPTs and Material RPTs &gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></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>All RPTs and Material RPTs shall be reviewed by the RPT Committee and approved by at least two-thirds (2/3) 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.  In 2020, no RPT was submitted for the approval of the stockholders.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;  b) &gt;Item 7- Approval of RPTs and Material</p>	

		RPTs >pages 6-7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a>	
<b>Recommendation 2.8</b>			
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).	COMPLIANT	<p>The Board elects officers which include the President/CEO, Compliance Officer and Chief Risk Officer. The Audit Committee appoints the Chief Audit Executive.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 2.2 – Specific Duties of the Board &gt; paragraphs b, c, j (vii)&gt; pages 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Audit Committee Charter</b>  &gt;Corporate Governance&gt;Board Committees&gt;Audit Committee Charter&gt; Section D- Roles and Responsibilities&gt; Item 2 - Internal Audit&gt; paragraph 2.2&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>SEC 17-C dated 11 November 2020</b>  &gt;Investor relations&gt;Reports&gt; SEC 17-C&gt; Disclosure dated 11 November 2020&gt; last paragraph &gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Disclosure-dated-11-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/Disclosure-dated-11-November-2020.pdf</a></p>	
2. Board is primarily responsible for assessing the performance of Management led by the	COMPLIANT	The Board is primarily responsible for the performance of management and conducts	

<p>Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>		<p>an annual assessment of the President/CEO and the Management.</p> <p>The Compliance Officer report to the Board. The CAE and CRO report functionally to the Audit Committee and Board Risk Oversight Committee, respectively. The Board or the appropriate committees, assesses the performance of these officers.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III- Governance &gt; Item 2.2 – Specific Duties of the Board &gt; paragraphs j (vii) and m&gt; pages 12-13  b) &gt;Article V-Audit, Risk Oversight and Compliance&gt; Item 4-Risk Oversight&gt; Functions of the Chief Risk Officer&gt; pages 32- 33;  c) &gt;Article IV- Management&gt; Item 2.6- Compliance Officer&gt; page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>  &gt;Section 5-Powers, Duties and Responsibilities of the Board&gt; paragraph r&gt; page 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<b>Recommendation 2.9</b>			
<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>The Board establishes the vision, mission, objectives, strategies and policies for the management of the Corporation, as well as the mechanism to monitor and measure performance against the set objectives.</p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III-Governance&gt; Section 2.1-General Responsibilities of the Board&gt; paragraph b&gt; page 10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></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>The Corporation's Performance Management System aims to systematically monitor results against established individual or organizational goals set and thus improve the overall performance and potentials of the Corporation and its employees. The system allows the Corporation to be linked to employee rewards and compensation. The performance of the individual, department and the Corporation as a whole bears the greatest weight in determining annual merit increases or performance bonuses. Management sets Key Result Areas (KRA) and Key Process Indicators (KPI) to achieve the objectives set by the Board. The performance of Management and personnel is measured against these set deliverables at the end of the year.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III-Governance&gt; Section 3.4- Personnel and Compensation Committee&gt; paragraph a &gt;page 20  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	



Recommendation 2.10			
<p>1. Board oversees that an appropriate internal control system is in place.</p>	<p>COMPLIANT</p>	<p>The Board ensures the presence and adequacy of internal control mechanisms for good governance.</p> <p>The Board, through the Audit Committee, monitors the presence and adequacy of internal control system.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article III – Governance &gt; Item 2.1 – General Responsibilities of the Board &gt; Paragraph d &gt; items i to viii&gt; page 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Audit Committee Charter</b>            a) &gt; Item B –Statement of Policy&gt;item 3&gt; page 1;            b) &gt; Item D-Roles and Responsibilities &gt; Item 1- Financial Reporting, Item 2-Internal Audit and Item 3- External Audit&gt; pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></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>The minimum internal control mechanisms for the Board’s oversight responsibility include reviewing conflict of interest situations and providing appropriate remedial measures for the same.</p> <p>The Board has also adopted a governance policy on conflict of interest as one of its preventive measures.</p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III – Governance &gt; Item 2.1 – General Responsibilities of the Board &gt; paragraph d-ii &gt; page 11  b) &gt; Article VI- Disclosure and Transparency&gt; Item 3-Governance Policy on Conflict of Interest &gt; paragraphs a to d&gt; pages 35-36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Conflict of Interest Policy</b>  a) &gt; Corporate Governance&gt; Company Policies&gt; Conflict of Interest Policy&gt;Item 3- Policy Provisions&gt; pages 1-4  b) &gt; Corporate Governance&gt; Company Policies&gt; Conflict of Interest Policy&gt;Item 4-Sanctions&gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	
<p>3. Board approves the Internal Audit Charter.</p>	<p>COMPLIANT</p>	<p>The Internal Audit Charter was approved by the then Audit and Risk Committee on February 13, 2017 and ratified by the Board on March 16, 2017.</p> <p>The updated Internal Audit Charter was approved by the Audit Committee on November 4, 2020, and ratified by the Board on November 11, 2020.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt;Corporate Governance&gt;Board</p>	

		<p>Committees&gt;Internal Audit Charter&gt; paragraph 2 of the introduction &gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Audit Committee Charter</b>  &gt;Section D – Roles and Responsibilities &gt; Item 2-Internal Audit&gt; paragraph 2.1&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<b>Recommendation 2.11</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Board, through the Board Risk Oversight Committee, is tasked to review the adequacy of the Corporation’s risk management framework/process and monitor the risk management activities of the Corporation and evaluate the effectiveness of the risk mitigation strategies and action plans.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III – Governance &gt; Item 3 – Board Committees&gt; sub-item 3.5 Board Risk Oversight Committee&gt; paragraphs a-d &gt; page 21  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Risk Oversight Committee Charter</b>  &gt;Section 2 – Authority, Roles and Responsibilities of the Committee&gt; pages 1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p>	

		<p><b>Enterprise Risk Management</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf</a></p>	
<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.</p>	<p>COMPLIANT</p>	<p>The Corporation launched an enterprise risk management (ERM) exercise, aligned with that of its parent company, firmly embedded into its corporate planning process, which constantly seeks to identify, assess and address all the risks inherent and external to the business that could potentially affect the performance of the Corporation. The ERM exercise is regularly conducted.</p> <p>The Corporation's ERM program has a top-down driven, bottom-focused approach which is focused on the coordination between top management and business units in identifying the key risk factors. The top management together with the business unit will develop risk mitigation strategies to address the key risk factors for better risk management.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>          &gt;Risk Management &gt;pages 37-38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<p><b>Recommendation 2.12</b></p>			
<p>1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.</p>	<p>COMPLIANT</p>	<p>The Board Charter states the roles, responsibilities and accountabilities of the Board in carrying out its fiduciary role and serves as a guide to the performance of the directors of their functions.</p>	

		<p>The Corporation's Board Charter is posted on its website.</p> <p><b>Reference:</b>  <b>Board Charter</b>          &gt;ALLHC website&gt;About Us&gt;Board of Directors&gt; Board Charter  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
2. Board Charter serves as a guide to the directors in the performance of their functions.	COMPLIANT		
3. Board Charter is publicly available and posted on the company's website.	COMPLIANT		
<b>Additional Recommendation to Principle 2</b>			
1. Board has a clear insider trading policy.	COMPLIANT	<p>The Board's Insider Trading Policy (updated in February 2021) identifies the prohibited acts, covered persons, type and examples of material information and trading blackout periods.</p> <p><b>Reference:</b>  <b>Insider Trading Policy</b>          &gt;ALLHC website&gt;Corporate Governance&gt;Company Policies&gt; Insider Trading Policy&gt;pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf</a></p>	
<b>Optional: Principle 2</b>			
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	The Company prohibits the granting of loans to directors as provided in the Related Party Transactions Policy (revised as of 18 December 2019)	

		<p><b>Reference:</b>  <b>Related Party Transactions Policy</b>          &gt;Item 10-Conflicts of Interest and Disclosure Requirements for Directors, Officers and Employees&gt; sub-item 10.4&gt; page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>COMPLIANT</p>	<p>The Company discloses the actions which require approval of the Board which include the Corporation's vision, mission, objectives, strategies, policies, material RPTs, internal control system as provided in its Board Charter and company policies.</p> <p><b>Reference:</b>  <b>Board Charter</b>          &gt;Section 5 –Powers, Duties and Responsibilities of the Board&gt; pages 6-9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Charter-of-the-Board-2020.pdf</a></p> <p><b>Related Party Transactions Policy</b>          a) &gt;Item 6- Identification and Review of Material RPTs&gt; pages 5-6;          b) &gt;Item 7- Approval of RPTs and Material RPTs&gt;pages 6-7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p><b>Principle 3:</b> 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			
<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	COMPLIANT	<p>The Board is supported by 7 committees that focus on specific functions to support in the optimal performance of its roles and responsibilities in accordance with its By-laws and principles of good governance.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-items 3.1 to 3.8&gt; pages 15-23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Committees</b>            &gt;ALLHC website&gt;Corporate Governance&gt;Board Committees  <a href="https://www.ayalalandlogistics.com/board-committees/">https://www.ayalalandlogistics.com/board-committees/</a></p>	
Recommendation 3.2			
<p>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.</p>	COMPLIANT	<p>The Audit Committee supports the Board in its oversight role over the Corporation’s financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations. The Audit Committee recommends the appointment and removal of the Corporation’s external auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>            a) &gt;Item B- Statement of Policy &gt; page 1;            b) &gt; Item D- Roles and Responsibilities &gt; Paragraphs 1-Financial reporting; Paragraph 2-Internal Audit; Paragraph 3-</p>	

		<p>External Auditors &gt; pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<p>2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.</p>	COMPLIANT	<p>The Audit Committee is composed of three (3) members, all of whom are independent directors, including the Chairman of the Committee.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-item 3.2-Audit Committee&gt; paragraph 1&gt;page 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>SEC 17-C dated 14 May 2020</b>  &gt; SEC 17-C dated 14 May 2020 &gt; Item 4&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/SEC-PSE-Result-of-BOD-Mtg_5.14.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/05/SEC-PSE-Result-of-BOD-Mtg_5.14.20.pdf</a></p> <p><b>2020 Amended GIS dated 14 May 2020</b>  &gt; General Information Sheet dated 14 May 2020&gt; List of Directors and Officers&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf</a></p>	
<p>3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.</p>	COMPLIANT	<p>The members of the committee serve as directors in other companies and majority have relevant background, knowledge, and/or experience in the areas of accounting, auditing and finance.</p>	



		<p><b>Reference:</b>  <b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt; Directors' Profiles&gt; Profiles of Rex A. Mendoza, Renato O. Marzan, Cassandra Lianne S. Yap&gt; pages 23-24  b) &gt;Corporate Governance&gt; Board Matters&gt;2020 Table of Designation, Year appointed and expertise&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The Chairman of the Audit Committee, Mr. Rex Ma. A. Mendoza, is not the Chairman of the Board or of any other committee.</p> <p><b>Reference:</b>  <b>2020 Amended GIS dated 14 May 2020</b>  &gt; General Information Sheet dated 14 May 2020&gt; List of Directors and Officers&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-item 3.2-Audit Committee&gt; paragraph 1&gt;page 16  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	COMPLIANT	All non-audit services to be rendered by the external auditor are to be presented to the Audit Committee for approval and must be	

		<p>disclosed as stated in its Charter.</p> <p>Non-audit services of external auditor refer to the counting and validation of votes during the 2020 ASM which was approved by the Audit Committee. The non-audit service was done by a different group, separate from the team which conducted the audit of the Corporation.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Item D- Roles and Responsibilities &gt; sub-item 3-External Audit&gt; paragraph 3.7&gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>SEC Form 17-A (2020)</b>  &gt; Item 8. – Information on Independent Accountants and Other Related Matters&gt; Section 1 c-All Other Fees&gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Appendices&gt; Report of the Audit Committee to the Board of Directors dated February 11, 2021&gt; paragraph 2&gt; page 41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	COMPLIANT	The Audit Committee met with external auditor without any member of management present on November 4, 2020.	

