

CEBU HOLDINGS, INC.
ASEAN CORPORATE GOVERNANCE SCORECARD
ASSESSMENT YEAR: 2016
PART B. EQUITABLE TREATMENT OF SHAREHOLDERS

	Guiding Reference	Yes / No	Explanation/ Supporting Documents
B. Equitable Treatment of Shareholders			
B.1 Shares and voting rights			
B.1.1	Does the company's ordinary or common shares have one vote for one share?	<p>OECD Principle II E. All shareholders of the same series of a class should be treated equally. Capital structures and arrangements that enable certain shareholders to obtain a degree of influence or control disproportionate to their equity ownership should be disclosed. 1. Within any series of a class, all shares should carry the same rights. All investors should be able to obtain</p>	<p>Y</p> <p>The Company respects each of our shareholder's right to participate and vote in the Annual Stockholders' Meeting. Shareholders are entitled to one vote per common share of stock. CHI adopts and observes the basic principle of "one vote per one common share."</p> <p>Supporting Documents a. 2016 Annual and Sustainability Report (Page 50) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>

B.1.2	Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)?	<p>information about the rights attached to all series and classes of shares before they purchase. Any changes in economic or voting rights should be subject to approval by those classes of shares which are negatively affected.</p> <p>ICGN Principle 9.1 Share classes Sufficient information about the material attributes of all of the company's classes and series of shares should be disclosed on a timely basis. Ordinary or common shares should feature one vote for each share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power disproportionate to their economic interests should be disclosed and explained. Dual class share structures should be kept under review and should be accompanied by commensurate extra protections for minority shareholders, particularly in the event of a takeover bid.</p>	NA	<p>The Company only has one type of shares – Common Shares.</p> <p>Shareholders are entitled to one vote per common share of stock. The vote may be made in person, in proxy, or electronically. Strict adherence to applicable rules and regulations is followed in cases of proxy voting or voting in absentia.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (Page 50) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>
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B.2 Notice of AGM			
B.2.1	Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution?	<p>OECD Principle II</p> <p>C. Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings:</p> <p>1. Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.</p> <p>2. Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes.</p> <p>4. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>5. Shareholders should be able to vote in person or in absentia,</p> <p>ICGN Principle</p> <p>3.1 Composition (Board)</p> <p>There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective</p>	<p>Y</p> <p>Each resolution in the recent 24 April 2017 Annual Stockholders Meeting deals with only one item.</p> <p>Supporting Documents:</p> <p>a. Notice of Annual Stockholders Meeting (page 2) http://www.cebuholdings.com/wp-content/uploads/2016/12/Notice-of-ASM-2017.pdf</p> <p>b. 2017 Definitive Information Statement (page 2) http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf</p>
B.2.2	Are the company's notice of the most recent AGM/circulars fully translated into English and published on the same date as the local-language version?	<p>Y</p> <p>The Notice of 24 April 2017 Annual Stockholders Meeting is published in English.</p> <p>Supporting Documents:</p> <p>a. Notice of Annual Stockholders Meeting (page 2) http://www.cebuholdings.com/wp-content/uploads/2016/12/Notice-of-ASM-2017.pdf</p> <p>b. 2017 Definitive Information Statement (page 2) http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf</p>	

	Does the notice of AGM/circulars have the following details:	<p>decision-making.</p> <p>3.4 Appointment process</p> <p>The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes:</p>		
B.2.3	Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included?	<p>a) board member identities and rationale for appointment;</p> <p>b) core competencies, qualifications, and professional background;</p> <p>c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organisations;</p> <p>d) factors affecting independence, including relationship(s) with controlling shareholders;</p> <p>e) length of tenure;</p> <p>9.2 