<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meets at least four times during the year.	COMPLIANT	<p>The Audit Committee held four (4) meetings in 2020.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>            &gt;Corporate Governance&gt;Committee matters&gt; Directors' Attendance in meetings of the Board and Committees in 2020&gt; Audit Committee&gt; page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
2. Audit Committee approves the appointment and removal of the internal auditor.	COMPLIANT	<p>The Audit Committee is responsible for setting up the Internal Audit Group, including the appointment of the Chief Audit Executive (CAE). The Audit Committee, having appointed the CAE, shall also concur in his/her replacement, re-assignment or dismissal. The CAE shall set up the qualification criteria for internal auditors, subject to the approval of the Board through the Audit Committee.</p> <p>The Corporation's CAE as of December 31, 2020 is Ms. Maria Divina Y. Lopez.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>            &gt; Section D – Roles and Responsibilities &gt; Item 2 – Internal Audit &gt; paragraph 2.2 &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the	COMPLIANT	The Corporate Governance and Nomination Committee is tasked to oversee the	

<p>performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.</p>		<p>implementation of the corporate governance framework of the Corporation. The Committee assists the Board of Directors in the screening and short listing of all candidates nominated to become a member of the Board. It checks the qualifications (i.e., academic qualifications, training, expertise) of the nominees and ensures that the nominees possess none of the disqualifications provided in the Manual on Corporate Governance and its By-laws.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-item 3.3-Corporate Governance and Nomination Committee&gt; paragraph g&gt;page 19  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  a) &gt;Item 1- Purpose&gt; page 1  b) &gt;Item 3-Responsibilities&gt; paragraphs 3.1 to 3.14&gt; pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p> <p><b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>  &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board</p>	
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		<p>Committees&gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>	
<p>2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.</p>	COMPLIANT	<p>The Corporate Governance and Nomination Committee is composed of three (3) members, all of whom are independent directors.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board Committees&gt; Corporate Governance and Nomination Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p> <p><b>2020 Annual Report</b>          &gt;Corporate Governance&gt;Board Committees&gt; Composition of ALLHC Board Committees 2020&gt; page 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<p>3. Chairman of the Corporate Governance Committee is an independent director.</p>	COMPLIANT	<p>The Chairman of the Corporate Governance and Nomination Committee, Mr. Renato O. Marzan, is an independent director.</p> <p><b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board</p>	

		Committees> page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.	COMPLIANT	The Corporate Governance and Nomination Committee held (5) meetings in 2020.  <b>Reference:</b> <b>2020 Annual Report</b> >Corporate Governance>Committee matters> Directors' Attendance in meetings of the Board and Committees in 2020> Meetings of the Corporate Governance and Nomination Committee> page 28 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
<b>Recommendation 3.4</b>			
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	The Board established a BROC which is responsible for oversight of the Corporation's Enterprise Risk Management system.  <b>Reference:</b> <b>Board Risk Oversight Committee Charter</b> > Board Committees> Board Risk Oversight Committee Charter> Section 2 – Authority, Roles and Responsibilities > Items (a), (b) and (c)> page 1 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a>	
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	COMPLIANT	The BROC is composed of three (3) members, majority of whom are independent directors, including the Chairman.  <b>Reference:</b>	

		<p><b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board Committees&gt; Board Risk Oversight Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p> <p><b>Board Risk Oversight Committee Charter</b>          &gt; Board Committees&gt; Board Risk Oversight Committee Charter&gt; Section 1 – Membership&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p>	
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	COMPLIANT	<p>The Chairman of the BROC, Ms. Cassandra Lianne S. Yap, is not the chairman of the Board or of any other committee.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board Committees&gt; Board Risk Oversight Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>	
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	COMPLIANT	<p>At least one (1) member of the BROC, the Lead Independent director, Mr. Rex Ma. A. Mendoza, has experience on risk and risk</p>	

		<p>management.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board Committees&gt; Board Risk Oversight Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p> <p><b>2020 Annual Report</b>          &gt;Corporate Governance&gt;Board Matters&gt; 2020 Table of Designation, Year Appointed and Expertise&gt; Mr. Rex Ma. A. Mendoza&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Recommendation 3.5</b>			
<p>1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.</p>	<p>COMPLIANT</p>	<p>The Board has established a RPT Review Committee which is tasked to review all material RPT transactions of the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-item 3.6-Related Party Transactions Review Committee&gt; paragraphs a, b, f &gt;page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	



		<p><b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt; Election of Chairpersons and Members of the Board Committees&gt; Related Party Transactions Review Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p>	
<p>2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.</p>	<p>COMPLIANT</p>	<p>The RPT Review Committee is composed of three (3) members all of whom are independent directors, including the Chairman.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt;Election of Chairpersons and Members of the Board Committees&gt; Related Party Transactions Review Committee&gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p> <p><b>CG Manual 2020</b>          &gt; Article III – Governance &gt; Item 3 – Board Committees &gt; sub-item 3.6-Related Party Transactions Review Committee&gt; paragraph 1&gt;page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	

Recommendation 3.6			
<p>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.</p>	COMPLIANT	<p>ALLHC’s Board committees have their respective committee charters which provide their respective purposes, memberships, structures, operations, which serve as standards for evaluating performance of the committees through self-assessment.</p> <p><b>Reference:</b>  <b>Board Committee Charters</b>            &gt;ALLHC website&gt;Corporate Governance&gt; Board Committees&gt; Committee Charters</p>	
<p>2. Committee Charters provide standards for evaluating the performance of the Committees.</p>	COMPLIANT	<p><b>Executive Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Executive-Committee-Charter-signed.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/Executive-Committee-Charter-signed.pdf</a></p> <p><b>Audit Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Corporate Governance and Nomination Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Corporate-Governance-and-Nomination-Committee-Charter-Nov-2020.pdf</a></p> <p><b>Personnel and Compensation Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Personnel-and-Compensation-Committee-Charter-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Personnel-and-Compensation-Committee-Charter-2021.pdf</a></p>	

		<p><b>Board Risk Oversight Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p> <p><b>Related Party Transactions Review Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Related-Party-Transactions-Review-Committee-2019.pdf</a></p> <p><b>Sustainability Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Sustainability-Committee-Charter-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/Sustainability-Committee-Charter-2020.pdf</a></p>	
3. Committee Charters were fully disclosed on the company's website.	COMPLIANT	<p>Committee Charters are disclosed on the Corporation's website.</p> <p>Please refer to response in Recommendation 3.6 - Items 1-2 above.</p> <p><b>Reference:</b>  <b>Board Committee Charters</b>  &gt;ALLHC website&gt; Corporate Governance&gt;Board Committees&gt; Board Committee Charters  <a href="https://www.ayalalandlogistics.com/board-committees/">https://www.ayalalandlogistics.com/board-committees/</a></p>	
<p><b>Principle 4:</b> 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><b>Recommendation 4.1</b></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	COMPLIANT	The directors attended the meetings of the Board, Board Committees and stockholders held in 2020 through remote communication such as tele-/videoconferencing as group	

<p>accordance with the rules and regulations of the Commission.</p>		<p>meetings were not allowed under the safety protocols against the COVID-19 pandemic.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt;Board Matters&gt; Meetings and Attendance&gt; pages 25-26  b) Corporate Governance&gt;Policies and Practices&gt; Annual Stockholders' Meetings (ASM)&gt; Notice of the ASM&gt; paragraph 3&gt; page 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Minutes of ASM dated 13 April 2020</b>  &gt;Attendance of Directors during the ASM&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>COMPLIANT</p>	<p>The meeting materials are sent to the directors days before the Board and committee meetings as provided in the Board and respective committee charters to give them time to review the materials and to prepare their questions. The notice and materials are sent to the directors by email by the Office of the Corporate Secretary.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article IV- Management&gt; Item 2.2- Corporate Secretary&gt; Items a and g (iii)&gt; pages 25-26</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	COMPLIANT	<p>Each director evaluates the items presented during the Board or committee meetings. A director asks questions and seeks clarification as may be appropriate or necessary. The chairman of the meeting gives all directors an opportunity to ask questions on each item taken up.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III- Governance&gt; Item 2.3-Specific Responsibilities of each Director&gt; paragraphs b and c&gt; page 13  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Recommendation 4.2</b>			
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>The Corporation shall ensure that adequate time and attention is given to the fulfillment of each director's duties. Independent and non-executive directors are encouraged to hold no more than five (5) board seats or directorships in any group of publicly-listed companies and executive directors to hold no more than two (2) board seats in listed companies outside the ALLHC group.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance &gt; Item 1.11 – Policy on Multiple Board Seats &gt; page 10</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>  <b>SEC Form 17-A (2020)</b> >Part III >Item 9- Directors and Executive Officers of Registrant> paragraph a-Directors and Officers> Profiles of Directors> pages 25-27 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a>	
<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	COMPLIANT	Under the Corporation's CG Manual, it is the specific responsibility of each director to notify the Board through the Chairman and the Corporate Governance and Nomination Committee before accepting directorship in another company.  The directors disclosed their directorships in the SEC Form 17-A and Information Statement.  <b>Reference:</b> <b>CG Manual 2020</b> > Article III – Governance > Item 2.3 – Specific Responsibilities of each Director > paragraph j > page 14 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	COMPLIANT	The Corporation's President/CEO Maria Rowena M. Tomeldan does not serve in any board of listed companies outside of the group.  <b>Reference:</b>	

		<p><b>SEC Form 17-A</b>  &gt; Item 9. Directors and Executive Officers of the Registrant &gt; paragraph a&gt;Profile of Maria Rowena M. Tomeldan&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
2. Company schedules board of directors' meetings before the start of the financial year.	COMPLIANT	<p>The Board sets its meetings and of the Board committees at the start of the year and the 2020 schedule of meetings was approved by the Board on February 19, 2020 (Board Resolution No. B-5-2020).</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt; pages 25-26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
3. Board of directors meet at least six times during the year.	COMPLIANT	<p>The Board held (6) meetings in 2020.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt; Table of Directors' Attendance in Meetings of the Board and Board Committees in 2020&gt; page 27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	COMPLIANT	<p>The quorum requirement of the Board is two-thirds (2/3) of the number of directors. More than 2/3 of the directors attended the meetings in 2020 and they voted unanimously on matters presented for approval.</p>	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt;Article III-Governance&gt; Item 1.12-Board Meetings and Quorum Requirements&gt; paragraph a&gt; page10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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**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>The Board has three (3) independent directors which constitute one-third of the Board.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>          &gt;Disclosure dated 13 April 2020 &gt; Item 4- Election of the Directors&gt; pages 1-2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></p> <p><b>CG Manual 2020</b>          &gt;Article III-Governance&gt; Item 1.9- Independent Directors&gt; paragraph 1&gt; page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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**Recommendation 5.2**

<p>1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.</p>	<p>COMPLIANT</p>	<p>All independent directors possess the qualifications and none of the disqualifications to hold their respective positions.</p>	
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		<p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt;Part III &gt;Item 9- Directors and Executive Officers of Registrant&gt; paragraph a-Directors and Officers&gt; Profiles of Directors&gt; pages 25-27 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>CG Manual 2020</b>  a) &gt; Article III – Governance &gt; Item 1.3 – Qualifications &gt; page 5  b) &gt;Article III-Governance&gt; Item 1.9- Independent Directors&gt; pages 8-9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	COMPLIANT	<p>The Corporation has no shareholder agreements, By-laws provisions, voting trust holders of 5% or more or other arrangements that constrain the directors' ability to vote independently.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt; Item 11. Security Ownership of Certain Beneficial Owners and Management &gt; Item iii-Voting Trust Holders of 5% or More &gt; page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned	COMPLIANT	All the independent directors have served for less than nine (9) years.	

<p>from 2012).</p>		<p>Mr. Rex Ma. Mendoza was first elected as an independent director on February 26, 2016. Mr. Renato O. Marzan was elected as an independent director of the Corporation on January 13, 2017. Ms. Cassandra Lianne S. Yap was elected on April 13, 2020.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>          &gt;Corporate Governance&gt;Board Matters&gt; 2020 Table of Designation, Year Appointed and Expertise&gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<p>2. The company bars an independent director from serving in such capacity after the term limit of nine years.</p>	<p>COMPLIANT</p>	<p>Independent directors may serve for a cumulative period of not more than nine (9) years. After serving for nine years, he shall be perpetually barred from being elected as such in the Corporation, without prejudice to being elected as non-independent director or independent director in other companies outside of the business conglomerate, where applicable.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article III – Governance &gt; Item 1.9– Independent Directors &gt; paragraph 3 &gt; Page 8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Board Charter</b>          &gt; Section 2- Membership&gt; Section 2.1-</p>	

		Composition > paragraph 6 > page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a>	
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	The Corporation does not allow retention of an independent director after serving nine (9) years. The provision is a permanent bar.  <b>Reference:</b> <b>CG Manual 2020</b> > Article III – Governance > Item 1.9– Independent Directors > paragraph 3 > page 8 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	COMPLIANT	The positions of Chairman of the Board and President/Chief Executive Officer are held by separate individuals.  At the organizational meeting of the Board on 13 April 2020, incumbent officers, Mr. Jose Emmanuel H. Jalandoni and Ms. Maria Rowena M. Tomeldan were elected as Chairman, and President/CEO of the Corporation, respectively.  <b>Reference:</b> <b>2020 Amended GIS (filed on May 18, 2020)</b> > 2020 GIS> List of Directors and Officers> page 3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Amended-GIS-notarized.pdf</a>	
2. The Chairman of the Board and Chief Executive Officer have clearly defined	COMPLIANT	The roles, responsibilities and duties of the Chairman of the Board and President/Chief	

responsibilities.		<p>Executive Officer are stated in the Corporation's CG Manual.</p> <p>The Chairman presides at all meetings of the Board and stockholders.</p> <p>The President acts as chairman in the absence of the Chairman and Vice Chairman. The President ensures the implementation of policies and objectives set by the Board.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article III- Governance &gt; Item 1.7- Chairman of the Board &gt; pages 7-8  b) &gt; Article IV – Management &gt; Item 2.1 – President and Chief Executive Officer&gt; pages 24-25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	COMPLIANT	<p>The Chairman is not an independent director. The Board designated Mr. Rex Ma. A. Mendoza as the lead independent director for 2020.</p> <p><b>Reference:</b>  <b>SEC 17-C dated 13 April 2020 (Results of the ASM and Organizational Meeting of the Board)</b>  &gt;Disclosure dated 13 April 2020 &gt; Results of organizational meeting&gt; Item 2- Designation of Lead Independent Director&gt; page 2</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a>  <b>CG Manual 2020</b> > Article III- Governance > Item 1.10- Lead Independent Director > pages 9-10 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	COMPLIANT	There has been no case of any director having any material interest in any transaction affecting the Corporation. Directors and officers have to disclose any possible conflict of interest matter. The Corporation's directors are required to abstain or inhibit themselves from participating in deliberations of items where they are conflicted.  <b>Reference:</b> <b>CG Manual 2020</b> >Article VI-Disclosure and Transparency> Item 3-Governance Policy on Conflict of Interest> paragraphs b and c>page 35 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Recommendation 5.7</b>			
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	In 2020, the NEDs had two (2) meetings without any executive present on November 11, 2020 and December 10, 2020. The Audit Committee, composed of all independent directors met with external auditor, without the presence of management, on November 4, 2020.	

		<p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article III- Governance&gt; Item 1.12-Board Meetings and Quorum Requirements&gt; paragraph e&gt; page 10  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>2. The meetings are chaired by the lead independent director.</p>	<p>COMPLIANT</p>	<p><b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt; paragraph 3 &gt;page 26  b) &gt;Corporate Governance&gt; Board matters&gt; Meetings and Attendance &gt;Table of Attendance in Meetings of Non-Executive Directors&gt; page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p>The lead independent director chaired the meetings of NEDs.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Board Matters&gt; Meetings and Attendance&gt; Table of Attendance in Meetings of the Non-Executive Directors&gt;page 28  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>CG Manual 2020</b>  &gt;Article III- Governance&gt; Item 1.10-Lead</p>	

		Independent Director> paragraph b> page 10 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Optional: Principle 5</b>			
1. None of the directors is a former CEO of the company in the past 2 years.			
<b>Principle 6:</b> 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.			
<b>Recommendation 6.1</b>			
1. Board conducts an annual self-assessment of its performance as a whole.	COMPLIANT	The ALLHC Board, its Chairman, individual members and committees conduct an annual self-assessment of its performance. The 2020 performance self-assessment for the Board and Board committees were conducted through online questionnaires.  <b>Reference:</b> <b>CG Manual 2020</b> > Article III – Governance > Item 2.6 – Board Self-Assessment > page 15 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>  <b>2020 Annual Report</b> >Corporate Governance> Board Matters>Annual Self-Assessment> page 29 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
2. The Chairman conducts a self-assessment of his performance.	COMPLIANT		
3. The individual members conduct a self-assessment of their performance.	COMPLIANT		
4. Each committee conducts a self-assessment	COMPLIANT		

of its performance.			
5. Every three years, the assessments are supported by an external facilitator.	COMPLIANT	To strengthen the objectivity of the assessment, the Board engaged a third party facilitator, AON Hewitt Singapore, to handle the online 2019 self-assessment of the Board as provided in the CG Manual. The self-assessment by third party facilitator will be done every 3 years starting 2019.  <b>Reference:</b> <b>2020 Annual Report</b> >Corporate Governance> Board Matters>Annual Self-Assessment> page 29 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
<b>Recommendation 6.2</b>			
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	The Board has in place a performance appraisal system to determine the performance of the Board, the individual directors, and committees through self-assessment form.  <b>Reference:</b> <b>CG Manual 2020</b> > Article III – Governance > Item 2.6 – Board Self-Assessment > page 15 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
2. The system allows for a feedback mechanism from the shareholders.	COMPLIANT	The feedback mechanism from the stockholders is through the Question & Answer portion during the annual stockholders' meeting.	



		<p><b>Reference:</b> <b>ASM Minutes dated 13 April 2020</b> &gt;Item 10-Other Matters&gt;page 7 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p> <p>There is an Inquiry portion in the Corporation's website, <a href="https://www.ayalalandlogistics.com">https://www.ayalalandlogistics.com</a> which stockholders can use to send their questions or comments.</p> <p>The Contact Us portion in the website provides the telephone number and email address of the Corporation: <a href="mailto:corporate@ayalalandlogistics.com">corporate@ayalalandlogistics.com</a> which the shareholders can use to communicate their comments regarding the company, its programs or its directors.</p> <p>Investor concerns or queries may be addressed to the Investor Relations Group. Details of contact persons for various stakeholder concerns are provided in the website.</p> <p><b>Reference:</b> <b>CG Manual 2020</b> &gt; Article VI – Disclosure and Transparency &gt; Item 4.2 – Investor Relations Function &gt; page 37 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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		<p><b>ALLHC website</b>          &gt;Investor Relations&gt;Frequently Asked Questions&gt;Contact Persons  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf</a></p>	
<p><b>Principle 7:</b> Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.</p>			
<p><b>Recommendation 7.1</b></p>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Board adopted a Code of Business Conduct and Ethics, which provides standards for professional and ethical behavior.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>          &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p> <p><b>CG Manual 2020</b>          &gt;Article III- Governance&gt; Item 4-Business Conduct and Ethics&gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>2. The Code is properly disseminated to the Board, senior management and employees.</p>	<p>COMPLIANT</p>	<p>A copy of the Code may be accessed by the Board, Management and employees through the Corporation's website.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>          &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt;ALLHC Code of Ethical Behavior</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a>	
3. The Code is disclosed and made available to the public through the company website.	COMPLIANT	<p>The Code is posted in the Corporation's website and available to the public.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt;ALLHC Code of Ethical Behavior  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	COMPLIANT	<p>The Corporation has anti-corruption program as provided in the Code of Ethics and Business Conduct and its internal policies on conflict of interest and related party transactions.</p> <p>Employees are expected to exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery of any form.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; ALLHC Code of Ethical Behavior&gt; Business Gifts or Gratuities&gt; pages 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	

		<p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Policies and Practices&gt;Anti-Corruption Programs and Procedures&gt; pages 35-36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Recommendation 7.2</b>			
<p>1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.</p>	COMPLIANT	<p>The Board, through the Human Resources Department, implements and monitors compliance by the senior management and employees with the Code.</p> <p>The Human Resources Dept. and Compliance Officer monitor compliance with the Company's internal policies.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Code of Business Conduct and Ethics&gt; Employee Conduct and Business Ethics&gt; Implementation and Monitoring of Compliance with the Code of Conduct  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Employee-Conduct-and-Code-of-Ethics.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Employee-Conduct-and-Code-of-Ethics.pdf</a></p>	
<p>2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.</p>	COMPLIANT	<p><b>Company Policies</b>  &gt;ALLHC Website&gt;Corporate Governance &gt; Company Policies  <a href="https://www.ayalalandlogistics.com/corporate-governance/#manual-on-corporate-governance">https://www.ayalalandlogistics.com/corporate-governance/#manual-on-corporate-governance</a></p>	
<b>Disclosure and Transparency</b>			
<p><b>Principle 8:</b> The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.</p>			

<b>Recommendation 8.1</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Board establishes corporate disclosure policies and procedures to ensure comprehensive and timely reports to stakeholders. Management, through the investor relations function, provide timely report to shareholders and complies with the disclosure policies and procedures, rules and regulations of the regulatory bodies such as the SEC, Philippine Stock Exchange (PSE) and Bureau of Internal Revenue.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article VI – Disclosure and Transparency  &gt; Item 1 – Disclosure Policy and Material Information &gt; paragraphs 1.1 to 1.3&gt;  page 34  b) &gt;Article VI- Disclosure and Transparency&gt;Item 4.1-Management Responsibility for Information&gt; paragraph c&gt; page 37  c) &gt;Article VI-Disclosure and Transparency&gt; Item 4.2-Investor Relations Function&gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Reports in the website</b>  &gt;ALLHC website&gt;Investor Relations&gt; Reports  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	
<b>Supplement to Recommendation 8.1</b>			
<p>1. Company distributes or makes available annual and quarterly consolidated reports,</p>	<p>COMPLIANT</p>	<p>The Corporation discloses its consolidated audited financial statements within 90 days</p>	

<p>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>		<p>from end of the fiscal year and the interim reports within 45 days from end of each quarter.</p> <p>The SEC Form 20-IS (Information Statement) which contains the 2020 consolidated audited financial statements was disclosed to the public (via posting on PSE Edge and the Corporation's website) on March 24, 2021 or 83 days after the end of the calendar year.</p> <p>The interim reports (SEC Form 17-Q) were disclosed within 45 days from end of each quarter.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (Information Statement) for 2021 ASM</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf</a></p> <p><b>PSE Disclosure</b>  &gt;ALLHC 2021 Information Statement (filed on March 24, 2021)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=6f0ef738fe18ac255d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.do?edge_no=6f0ef738fe18ac255d542af6f1e997b9</a></p> <p><b>Quarterly Reports (filed to the PSE)</b>  &gt; SEC 17-Q dated 31 March 2020 (filed on May 15, 2020)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=d920f2762ed1f4850de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=d920f2762ed1f4850de8473cebbd6407</a></p>	
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		<p>&gt;SEC 17-Q dated 30 June 2020 (filed on August 14, 2020)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=af9959adf2daa88c0de8473ceb6d6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=af9959adf2daa88c0de8473ceb6d6407</a></p> <p>&gt;SEC 17-Q dated 30 September 2020 (filed on November 12, 2020)  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=c31b55d2aca7612e0de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=c31b55d2aca7612e0de8473cebbd6407</a></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>	<p>COMPLIANT</p>	<p>The Corporation discloses the shareholdings of controlling shareholders.</p> <p>The Corporation recognizes the rights of minority shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>          &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management&gt; Item (i) Security Ownership of Record and Beneficial Ownership of More than 5% &gt;page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 CG Manual</b>          &gt;Article VII- Stockholders Rights and Protection of Minority Shareholders Rights&gt; Item 1-Shareholders Rights&gt; Item 1.1- Voting Right&gt; page 38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	

<b>Recommendation 8.2</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>The Corporation's directors and officers are required to report their trades involving shares of the Corporation to the Office of the Compliance Officer within three (3) business days under the Insider Trading Policy and Charter of the Board.</p> <p><b>Reference:</b>  <b>Insider Trading Policy</b>            &gt; Insider Trading Policy &gt; Item 3 – Reporting of trades of Covered Persons &gt; paragraph 1 &gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf</a></p> <p><b>Board Charter</b>            &gt;Section 3- Board Independence and Conflict of Interest &gt; paragraph 3 &gt; page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<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.</p>	<p>COMPLIANT</p>	<p><b>Actual Dealings of Directors and Officers Involving the Corporation's Shares</b>            &gt; ALLHC website&gt;Investor Relations&gt; Reports&gt;SEC Forms 23-A and 23-B for 2020  <a href="https://www.ayalalandlogistics.com/investor-relations/">https://www.ayalalandlogistics.com/investor-relations/</a></p>	
<b>Supplement to Recommendation 8.2</b>			
<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</p>	<p>COMPLIANT</p>	<p>The Corporation discloses the trading of the Corporation's shares by the directors, officers and controlling shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b></p>	



<p>program).</p>		<p>&gt;Item 11-Security Ownership of Certain Beneficial Owners and Management&gt; Item (i) Security Ownership of Record and Beneficial Ownership of More than 5% &gt;page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>SEC Form 23-B (Statement of Changes in Beneficial Ownership of Securities) filed in 2020</b>  &gt; ALLHC website&gt; Investor Relations&gt; Reports&gt; SEC Forms 23-A/23-B (Statement of Beneficial Ownership) filed by Directors, Officers and Controlling Stockholders in 2020  <a href="https://www.ayalalandlogistics.com/investor-relations/">https://www.ayalalandlogistics.com/investor-relations/</a></p> <p>The Corporation discloses the shareholdings of its directors, management and top 100 stockholders.</p> <p><b>Top 100 Stockholders</b> (every quarter)  &gt;ALLHC website&gt;Investor Relations &gt; Disclosures&gt;Top 100 Stockholders/Top 100 PCD Participants&gt;Top100 Stockholders as of 31 December 2020 and 31 March 2021  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/ALLHC-Top-100-SH-Report_December-31-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/ALLHC-Top-100-SH-Report_December-31-2020.pdf</a>   <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Top-100-SH-Report-as-of-March-31-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Top-100-SH-Report-as-of-March-31-2021.pdf</a></p>	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material	COMPLIANT	The Corporation fully discloses the profiles of its	

<p>information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.</p>		<p>directors.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  a) &gt;Item 9&gt; sub-item a-directors and Officers&gt; profiles of the directors&gt; pages 24-27  b) &gt;Item 11&gt; paragraph ii-Security Ownership of Directors and Management as of March 31, 2021&gt;page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Annual Report</b>  a) &gt;Corporate Governance&gt;Directors' Profiles&gt; pages 22-24  b) &gt;Corporate Governance&gt;Board Matters&gt; Table of Directors' designation, year appointed and Expertise &gt; page 26  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></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>	<p>COMPLIANT</p>	<p>The Corporation fully discloses the profiles of the key officers.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  a) &gt;Item 9&gt; sub-item a-directors and Officers&gt; profiles of the officers&gt; pages 27-28  b) &gt;Item 11&gt; paragraph ii-Security ownership of Directors and Management as of March 31, 2021&gt;page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	

		<p><b>SEC 20-IS (for 2021 ASM)</b>          &gt;Annex B-Directors and Key Officers&gt; pages 3-4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf</a></p>	
<b>Recommendation 8.4</b>			
<p>1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.</p>	<p>COMPLIANT</p>	<p>The Corporation provides a clear disclosure of Board remuneration. As per By-Laws of the Corporation, the directors are entitled to receive from the Corporation, pursuant to a resolution of the Board of Directors, fees and other compensation for their services. In no case shall the total yearly compensation of directors exceed ten percent (10%) of the net income before income tax of the Corporation during the preceding year.</p> <p>In 2020, directors received per diems for their attendance in the meetings of the Board and its committees.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>          &gt; Corporate Governance&gt; Board Matters&gt; Remuneration&gt; pages 26-27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Minutes of the ASM of 13 January 2017</b>          &gt;Item 11&gt; Resolution No. S-07-17 &gt;page 11  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/04/POPI-Minutes-ASM-13Jan2017pdf.pdf</a></p>	
<p>2. Company provides a clear disclosure of its policies and procedure for setting executive</p>	<p>NOT APPLICABLE</p>		<p>The present executives of the Corporation are employees of the</p>

remuneration, including the level and mix of the same.			parent company, ALLI, and do not receive compensation directly from the Corporation.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	COMPLIANT	<p>The Corporation discloses the per diems received by each director in the SEC Form 17-A, SEC Form 20-IS and Annual Report.</p> <p>The Corporation's executives are employees of ALLI and do not receive compensation directly from the Corporation. Termination and retirement provisions for ALLI executives are covered by their employment contracts with ALLI.</p> <p>The Corporation pays management fees to ALLI.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  a) &gt; Item 10. Executive Compensation &gt; Section A -General&gt; paragraph (a)(i) and b&gt; pages 30-31  b) &gt;item 10-Executive Compensation&gt; Section A- General&gt; Summary Compensation Table&gt; page 30  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt;Board Matters&gt; Remuneration&gt;Table of Gross Remuneration of Directors in 2020&gt; page 27  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	

		<p><b>SEC 20-IS (for 2021 ASM)</b>          &gt;Item 6- Compensation of Directors and Executive Officers&gt; Item a-Executive Compensation and Item b (i)-Compensation of Directors &gt;pages 7-8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2021-Definitive-Information-Statement.pdf</a></p>	
<b>Recommendation 8.5</b>			
<p>1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.</p>	COMPLIANT	<p>The Corporation disclosed its RPT Policy in the Manual on Corporate Governance and posted its RPT Policy on its website.</p> <p>There was no issue involving RPT and other unusual transactions in 2020.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>          &gt; Article VI – Disclosure and Transparency &gt; Item 2 – Related Party Transactions&gt; page 34  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Related Party Transactions Policy</b>          &gt;ALLHC website&gt;Corporate Governance&gt;Company Policies&gt;RPT Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	
<p>2. Company discloses material or significant RPTs reviewed and approved during the year.</p>	COMPLIANT	<p>The Corporation disclosed all material transactions with related parties (RPTs) reviewed and approved during the year in the notes to the consolidated financial statements attached to the SEC 17-A.</p> <p><b>Reference:</b></p>	

		<p><b>SEC Form 17-A (2020)</b>  &gt; 2020 Consolidated Audited Financial Statements &gt; Note 17 – Related Party Transactions &gt; pages 58-60 of Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Supplement to Recommendation 8.5</b>			
<p>1. Company requires directors to disclose their interests in transactions or any other conflict of interests.</p>	<p>COMPLIANT</p>	<p>The directors are required to disclose any potential conflict of interest immediately to the Corporation.</p> <p>The Corporation’s conflict of interest policy ensures that the personal interest of the directors or officers shall not prevail over the interest of the Corporation. They cannot derive profit or have any advantage as result of their position in the Corporation or engage in activities which compete with, or is contrary to, the interest of the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VI – Disclosures and Transparency &gt; Item 3 – Governance Policy on Conflict of Interest &gt; pages 35-36  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Conflict of Interest Policy</b>  a) &gt;Item 3.1 –Disclosure&gt;page 1  b) &gt;Items 3.2.1 to 3.2.8- Areas of Conflict of Interest&gt;pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	

		<p><b>Board Charter</b>  &gt;Item 3-Board Independence and Conflict of Interest &gt; paragraphs 1-3&gt; pages 5-6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Charter-of-the-Board-2020.pdf</a></p>	
<b>Optional : Recommendation 8.5</b>			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	COMPLIANT	<p>The Corporation ensures that all RPTs are conducted at arm's length basis and at normal prices, and will inure to the benefit of the Corporation and its shareholders.</p> <p><b>Reference:</b>  <b>Related Party Transactions Policy</b>  a) &gt;Item 2 - Statement of Policy and Coverage &gt; paragraph 1&gt;page 1;  b) &gt;Item 6.2-Guidelines in ensuring arm's length terms in Material RPTs&gt;page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p> <p><b>SEC Form 17-A (2020)</b>  &gt;Item 12-Certain Relationships and Related Transactions&gt; paragraph 1&gt;page 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Recommendation 8.6</b>			
<p>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</p>	COMPLIANT	<p>The Corporation's Manual on Corporate Governance provides that all material information, i.e., anything that could potentially adversely affect the viability of the Corporation or interests of the stockholders and other stakeholders shall be publicly and</p>	

<p>other stakeholders.</p>		<p>timely disclosed.</p> <p>All material information, i.e., business, operational, financial, is timely disclosed to the Philippine Stock Exchange through PSE Edge, and Securities and Exchange Commission through SEC Form 17-C (Current Report), SEC Form 17-Q (Quarterly Report) and SEC Form 17-A (Annual Report).</p> <p>In 2020, there was no acquisition or disposition of significant assets by the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt;Article VI – Disclosures and Transparency &gt; Item 1.2 – Material Information&gt; paragraph 3&gt; page 34  b) &gt;Article VI- Disclosures and Transparency&gt; Item 4.1-Management Responsibility for Information&gt; paragraph c&gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>SEC Form 17-C</b> (posted on website)  &gt; Investor Relations&gt; Reports&gt; SEC 17-C filed in CY 2020  <a href="https://www.ayalalandlogistics.com/investor-relations/#report">https://www.ayalalandlogistics.com/investor-relations/#report</a></p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>COMPLIANT</p>	<p>In case of mergers and acquisitions, the Board may appoint an independent party to evaluate the fairness of the transaction price.</p> <p>In case of material RPTs, the Corporation shall appoint an external independent party to</p>	



		<p>evaluate the fairness of the RPT.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article III – Governance&gt; Item 3-Board Committees&gt; sub-item 3.6 Related Party Transactions Review Committee&gt; paragraph e &gt; page 22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Related Party Transactions Policy</b>  &gt;Item 6.2-Guidelines in ensuring arm’s length terms in Material RPTs&gt; paragraphs 3 and 4&gt; page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Revised-RPT-Policy-2019.pdf</a></p>	)
<b>Supplement to Recommendation 8.6</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Material agreements that may impact the control, ownership and strategic direction of the Corporation are disclosed by the filing of required information to the PSE and submissions to the SEC for the interest of its stockholders and other stakeholders.</p> <p>There are no voting trust agreements or such similar agreements involving holders of more than 5% of the capital stock of the Corporation.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt;Item 11-Security Ownership of Certain Beneficial Owners and Management &gt;</p>	

		<p>paragraph iii-Voting Trust Holders of 5% or More&gt; page&gt;32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	COMPLIANT	<p>The Corporation's corporate governance policies, programs and procedures are contained in its CG Manual.</p> <p>The Corporation's CG Manual was submitted to SEC and PSE on May 31, 2017 in compliance with SEC requirements.</p>	
2. Company's MCG is submitted to the SEC and PSE.	COMPLIANT	<p>The Corporation's CG Manual was updated on May 14, 2020, a copy of which was submitted to the SEC and PSE on July 23, 2020.</p>	
3. Company's MCG is posted on its company website.	COMPLIANT	<p>On November 11, 2020, the Corporation revised its CG Manual, copy of which was submitted to the SEC and PSE on January 14, 2021. The revised CG Manual is posted on the website.</p> <p><b>Reference:</b>  <b>Manual on Corporate Governance (2017)</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/POPI-Manual-on-Corporate-Governance-May-2017_5-23-2017.pdf</a></p> <p><b>Submission to PSE</b>  <a href="http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CCUxwzMy.dpbs">http://edge.pse.com.ph/openDiscViewer.do?edge_no=6510dc9c62cc237c3318251c9257320d#sthash.CCUxwzMy.dpbs</a></p>	

		<p><b>CG Manual 2020</b> &gt;ALLHC website&gt;Corporate Governance&gt;Manual on Corporate Governance <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Submission to PSE</b> <a href="https://edge.pse.com.ph/openDiscViewer.d?edge_no=f5a12443cec661f15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.d?edge_no=f5a12443cec661f15d542af6f1e997b9</a></p>	
<b>Supplement to Recommendation 8.7</b>			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	COMPLIANT	<p>The Corporation submitted its revised CG Manual to SEC and PSE on January 14, 2021. The revised Manual is posted in the Corporation's website.</p> <p><b>Reference:</b> <b>CG Manual 2020</b> &gt;ALLHC website&gt;Corporate Governance&gt;Manual on Corporate Governance <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Submission to PSE</b> <a href="https://edge.pse.com.ph/openDiscViewer.d?edge_no=f5a12443cec661f15d542af6f1e997b9">https://edge.pse.com.ph/openDiscViewer.d?edge_no=f5a12443cec661f15d542af6f1e997b9</a></p>	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:			
a. Corporate Objectives	COMPLIANT	<p><b>Reference:</b> <b>2020 Annual Report</b> &gt;Our Company&gt; Vision-Mission&gt; page 3</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
b. Financial performance indicators	COMPLIANT	<p><b>2020 Annual Report</b></p> <p>&gt;CFO's Report&gt; page 6</p> <p>&gt;Performance Highlights &gt; pages 12-13</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
c. Non-financial performance indicators	COMPLIANT	<p><b>2020 Annual Report</b></p> <p>&gt;Non-financial performance indicators&gt; Sustainability Report&gt;pages 16-19</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
d. Dividend Policy	COMPLIANT	<p><b>2020 Annual Report</b></p> <p>&gt;Corporate Governance&gt;Policies &amp; Practices&gt;Dividends&gt; page 34</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	COMPLIANT	<p>The age, academic qualifications, date of first appointment, professional experience and directorships in other companies are provided in the directors' profiles. A table showing the directors' designation, year first appointed and expertise is provided. The list of relevant trainings attended by the directorships is also provided.</p> <p><b>2020 Annual Report</b></p> <p>a) &gt;Corporate Governance&gt;Directors' Profiles&gt;pages 22-24</p> <p>b) &gt;Corporate Governance &gt; Board Matters&gt; 2020 Directors' Table showing designation, year appointed and</p>	

		<p>expertise&gt; page 26</p> <p>c) &gt;Corporate Governance&gt; Board Matters &gt; Training and Development&gt; Table of 2020 Training and Continuing Education of the Board&gt; page 30</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
f. Attendance details of each director in all directors meetings held during the year	COMPLIANT	<p><b>2020 Annual Report</b></p> <p>&gt;Corporate Governance&gt;Board Matters&gt; Table of Attendance in meetings of the Board and Committees in 2020&gt; pages 27-28</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
g. Total remuneration of each member of the board of directors	COMPLIANT	<p><b>2020 Annual Report</b></p> <p>&gt;Corporate Governance&gt;Board Matters&gt; &gt;Remuneration&gt; Table of 2020 Board of Directors Gross Compensation in 2020 &gt;page 27</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></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>The Annual Report contains a statement on the Corporation's compliance with the Code of Corporate Governance, and where there is non-compliance, identifies and explains the reason therefor.</p> <p><b>Reference:</b></p> <p><b>2020 Annual Report</b></p> <p>&gt;Corporate Governance&gt; Policies &amp; Practices&gt; Corporate Governance Compliance &gt; last paragraph&gt; page 35</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	

<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.</p>	<p>COMPLIANT</p>	<p>The Board, through the Audit Committee, reviews the quarterly and annual financial and operational reports from Management. The Board ensures that the implementation of strategies is in accordance with good corporate governance practices and that internal control mechanism are in place.</p> <p>On an annual basis, the Audit Committee reports to and assists the Board in fulfilling its oversight responsibility to the shareholders relating to:</p> <ul style="list-style-type: none"> <li>• the integrity of AyalaLand Logistics Holdings Corp.'s financial statements and the financial reporting process;</li> <li>• the appointment, re-appointment, remuneration, qualifications, independence and performance of the independent external auditors and the integrity of the audit process as a whole;</li> <li>• the effectiveness of the systems of internal control and the risk management process;</li> <li>• the performance and leadership of the internal audit function;</li> <li>• the Corporation's compliance with applicable legal and regulatory requirements; and</li> <li>• the preparation of a year-end report of the Committee for approval of the Board and to be included in the annual report.</li> </ul> <p>The Report of Audit Committee was presented during its meeting on February 11, 2021, and was presented and approved by the Board on February 23, 2021.</p> <p><b>Reference:</b></p>	
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		<p><b>2020 Annual Report</b>  &gt; Appendices&gt; Report of the Audit Committee to the Board of Directors&gt; pages 40-41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<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.</p>	COMPLIANT	<p>In its Report to the Board, the Audit Committee stated that it reviewed the reports of Internal Auditor, ensuring management is taking appropriate corrective measures to address internal control and compliance issues. The Committee also reviewed and discussed the adequacy of Corporation's enterprise-wide risk management process, including major risk exposures, risks mitigation efforts and status of risk mitigation plans.</p> <p>The Report of Audit Committee was presented during its meeting on February 11, 2021, and was presented and approved by the Board of February 23, 2021.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt; Appendices&gt; Report of the Audit Committee to the Board of Directors&gt; paragraph 2&gt; 7<sup>th</sup> and last bulleted items&gt;page 41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></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>In the Annual Report, the Corporation presented the top three (3) risks, namely, government and political risk, marginalization because of competition, and financial risk, with COVID-19 amplifying said risks, and the</p>	

		<p>mitigating measures.</p> <p>The top three (3) risks faced by the Corporation were also discussed in the SEC Form 17-A, while discussion on the kinds of financial risks is found in Note 30 to the Audited Financial Statements attached to SEC Form 17-A.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>          &gt;Risk Management&gt; page 38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>SEC Form 17-A (2020)</b>          a) &gt;Item 1 B-Business of the Issuer&gt; paragraph xv- Risks&gt;page 7          b) &gt; 2020 Audited Financial Statements&gt; Note 30 –Financial Instruments&gt; Financial Risk Management Objectives, Policies and Capital Management&gt; pages 80-83 of Notes  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
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**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.

**Recommendation 9.1**

<p>1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.</p>	<p>COMPLIANT</p>	<p>The Audit Committee is tasked to recommend the appointment and removal of the external auditors and the fixing of their remuneration to the Board.</p> <p>The Committee conducts an assessment of</p>	
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		<p>independence and professional qualifications and competence of the external auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3 –External Audit&gt; paragraph 3.1&gt; page 4  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>2020 Annual Report</b>  &gt; Appendices&gt; Report of the Audit Committee to the Board of Directors&gt; paragraph 2&gt; 3<sup>rd</sup>, 4<sup>th</sup>, 6<sup>th</sup> and 8<sup>th</sup> bulleted items&gt;pages 40-41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
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>The appointment of the external auditor, SyCip Gorres Velayo &amp; Co., and fixing of its audit fees, were recommended by the Audit Committee on February 12, 2020, approved by the Board and the stockholders during the Annual Stockholders’ Meeting on April 13, 2020.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 13 April 2020</b>  &gt; Item 9 – Election of External Auditor and Fixing of its Remuneration &gt; page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	
3. For removal of the external auditor, the reasons for removal or change are disclosed	NOT APPLICABLE	The Corporation shall disclose any change or removal of the external auditor as provided in	

<p>to the regulators and the public through the company website and required disclosures.</p>		<p>the Manual on Corporate Governance. There was no change in partner-in-charge of audit for 2020.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article IV – Audit, Risk Oversight and Compliance &gt; Item 3 – External Audit &gt; paragraph 3.1-Appointment, Re-appointment and Dismissal&gt; pages 31-32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>SEC Form 17-A (2020)</b>  &gt; Item 8 – Information on Independent Accountants and Other Related Matters&gt; sub-item 2 &gt; Changes and disagreements with accountants on accounting and financial disclosures&gt; page 24  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Supplement to Recommendation 9.1</b>			
<p>1. Company has a policy of rotating the lead audit partner every five years.</p>	<p>COMPLIANT</p>	<p>The partner-in-charge of the external auditing firm assigned to the Corporation is rotated every five (5) years or earlier.</p> <p>No change in the partner-in-charge of the external auditor for 2020.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article IV – Audit, Risk Oversight and Compliance &gt; Item 3 – External Audit &gt; paragraph 3.4 – Rotation &gt; page 32</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>  <b>SEC Form 17-A (2020)</b> > Item 8 – Information on Independent Accountants and Other Related Matters> sub-item 2 > last paragraph > page 24 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a>	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee’s responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor’s independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	COMPLIANT	The Audit Committee is tasked to assess the independence and professional qualifications and competence of the external auditor and ensure that a rotation process is observed in the engagement of external auditor.  The Audit Committee is responsible for reviewing and pre-approving the external auditor’s plans one (1) month before the conduct of external audit to understand the basis for their risk assessment and financial statement materiality, including the scope and frequency of the audit.  <b>Reference:</b> <b>Audit Committee Charter</b> > Section D – Roles and Responsibilities > Item 3 –External Audit> paragraphs 3.1, 3.2, 3.6 and 3.7 > pages 4-5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
2. Audit Committee Charter contains the Committee’s responsibility on reviewing and monitoring the external auditor’s suitability	COMPLIANT	The Audit Committee shall assess the performance of the external auditor and recommend appointment of external auditor	

and effectiveness on an annual basis.		every year.  <b>Reference:</b> <b>Audit Committee Charter</b> > Section D – Roles and Responsibilities > Item 3 –External Audit> paragraph 3.1> page 4 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
<b>Supplement to Recommendations 9.2</b>			
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	See response in Recommendation 9.2, Item 1 <b>Reference:</b> <b>Audit Committee Charter</b> > Item 3-External Audit>Item 3.2 > paragraph 2 > page 5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	COMPLIANT	See response in Recommendation 9.2, Item 1. <b>Reference:</b> <b>Audit Committee Charter</b> > Item 3-External Audit> Item 3.2 > paragraph 2 > page 5 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a>	
<b>Recommendation 9.3</b>			
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	The Company disclosed the non-audit services performed by the external auditor in the Annual Report. Other Fees in the amount of P60,000 (exclusive of VAT) paid to auditor refer to service fees for the validation of stockholders' votes during the annual stockholders' meeting.	

		<p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt; Item 8. – Information on Independent Accountants and Other Related Matters&gt; Paragraph 1 (c)- All Other Fees &gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt;Board Committees&gt; External Auditor&gt; Table of Audit and Other Fees&gt; Other Fees&gt; page 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
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	<p>The Audit Committee reviews and approves the proportion of audit versus non-audit work both in relation to their significance to the external auditor and in relation to the Corporation’s year-end financial statements, and total expenditure on consultancy, to ensure that non-audit work will not be in conflict with the audit functions of the External auditor.</p> <p><b>Reference:</b>  <b>Audit Committee Charter</b>  &gt; Section D – Roles and Responsibilities &gt; Item 3-External Audit&gt; sub-Item 3.7 &gt; page 5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p>	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	COMPLIANT	The non-audit fees do not outweigh the audit fees.	

		<p>For 2020, total audit fee is more than the total non-audit fee.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt; Item 8. – Information on Independent Accountants and Other Related Matters&gt;  Paragraph 1 (c)- All Other Fees &gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Additional Recommendation to Principle 9</b>			
<p>1. Company's external auditor is duly accredited by the SEC under Group A category.</p>	<p>COMPLIANT</p>	<p>Details of the appointed external auditor-</p> <p>Partner-in-Charge:  <i>Mr. Carlo Paolo V. Manalang</i>  Accreditation No. 111947-SEC (Group A)  Valid to cover audit of 2019 to 2023 financial statements of SEC covered institutions</p> <p>Audit Firm:  SyCip Gorres Velayo &amp; Co.  6760 Ayala Avenue1226 Makati City  Philippines  Tel. No.: (632) 8891-0307  Website <a href="https://www.ey.com/ph/en/home">https://www.ey.com/ph/en/home</a></p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt; Independent Auditor's Report attached to the 2020 consolidated Audited Financial Statements (after the Statement of Management Responsibility)  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	

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	The audit firm, SyCip Gorres Velayo & Co., agreed to be subjected to the SEC Oversight Assurance and Review (SOAR) Inspection Program. The inspection was conducted on November 12-23, 2018. The names of the engagement team were provided to the SEC during the SOAR inspection.	
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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	<p>Board is committed to full disclosure of material information dealings, including non-financial information, with emphasis on the management of material economic, environment, social and governance issues of the business, which underpin sustainability, in line with the guiding principles and content elements of the Integrated Reporting framework and the Global Reporting Initiative (GRI) Standards 2016.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article VI – Disclosure and Transparency&gt; Item 1-Disclosure Policy and Material Information&gt; sub-Item 1.3 – Non-financial and Sustainability Reporting &gt;page 34  b) &gt;Article VI-Disclosure and Transparency&gt; Item 4-Communication and Information&gt; sub-item 4.1 c-Management Responsibility for Information &gt; paragraph 2&gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
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<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>	<p>COMPLIANT</p>	<p>Disclosures on non-financial information and EESG issues follow the guiding principles and content elements of the Integrated Reporting framework and the Global Reporting Initiative (GRI) Standards 2016.</p> <p>The Corporation adopted the Sustainability Reporting Guidelines issued by SEC through Memorandum Circular No. 4, series of 2019 and prepared its 2020 Sustainability Report using the reporting template prescribed under the Guidelines.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>          &gt;2020 Sustainability Report attached to SEC Form 17-A  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
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**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>The Corporation holds one-on-one briefings with analysts and issues press releases to communicate material and timely information to the stockholders and other investors.</p> <p>In 2020, virtual meetings and briefings were held given the restrictions on physical face-to-face meetings due to the pandemic. The Corporation also answers queries from analysts through email.</p> <p><b>Reference:</b></p>	
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		<p><b>Analyst/Media Briefings and Conferences in 2020:</b>  &gt;ALLHC website&gt; Investor relations&gt; Disclosures&gt;Analyst Presentations  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/2020-ALLHC-Analyst-Presentations.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/2020-ALLHC-Analyst-Presentations.pdf</a></p> <p><b>Press releases in 2020:</b>  ALLHC website&gt; Press Room&gt;Press releases  <a href="https://www.ayalalandlogistics.com/press-room/">https://www.ayalalandlogistics.com/press-room/</a></p> <p><b>CG Manual 2020</b>  &gt;Article VI- Disclosure and Transparency&gt; item 4-Communication and Information&gt;sub-item 4.4-Channels of Communication&gt; page 37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Supplemental to Principle 11</b>			
1. Company has a website disclosing up-to-date information on the following:		The Corporation has a website which discloses required reports and information.	
a. Financial statements/reports (latest quarterly)	COMPLIANT	<p><b>Reference:</b>  <b>a) Financial Statements</b>  &gt;Investor relations&gt;Stock Information&gt; Audited Financial Statements&gt;Audited Financial Statements 31 December 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/ALLHC-2020-Consolidated-Audited-Financial-Statements-.pdf</a></p>	
b. Materials provided in briefings to analysts and media	NON-COMPLIANT		
c. Downloadable annual report	COMPLIANT		
d. Notice of ASM and/or SSM	COMPLIANT		

e. Minutes of ASM and/or SSM	COMPLIANT	<p><b>SEC Form 17-Q</b> &gt;Investor Relation&gt; Reports&gt;SEC Form 17-Q (Quarterly Report)&gt; SEC Form 17-Q for quarter ended 30 September 2020 and 30 March 2021 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/3Q-2020-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/11/3Q-2020-ALLHC-SEC-17-Q.pdf</a></p>	
f. Company's Articles of Incorporation and By-Laws	COMPLIANT	<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/1Q-2021-ALLHC-SEC-17-Q.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/1Q-2021-ALLHC-SEC-17-Q.pdf</a></p> <p><b>b) Press releases</b> instead of materials provided in the briefings to analysts &gt;ALLHC website&gt;Press Room <a href="https://www.ayalalandlogistics.com/press-room/">https://www.ayalalandlogistics.com/press-room/</a></p> <p><b>c) Downloadable 2020 Annual Report</b> &gt;Investor Relations&gt; Annual Reports <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>SEC Form 17-A (2020)</b> &gt;Investor Relations&gt; Reports&gt; SEC Form 17-A (Annual Report)&gt; For the Calendar Year ended 31 December 2020 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>d) Notice of Stockholders' Meeting</b> &gt;Investor Relations&gt; Disclosures&gt; Notice of Annual Stockholders' meeting</p>	

		<p>&gt;Notice of ASM on April 13, 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf</a></p> <p><b>e) Minutes of ASM dated 13 April 2020</b>  &gt;Investor Relations&gt; Disclosures&gt; Minutes of Stockholders' Meeting&gt; Minutes of ASM dated April 13, 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p> <p><b>f) Articles of Incorporation and By-Laws</b>  &gt;About Us&gt; Articles of Incorporation and By-laws&gt; Amended Articles of Incorporation dated 9 May 2019 and Amended By-laws dated 4 March 2021  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws_5.9.19.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/05/SEC-PSE-Amendment-of-AOI-and-By-Laws_5.9.19.pdf</a></p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf</a></p>	
<b>Additional Recommendation to Principle 11</b>			
<p>1. Company complies with SEC-prescribed website template.</p>	<p>COMPLIANT</p>	<p>The Corporation complies with the SEC-prescribed website template. This website is updated regularly and contains all the corporate information on the business and management, policies, corporate governance reports and disclosures of the Corporation.</p> <p><b>Reference: ALLHC website</b>  <a href="https://www.ayalalandlogistics.com/">https://www.ayalalandlogistics.com/</a></p>	

**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>The Corporation has an adequate and effective internal control system.</p> <p>Internal audit activities promote internal control. The scope of internal audit work includes the review of risk management procedures, internal control systems, information systems and governance processes to ensure:</p> <ul style="list-style-type: none"> <li>• Safeguarding of assets</li> <li>• Proper identification and management of risks</li> <li>• The appropriate level of internal control exists within the company to manage and mitigate risk</li> <li>• Policies, standards, procedures, and controls are adequately documented as needed</li> <li>• Interaction with the various governance groups occurs as needed</li> <li>• Significant financial, managerial, and operating information is accurate, reliable, and timely</li> <li>• Employees' actions are in compliance with policies, standards, procedures, and applicable laws and regulations</li> <li>• Resources are acquired economically, used efficiently, and adequately protected</li> <li>• Programs, plans, and objectives are achieved</li> <li>• Quality and continuous improvement are fostered in the organization's control process</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately.</li> </ul> <p>The internal control system is reviewed annually.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Section G – Scope of Work &gt; pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>2020 Internal Control and Compliance System Attestation</b>  &gt;Corporate Governance&gt; Enterprise Risk Management&gt; 2020 Internal Control and Compliance System Attestation  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Internal-Control-and-Compliance-System-Attestation-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Internal-Control-and-Compliance-System-Attestation-2020.pdf</a></p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p>COMPLIANT</p>	<p>The Corporation has an adequate Enterprise-wise Risk Management (EWRM) framework which constantly seeks to identify, assess and address all the risks inherent and external to the business that could potentially affect the performance of the Corporation.</p> <p>For 2020, the top three (3) risks identified by the Corporation are as follows:</p> <ol style="list-style-type: none"> <li>Government and Political Risk</li> <li>Marginalization due to Competition</li> <li>Financial risk,</li> </ol> <p>and with COVID-19 amplifying these risks.</p>	

		<p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Risk Management&gt; pages 37-38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>CG Manual 2020</b>  &gt;Article III-Governance&gt; Item 3- Board Committees&gt; Item 3.5-Board Risk Committee&gt;pages 21-22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Enterprise Risk Management Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2019/02/write-up-on-Enterprise-Risk-Management-2014-1.pdf</a></p>	
<b>Supplement to Recommendations 12.1</b>			
<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>	<p>COMPLIANT</p>	<p>The Corporation has a compliance system in place.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 5 –Compliance System &gt;page 33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt; Corporate Governance&gt;Board matters&gt; Training and Development&gt; pages 29-30</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a>	
<b>Optional: Recommendation 12.1</b>			
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>The Corporation follows the policies of ALL Group on IT issues and ensures the availability of continuity plans, back-up procedures, systems and information control through network checks, and protection of information from loss or unauthorized disclosure. Key risks are identified and strategies to mitigate the same are presented by the CRO to the BROC.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt;Article V- Audit, Risk Oversight and Compliance&gt;Item 4-Risk Oversight&gt;pages 32-33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<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	<p>The Corporation has an in-house internal audit group that reports to the Audit Committee.</p> <p><b>Reference:</b>  <b>Internal Audit Charter</b>  &gt; Section G – Scope of Work &gt; pages 3-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p>	
<b>Recommendation 12.3</b>			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	COMPLIANT	The Corporation has a qualified Chief Audit Executive. The Corporation's Chief Audit Executive as of 31 December 2020 is Ms. Maria Divina Lopez.	

		<p><b>Reference:</b>  <b>2020 Annual Report</b>  &gt;Corporate Governance&gt;Governance Structure&gt; Chief Audit Executive&gt; page 25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Audit Committee Charter</b>  &gt;Section D-Roles and Responsibilities&gt; Item 2- Internal Audit &gt; paragraph 2.2&gt; page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</a></p> <p><b>Internal Audit Charter</b>  &gt;Section D- Organization&gt; paragraph 2&gt; page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p>	
<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.</p>	<p>COMPLIANT</p>	<p>Internal audit is done in-house. The CAE oversees and is responsible for the internal audit activity of the organization. Activities that will be outsourced to a third party service provider must be recommended by the CAE to the Audit Committee for approval.</p> <p>The CAE's overall responsibilities are disclosed in the Corporation's Internal Audit Charter.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 2 – Internal Audit&gt; Functions of the CAE&gt; page 31</p>	



		<p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Internal Audit Charter</b> &gt; Section H – Overall Responsibility &gt; pages 5-6 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Internal-Audit-Charter-November-2020.pdf</a></p> <p><b>Audit Committee Charter</b> &gt; Item D-Roles and Responsibilities&gt; Item 2- Internal Audit&gt; paragraph 2.2 &gt; page 3 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Audit-Committee-Charter.pdf</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	<p>The internal audit function is 100% in-house. Even if be outsourced, the Corporation has a senior management personnel who is fully qualified to oversee the outsourced activity. The CAE, Ms. Lopez, is qualified to oversee the activity.</p> <p><b>Reference:</b> <b>2020 Annual Report</b> &gt;Corporate Governance&gt; Governance Structure&gt; Chief Audit Executive&gt; page 25 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	COMPLIANT	<p>The Corporation has a separate risk management function.</p> <p><b>Reference:</b> <b>CG Manual 2020</b></p>	

		<p>&gt;Article III-Governance&gt; Item 3-Board Committee&gt; Item 3.5-Board Risk Oversight Committee&gt;pages 21-22  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  Corporate Governance&gt;Board Committees&gt;Board Risk Oversight Committee&gt; page 32  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	
<b>Supplement to Recommendation 12.4</b>			
<p>1. Company seeks external technical support in risk management when such competence is not available internally.</p>	<p>NOT APPLICABLE</p>		<p>The Corporation has no external technical support in risk management. At present, risk management is adequately performed by the Board Risk Oversight Committee, assisted by Management Committee and the risk champions.</p> <p><b>Reference:</b>  <b>Board Risk Oversight Committee Charter</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/07/ALLHC-Board-Risk-Oversight-Committee-Charter-2019.pdf</a></p>
<b>Recommendation 12.5</b>			
<p>1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate</p>	<p>COMPLIANT</p>	<p>The Corporation has a Chief Risk Officer (CRO) who is the champion of the ERM. Previously, the CAE is the concurrent CRO. The roles and</p>	

<p>champion of Enterprise Risk Management (ERM).</p>		<p>responsibilities of the CRO are stated in the Corporation's CG Manual.</p> <p>As of November 2020, the Corporation's Chief Finance Officer and Compliance Officer is the concurrent CRO.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 4 – Risk Oversight&gt; pages 32-33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.</p>	<p>COMPLIANT</p>	<p>The CRO has adequate authority, stature, resources and support to fulfill her responsibilities from the Board Risk Oversight Committee and Management.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article V – Audit, Risk Oversight and Compliance &gt; Item 4 – Risk Oversight&gt; pages 32-33  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>2020 Annual Report</b>  &gt;Corporate Governance&gt; Governance Structure&gt; Chief Risk Officer&gt; page 25  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	

<b>Additional Recommendation to Principle 12</b>			
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	<p>The Corporation's CEO, CAE and Compliance Officer attest in writing that a sound internal control and compliance system is in place and working effectively.</p> <p><b>Reference:</b>  <b>2020 Attestation on the Internal Control and Compliance System</b>            &gt;Corporate Governance &gt; Enterprise Wide Risk Management&gt; Internal Control and Compliance System Attestation 2020  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Internal-Control-and-Compliance-System-Attestation-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Internal-Control-and-Compliance-System-Attestation-2020.pdf</a></p>	
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	COMPLIANT	<p>Shareholders' rights are disclosed in the Corporation's Manual on Corporate Governance.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article VII – Shareholders' Rights and Protection of Minority Shareholder &gt; Item 1- Shareholder Rights&gt; paragraphs 1.1 to 1.6&gt; pages 38-40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	COMPLIANT	<p>The basic shareholders' rights are posted on the Corporation's website.</p> <p>The Corporation's Manual on Corporate</p>	

		<p>Governance is also posted in the Corporation's website.</p> <p><b>Reference:</b>  <b>Rights of Shareholders</b> (on website)  &gt;Corporate Governance&gt; Rights of Shareholders  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/Rights-of-the-Shareholders.pdf</a></p> <p><b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1- Shareholder Rights&gt; sub-items 1.1 to 1.6&gt; pages 38-40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	COMPLIANT	<p>Each common share entitles the person in whose name it is registered to one vote.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1- Shareholder Rights&gt; paragraph 1.1-Voting Rights&gt; page 38  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></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>The Company only has common shares. Shareholders are treated equally or without discrimination. Minority shareholders have the right to nominate candidates for the Board of</p>	

		<p>Directors and the right to propose the holding of meetings and items for discussion in the agenda subject to reasonable advance notice and other guidelines issued by the Board consistent with applicable laws, rules and regulations of the SEC.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  a) &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1.1-Voting Right&gt; page 38  b) &gt;Article VII – Shareholders Rights and Protection of Minority Shareholders&gt; Item 2 – Duty of Directors to Promote Shareholders’ Rights &gt; paragraph 2 &gt; page 40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>3. Board has an effective, secure, and efficient voting system.</p>	<p>COMPLIANT</p>	<p>The Corporation has a secure and effective voting system. The Corporation used voting by proxy and electronic poll voting (through Voting in absentia Shareholder System) during its 2020 ASM.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 13 April 2020</b>  &gt; Item 4- Procedures for Discussion and Voting &gt;page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p> <p><b>SEC 20-IS (for 2020 ASM)</b>  a) &gt;Item 19- Voting Procedure&gt;paragraph b &gt; page 11</p>	

		<p>b) &gt; Annex A- Requirements and Procedure for Electronic Voting in Absentia&gt;pages 13-14</p> <p><a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<p>4. Board has an effective shareholder voting mechanisms such as supermajority or “majority of minority” requirements to protect minority shareholders against actions of controlling shareholders.</p>	COMPLIANT	<p>The Corporation ensures protection of the rights of the minority shareholders.</p> <p><b>Reference:</b>  <b>2020 CG Manual</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1- Shareholder Rights&gt; pages 38-40  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<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.</p>	COMPLIANT	<p>The minority shareholders shall have the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, subject to reasonable advance notice, and other guidelines issued by the Board consistent with the applicable laws, rules and regulations of the SEC.</p> <p>There was no call from the stockholders for a special meeting in 2020.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Shareholders’ Rights and Protection of Minority Shareholder &gt; Item 1- Shareholders’ Rights&gt; Item 1.4-Right to Information&gt; paragraphs 2 and 3 &gt; page 39</p>	

		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>  <b>Amended By-laws (2021)</b> a) > Article II- Stockholders' Meeting >Sec. 2-Special Meetings> page 2 b) > Article II- Stockholders' Meetings> Sec. 3- Notice of Meetings> paragraph 2> page 2 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/03/SEC-PSE-SECs-approval-of-the-Amended-By-Laws_3.4.2021.pdf</a>	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	COMPLIANT	The Board clearly articulates and enforces policies with respect to treatment of minority shareholders, with respect to their voting rights, right to call a stockholders' meeting, to propose agenda items and access to information.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VII – Shareholders' Rights and Protection of Minority Shareholder a) > Item 1- Shareholder Rights> sub-item 1.1- Voting Rights> page 38 b) >Item 1-Shareholders' Rights> sub-item 1.4-Right to Information> paragraphs 2 and 3 > page 39 c) >Item 2 – Duty of Directors to Promote Shareholders' Rights > paragraph 2 > page 40 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
7. Company has a transparent and specific	COMPLIANT	The Board has not declared dividends for the	



dividend policy.		<p>last five (5) years. The last dividend declaration was in 1997. The Corporation follows the provisions of its By-laws and the rules and regulations on dividends implemented by the SEC.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>  &gt; Part II &gt; Item 5-Market for Issuer’s Common Equity and Related Stockholder Matt&gt; paragraph c-Dividends &gt;pages 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders’ Meeting.	COMPLIANT	<p>SyCip Gorres Velayo &amp; Co. was appointed independent party to validate the votes cast at the 2020 ASM.</p> <p><b>Reference:</b>  <b>SEC Form17-C dated 13 April 2020 (Voting Results)</b>  &gt; Matters taken up during the ASM 13 April 2020&gt; page 1 footnote  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-ASM-Voting-Results.pdf</a></p>	
<b>Recommendation 13.2</b>			
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>The Corporation sent the Notice of ASM set on April 13, 2020 on March 12, 2020 or thirty –two (32) days before the ASM to the stockholders who provided their email addresses. The notice was also posted on the websites of the Company and the PSE.</p> <p>A revised Notice of ASM with Definitive Information Statement was filed due to the</p>	

		<p>change from a physical meeting to a meeting by remote communication as a result of the government-imposed Enhanced Community Quarantine (ECQ). The revised notice and DIS were posted on the website.</p> <p><b>Reference:</b>  <b>Submission to PSE of Notice of ASM attached to SEC 20-IS</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=872ff2f731af6de30de8473cebbd6407</a></p> <p><b>SEC Form 20-IS (for 2020 ASM)</b>  &gt;Notice/Agenda  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p> <p><b>Revised ASM Notice</b>  <a href="https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36fbd20de8473cebbd6407">https://edge.pse.com.ph/openDiscViewer.do?edge_no=8f6f1aaaa36fbd20de8473cebbd6407</a></p>	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	COMPLIANT	Attached to the Notice of Annual Stockholders' Meeting is the Corporation's Definitive Information Statement (SEC 20-IS), which contains the profiles of directors.  <b>Reference:</b> <b>SEC Form 20-IS (for 2020 ASM)</b> a) >Item 5- Directors and Executive Officers> Paragraph a) (i) >pages 5-6;	

		<p>b) &gt;Annex B&gt; profiles of the directors&gt; pages 1-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
b. Auditors seeking appointment/re-appointment	COMPLIANT	<p>Auditor seeking appointment is identified in the Explanation of the Proxy Form attached to the Notice of the ASM, and SEC 20-IS.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2020 ASM)</b>  a) &gt;Notice of ASM&gt; Explanation of Agenda items&gt; Appointment of External Auditors and fixing of its remuneration&gt; &gt; page 2  b) &gt; Item 7-Independent Public Accountants&gt; paragraph a&gt; page 9  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
c. Proxy documents	COMPLIANT	<p>The proxy form is attached to the Notice of ASM.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2020 ASM)</b>  &gt;Notice of ASM&gt; Explanation of Agenda items&gt; Proxy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting	COMPLIANT	<p>The Corporation provides an explanation of the agenda items which is attached to the Notice of ASM.</p> <p><b>Reference:</b></p>	

		<p><b>Notice of ASM set on 13 April 2020 and Explanation of Agenda items (website)</b></p> <p>a) &gt;Investor Relations&gt;Disclosures&gt; Notice of Annual and Special Stockholders' Meetings&gt; 2020 Notice of Annual Stockholders' Meeting&gt;Explanation of Agenda Items  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/02/ALLHC-2020-Notice-and-Agenda.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/02/ALLHC-2020-Notice-and-Agenda.pdf</a></p> <p>b) &gt;Investor Relations&gt; Disclosures&gt; Notice of Annual and Special Stockholders' Meetings&gt; 2020 Notice of Annual Stockholders' meeting-Revised ASM Notice&gt;Explanation of Agenda Items&gt; pages 2-3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-2020-Notice-of-ASM-Agenda-Proxy-Form.pdf</a></p> <p><b>SEC Form 20-IS (for 2020 ASM)</b>  &gt;Reports&gt; SEC Form 20 IS (Information Statement)&gt; SEC Form 20-IS (as of 20 March 2020)&gt; Notice, Explanation of Agenda items  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
<b>Recommendation 13.3</b>			
<p>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.</p>	<p>COMPLIANT</p>	<p>Matters taken up at the 2020 ASM were made publicly available through PSE Edge and SEC 17-C (Current Report) on the same day of the ASM. The voting results were also posted in the Corporation's website.</p> <p><b>Reference:</b></p>	

		<p><b>SEC Form 17-C</b></p> <p>a) &gt;SEC Form 17-C dated 13 April 2020&gt; Voting results  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-ASM-Voting-Results.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-2020-ASM-Voting-Results.pdf</a></p> <p>b) &gt;SEC Form 17-C dated 13 April 2020&gt;Results of the ASM and Organizational Meeting  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/SEC-PSE-Result-of-ASM-and-Org-BOD_4.13.20.pdf</a></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>Minutes of the 2020 ASM was posted in the Corporation's website within five (5) calendar days from the date of the meeting.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 13 April 2020</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	COMPLIANT	<p>The representatives of the external auditor, SyCip Gorres Velayo &amp; Co., were present via remote communication at the live webcast of 2020 ASM of the Corporation.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 13 April 2020</b>          &gt;Minutes of ASM dated 13 April 2020&gt;Item 1- Call to Order&gt; page 2  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	

Recommendation 13.4			
<p>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.</p>	<p>COMPLIANT</p>	<p>Arbitration is the alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner available to the stockholders.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article VII - Shareholders' Rights and Protection of Minority Shareholder &gt; Item 3- Alternative Dispute Resolution Mechanism &gt; page 41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
<p>2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.</p>	<p>COMPLIANT</p>	<p>The alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner is in the Corporation's Manual on Corporate Governance.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article VII - Shareholders' Rights and Protection of Minority Shareholder &gt; Item 3- Alternative Dispute Resolution Mechanism &gt; page 41  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p>	
Recommendation 13.5			
<p>1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.</p>	<p>COMPLIANT</p>	<p>The Corporation has an IR Group. The contact details of the IRO group are as follows:            Company email:  <a href="mailto:corporate@ayalalandlogistics.com">corporate@ayalalandlogistics.com</a></p> <p>Ma. Rhodora dela Cuesta            Tel.: (632) 8884-1106</p>	

		<p>Email:  <a href="mailto:delacuesta.dolly@ayalalandlogistics.com">delacuesta.dolly@ayalalandlogistics.com</a></p> <p>Bettina Marie A. Esguerra  Tel: (632) 8884-1106  Email: <a href="mailto:esguerra.betsy@ayalalandlogistics.com">esguerra.betsy@ayalalandlogistics.com</a></p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VII – Disclosure and Transparency &gt;  Item 4- Communication and Information&gt;  Item 4.2 – Investor Relations Function &gt; page  37  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Contact details of IRO in the website</b>  &gt;Investor Relations&gt; Investors FAQs and  Contact Information&gt; ALLHC Contact  Information  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf</a></p>	
<p>2. IRO is present at every shareholder’s meeting.</p>	<p>COMPLIANT</p>	<p>The IRO is present at every shareholders’ meeting. The IR Group attended the 2020 ASM via remote communication.</p> <p><b>Reference:</b>  <b>Minutes of ASM dated 13 April 2020</b>  &gt;Minutes of ASM dated 13 April 2020&gt;Item  10- Other Matters&gt; paragraph 3&gt; page 7  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/04/ALLHC-minutes-of-13Apr2020-Final.pdf</a></p>	

<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	COMPLIANT	<p>The Corporation does not have anti-takeover measures and avoids anti-takeover measures or similar devices. An example is the one-year term for directors. Every year, stockholders are given opportunity to nominate and elect new directors to prevent entrenchment of ineffective management by controlling shareholders.</p> <p><b>Reference:</b>  <b>SEC Form 20-IS (for 2020 ASM)</b>  a) &gt;Item 5-Directors and Executive Officers&gt;pages 5-6;  b) &gt;Annex B-Directors' Profiles  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a></p>	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	NON-COMPLIANT		<p>The Corporation's public float as of 31 March 2021 and 31 December 2020, was 27.16%.</p> <p>The public float was at 26.46% in March 2020, and at 27.16% in June and September 2020.</p> <p>The Corporation is compliant with the required public float of the SEC and PSE.</p> <p><b>Reference:</b>  <b>Public Ownership Report as of December 31, 2020</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/PSE-BIR-Public-Ownership-Report_12.31.20.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/01/PSE-BIR-Public-Ownership-Report_12.31.20.pdf</a></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>The Board encourages active shareholder participation beyond the Annual Stockholders' Meeting by making the minutes of the stockholders' meeting available in the Corporation's website within five (5) business days from the end of the meeting.</p> <p>The Corporation has a corporate email through which the stockholders can post their questions or comments at any time using the Contact Us portion.</p> <p>The Corporation has a Corporate Secretary, Compliance Officer and IRO who can assist the stockholders with their queries or concerns regarding the Corporation.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>            &gt; Article VII - Shareholders' Rights and Protection of Minority Shareholder &gt; Item 4.1- Right to Information&gt; last paragraph &gt; page 39  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>ALLHC website Contact Information</b>            &gt;Investor Relations&gt; Investor FAQs and Contact Information&gt;ALLHC Contact Information  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-Contact-Persons.pdf</a></p>	
2. Company practices secure electronic voting in absentia at the Annual	COMPLIANT	The Company has secure electronic voting in absentia system for 2020 ASM.	

Shareholders' Meeting.		<b>Reference:</b> <b>SEC 20-IS (for 2020 ASM)</b> a) >Item B-Control and Compensation Information> Item 4-Manner of Voting> paragraph c)> page 3; b) >Annex A> pages 13-14 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/ALLHC-Definitive-Information-Statement-2020-v5_3-19-20-1.pdf</a>	
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**Duties to Stakeholders**

**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.

**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	The Corporation adheres to a high level of moral standards and fairness in its dealings with all its suppliers, customers, employees, shareholders and other business partners to forge long-term beneficial relationships which allow the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VIII - Stakeholders' Interest > page 42 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
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**Recommendation 14.2**

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	COMPLIANT	The Corporation, through the Board, established policies and procedures to promote fair treatment and protection of the stakeholders which include policies on whistleblowing, insider trading, and conflict of	
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		<p>interest. These policies are posted on the website.</p> <p><b>Reference:</b>  <b>CG Manual 2020</b>  &gt; Article VIII - Stakeholders' Interest &gt; page 42  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Company Policies</b>  &gt;ALLHC website&gt;Corporate Governance&gt;Company Policies&gt;  <a href="https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies">https://www.ayalalandlogistics.com/corporate-governance/#corporate-policies</a></p> <p>a) Whistleblowing Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p> <p>b) Insider Trading Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf</a></p> <p>c) Conflict of Interest Policy  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	
<b>Recommendation 14.3</b>			
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	The Corporation has a whistleblowing policy that allow stakeholders to communicate with the Corporation about their concerns about illegal or unethical practices, without fear of retaliation and has created a unit to handle	

		<p>whistleblowing concerns.</p> <p>Stakeholders may reach the following personnel to voice their concerns and/or complaints for possible violation of their rights or for referral to the appropriate unit handling whistleblowing reports:</p> <p><b>Whistleblowing Contact Persons:</b>  Alvin Angelo J. Anoos  Internal Audit  <a href="mailto:anoosalvin.almi@ayalamalls.com.ph">anoosalvin.almi@ayalamalls.com.ph</a>  +63 9178264281</p> <p>Marita C. Cabral  Human Resources Dept.  <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a>  Tel. No. +632 9175220198</p> <p>Ma. Rhodora dela Cuesta  Investor Relations  <a href="mailto:delacuesta.dolly@ayalalandlogistics.com">delacuesta.dolly@ayalalandlogistics.com</a>  Tel. no. 8884-1106</p> <p>Punongbayan and Araullo  <a href="https://proactivehotline.grantthorntonsolutions.ph/report/aligroup">https://proactivehotline.grantthorntonsolutions.ph/report/aligroup</a></p> <p>The stakeholders may use the business Integrity Channels provided in Items 6.2 and 10.2 of the Whistleblowing Policy to make the report.</p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b></p>	
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<b>Supplement to Recommendation 14.3</b>			
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	An alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner is made available to the stockholders.  <b>Reference:</b> <b>CG Manual 2020</b> > Article VII - Shareholders' Rights and Protection of Minority Shareholder > Item 3 Alternative Dispute Resolution Mechanism> page 41 <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a>	
<b>Additional Recommendations to Principle 14</b>			
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.	COMPLIANT	The Corporation did not seek any exemption from the application of a law, rule or regulation.	
2. Company respects intellectual property rights.	COMPLIANT	The Corporation respects intellectual property rights and has not violated any intellectual	

		<p>property rights. There are no complaints filed against the Corporation pertaining to intellectual property rights.</p> <p>The Corporation filed for registration of its trademark with the Intellectual Property Office.</p>	
<b>Optional: Principle 14</b>			
<p>1. Company discloses its policies and practices that address customers' welfare</p>	COMPLIANT	<p>The Corporation adheres to a high level of moral standards and unquestionable dealing with all its suppliers, <u>customers</u>, employees, shareholders and other business partners to lay down the foundation for long-term beneficial relationships which allows the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</p> <p><b>Reference:</b>  <b>Role of Stakeholders</b>  &gt; Corporate Governance&gt; Role of Stakeholders&gt;Customers  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a></p>	
<p>2. Company discloses its policies and practices that address supplier/contractor selection procedures</p>	COMPLIANT	<p>The Corporation adheres to a high level of moral standards and unquestionable dealing with all its <u>suppliers</u>, customers, employees, shareholders and other business partners to lay down the foundation for long-term beneficial relationships which allows the Corporation to grow its business while contributing to the advancement of the community and the society in which it operates.</p> <p><b>Reference:</b></p>	

		<p><b>Role of Stakeholders</b>          &gt; Corporate Governance&gt; Role of Stakeholders&gt; Suppliers  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a></p>	
<p><b>Principle 15:</b> 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.</p>			
<p><b>Recommendation 15.1</b></p>			
<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>The Board established policies, programs and procedures that encourage employees to actively participate in the realization of the Corporation's goals and in its governance. The Board has an anti-corruption program and procedures which include Whistleblowing Policy, Insider trading Policy, and Conflict of Interest Policy.</p> <p><b>Reference:</b>  <b>Community Projects (on website)</b>          &gt;Corporate Governance&gt; Corporate Social Responsibility &gt; Sustainability&gt; Community Projects  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Annual-Report-Sustainability.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-2020-Annual-Report-Sustainability.pdf</a></p> <p><b>Code of Business Conduct and Ethics</b>          &gt;Corporate Governance&gt; Code of Business Conduct and Ethics&gt;Code of Ethical Behavior  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	

		<p><b>CG Manual 2020</b>  &gt; Article III - Governance &gt; &gt; Item 4 - Business Conduct and Ethics &gt; paragraph 2 &gt; page 23  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/02/ALLHC-Revised-Corporate-Governance-Manual-2020.pdf</a></p> <p><b>Whistleblowing Policy</b>  &gt;Item 1-Statement of Policy&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p> <p><b>Insider Trading Policy</b>  &gt;Item 1-Statement of Policy&gt;page 1  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/05/ALLHC-Insider-Trading-Policy-2021.pdf</a></p> <p><b>Conflict of Interest Policy</b>  &gt;Item 3&gt; Item 3.2.9-Acceptance of Gifts and Bribes&gt;page 3  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Conflict-of-Interest-Policy-revised-2019.pdf</a></p>	
<b>Supplement to Recommendation 15.1</b>			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	COMPLIANT	The Board approved in 2015 the Terms and Conditions of P250-million Employees Stock Ownership Plan (ESOWN) which was to be issued in 2 tranches from 2015 to 2018 to qualified regular employees of the Corporation as of 30 June 2015. The ESOWN shares have been subscribed and there were no further availments after December 2018.  <b>Reference:</b>	



		<p><b>SEC Form 17-A (2020)</b>          &gt;Item 10 –Executive Compensation&gt; sub-item B-Options Outstanding &gt; page 31  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p>	
<p>2. Company has policies and practices on health, safety and welfare of its employees.</p>	<p>COMPLIANT</p>	<p>The Corporation seeks to provide services and programs designed to promote the well-being of employees such as health and safety, rest and recreation, economic security and family welfare.</p> <p>Programs for health, safety, and employee welfare are implemented to communicate and demonstrate a caring atmosphere in the work place.</p> <p>The Corporation maintains a medical and wellness program which provides for in-patient and out-patient benefits for the employees (through a Health Maintenance Organization provider).</p> <p>In 2020, the Corporation adopted measures and safety protocols to mitigate the risks relating to COVID-19, including shorter office hours and work-from-home arrangements. The Corporation also arranged for webinars and talks on mental health and wellness for the employees.</p> <p><b>Reference:</b>  <b>Health, Safety, and Welfare Policy</b>  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/write-up-on-POPL-Health-Safety-and-Welfare-Programs.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2018/07/write-up-on-POPL-Health-Safety-and-Welfare-Programs.pdf</a></p>	

<p>3. Company has policies and practices on training and development of its employees.</p>	<p>COMPLIANT</p>	<p>Training efforts focus on the three core areas: 1) Personal Effectiveness; 2) Functional / Professional Skills; and 3) Leadership Skills.</p> <p>The Corporation also sends its employees to public seminars to continuously equip them with the necessary technical or functional knowledge and expertise necessary for meeting the present and future demands for achieving the business objectives of the Corporation.</p> <p>In 2020, online training channels were rolled out to employees during the quarantine period in coordination with Ayala Land's Corporate Learning Center. The learning and development programs include self-paced online courses through Degreed and Coursera, live online courses, and various webinars on leadership, management, corporate governance, and health and wellness.</p> <p><b>Reference:</b>  <b>SEC Form 17-A (2020)</b>      &gt;Annual Report&gt; Sustainability Report&gt; Employee Training and Development&gt; page 18  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-SEC-17-A-2020.pdf</a></p> <p><b>2020 Annual Report</b>      &gt;Sustainability&gt;People Engagement and Development&gt; paragraphs 3 and 4&gt; page 18</p>	
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<b>Recommendation 15.2</b>			
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>The Corporation has a Code of Business Conduct and Ethics.</p> <p>The Corporation promotes an environment that fosters and maintains a high level of self-discipline among all employees. It recognizes that the ultimate responsibility for meeting prescribed standards of conduct and performance rests on each employee</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>  &gt;Corporate Governance&gt; Code of Business Conduct and Ethics&gt; Code of Ethical Behavior  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></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>The Company has a Code of Ethical Behavior which is disseminated to all employees. The Code is also available on the website of the Corporation.</p> <p>Employees attended seminars which include the ALI Business Integrity Program and Vendor's Code of Ethics, Ayala procurement process and vendor accreditation and permit compliance course.</p> <p>In addition, all employees are required to disclose annually any possible conflict of</p>	

		<p>interest through Business Interest and Related Party Disclosure Form.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>          &gt;Corporate Governance&gt; Code of Business Conduct and Ethics&gt; Code of Ethical Behavior  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
<b>Supplement to Recommendation 15.2</b>			
<p>1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.</p>	COMPLIANT	<p>Employees and officers are expected to exercise utmost discretion in accepting personal favor or gifts from individuals or entities seeking or doing business with the Corporation and refuse any gift that might be considered as bribery of any form.</p> <p>There was no reported incident of corrupt practice committed by employees or officers in 2020.</p> <p><b>Reference:</b>  <b>Code of Business Conduct and Ethics</b>          &gt;Corporate Governance&gt; Code of Business Conduct and Ethics&gt; Code of Ethical Behavior&gt; Business Gifts and Gratuities&gt; pages 11-12  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/08/ALLHC-Code-of-Ethical-Behavior-2020.pdf</a></p>	
<b>Recommendation 15.3</b>			
<p>1. Board establishes a suitable framework for whistleblowing that allows employees to</p>	COMPLIANT	<p>The Board established a suitable framework for whistleblowing that allows employees to freely</p>	

<p>freely communicate their concerns about illegal or unethical practices, without fear of retaliation</p>		<p>communicate their concerns about illegal or unethical practices, without fear of retaliation and to have direct access to an independent member of the Board or unit created to handle whistleblowing concerns. Employees can use the business integrity reporting channels to report illegal or unethical practices. They can contact the following personnel to voice their concerns and/or complaints relating to violation of their rights and/or for referral to the appropriate party to handle such complaints:</p> <p><b>Whistleblowing Contact Persons:</b>  Internal Audit:  Alvin Angelo J. Anoos  <a href="mailto:anoosalvin.almi@ayalamalls.com.ph">anoosalvin.almi@ayalamalls.com.ph</a>  Tel. No: +632 9178264261</p> <p>Human Resources Dept.  Marita C. Cabral  <a href="mailto:cabral.marita@ayalaland.com.ph">cabral.marita@ayalaland.com.ph</a>  Tel. No. +632 9175220198</p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b>  a) &gt;Item 4- Business Integrity Channels&gt; page 2  b) &gt;Item 10-Specific Procedures in Handling Whistleblowing Reports&gt; Item&gt; Item 10.2- Handling of Initial Receipt of Whistleblowing Reports&gt;page 6  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p>	
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<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.</p>	COMPLIANT	<p>See explanation and reference in Recommendation 15.3 – Item 1.</p> <p>The Group Human Resources Dept. has informed employees about the Whistleblowing Policy. Employees may choose from any of the different reporting channels. The Whistleblowing Policy is posted on the Corporation’s website.</p> <p>The Company conducted a webinar on All Business Integrity Program.</p> <p><b>Reference:</b>  <b>Whistleblowing Policy</b>  &gt;Corporate Governance&gt; Company Policies  a) &gt;Item 4-Business Integrity Channels&gt; page 2  b) &gt;Item 10.2- Handling Initial Receipt of Whistleblowing Reports&gt; pages 5-8  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p>	
<p>3. Board supervises and ensures the enforcement of the whistleblowing framework.</p>	COMPLIANT	<p>The Business Integrity Channels are monitored by the Ethics Committee composed of the HRD Head, members of the Internal Audit Group and AG Legal, which reports directly to the Audit Committee.</p> <p>There was no reported incident under the Whistleblowing Policy in 2020.</p>	

		<p><b>Reference:</b>  <b>Whistleblowing Policy</b>  &gt;Corporate Governance&gt; Company Policies  a) &gt;Item 4- Business Integrity Channels&gt;page 2  b) &gt;Item 5 – The Committee  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/03/Whistleblowing-Policy-revised-2019.pdf</a></p>	
<p><b>Principle 16:</b> 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><b>Recommendation 16.1</b></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>The Corporation and its subsidiaries undertake community projects such as outreach to the Missionaries of Charity near Tutuban mall, relief efforts for volcanic eruption victims, community clean-up drives, donation of basic necessities to marginalized communities in Laguna, assisted in the procurement of medical supplies donated to designated beneficiary hospitals, support for affected communities through Ayala Land’s <i>Pays It Forward</i> campaign and <i>Project Ugnayan</i>, and partnership with the City of Manila and other Ayala Group subsidiaries, for construction and donation of public convenience facilities for the benefit of the local community.</p> <p><b>Reference:</b>  <b>2020 Annual Report</b>  a) &gt;ALLHC website&gt; Reports&gt; Annual Report&gt; Sustainability&gt; Local Economic Development&gt; pages 16 -19  b) Chairman and President’s Message&gt;</p>	

		<p>paragraph 6&gt; pages 4-5  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p> <p><b>Press Release</b>  ALLHC website&gt; Press Room</p> <p>a) &gt;Press release dated 15 May 2020 - ALLHC’s mixed businesses eased the effects of COVID-19 crisis on its 1Q20 performance  <a href="https://www.ayalalandlogistics.com/press_releases/allhcs-mixed-businesses-eased-the-effects-of-covid-19-crisis-on-its-1q20-performance/">https://www.ayalalandlogistics.com/press_releases/allhcs-mixed-businesses-eased-the-effects-of-covid-19-crisis-on-its-1q20-performance/</a></p> <p>b) Press release dated 2 October 2020- Ayala Group Partners with City of Manila for Public Convenience Project  <a href="https://www.ayalalandlogistics.com/press_releases/ayala-group-partners-with-city-of-manila-for-public-convenience-project/">https://www.ayalalandlogistics.com/press_releases/ayala-group-partners-with-city-of-manila-for-public-convenience-project/</a></p>	
<b>Optional: Principle 16</b>			
<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>	<p>COMPLIANT</p>	<p>The Corporation strongly adheres to best sustainable practices in the delivery of its products and services.</p> <p>In dealing with the Corporation, suppliers must uphold the principles on standards for labor, health and safety, environment, and business ethics provided in the Corporation’s Vendor’s Code of Ethics.</p> <p><b>Reference:</b>  <b>Role of Stakeholders</b></p>	



		<a href="https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2020/10/ALLHC-Role-of-Stakeholders.pdf</a>	
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>	<p>COMPLIANT</p>	<p>The Corporation has adopted four (4) focus areas for its sustainability efforts. These include growing our local economy through inclusive economic strategies; operating in a more eco-efficient manner; heightening our focus on pedestrian and transit connectivity; and improving the site resilience of our assets against disasters and other major risks.</p> <p><b>2020 Annual Report</b>  &gt;ALLHC website&gt; Reports&gt; Annual Report&gt; Sustainability&gt; Local Economic Development&gt; pages 16 -19  <a href="https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf">https://www.ayalalandlogistics.com/wp-content/uploads/2021/04/ALLHC-2020-Annual-Report.pdf</a></p>	

Signed on \_\_\_\_\_ at Makati City.




**JOSE EMMANUEL H. JALANDONI**  
Chairman of the Board



**MARIA ROWENA M. TOMELDAN**  
President/CEO



**REX MA. A. MENDOZA**  
Lead Independent Director



**RENATO O. MARZAN**  
Independent Director



**CASSANDRA LIANNE S. YAP**  
Independent Director



**JUNE VEE D. MONTECLARO-NAVARRO**  
Corporate Secretary



**FRANCIS M. MONTOJO**  
Compliance Officer

ACKNOWLEDGMENT

JUN 03 2021

BEFORE ME, a notary public for and in the above jurisdiction, this \_\_\_\_\_, at Makati City, personally appeared the following:

Name	Valid ID	Date/Place Issued
Jose Emmanuel H. Jalandoni	Passport No. P1697725A	1-21-2017/DFA NCR South
Maria Rowena M. Tomeldan	Passport No. P7954199A	7-16-2018/DFA NCR South
Rex Ma. A. Mendoza	Passport No. P6999664A	5-2-2018/ DFA Manila
Renato O. Marzan	Passport No. P3161193B	9-12-2019/DFA NCR East
Cassandra Lianne S. Yap	Passport No. P5580593A	1-11-2018/DFA Manila
June Vee D. Monteclaro-Navarro	Passport No. P2934191B	9-2-2019/DFA Manila
Francis M. Montojo	Passport No. P3957008A	8-8-2017/DFA Iloilo

known to me and to me known to be the same persons who signed this I-ACGR and acknowledged to me that the same is their free and voluntary act and deed.

WITNESS MY HAND AND SEAL on the date and at the place first abovewritten.

Doc. No. 66 ;  
Page No. 15 ;  
Book No. 1 ;  
Series of 2021.

Notarial DST pursuant to  
Sec. 188 of the Tax Code  
affixed on Notary Public's copy



*[Signature]*  
MA. CLARISSA HEARTY V. BUENAVENTURA-SERENO  
Notary Public - Makati City  
Appt. No. M-282 until December 31, 2021  
Roll of Attorneys No. 62508  
IBP No. 136240 - 12/21/2020 - Makati City  
PTR No. A-5083862 - 01/06/2021 - Taguig City  
MCLE Compliance No. VI - 0009454 - 06/20/2018  
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Makati City, Philippines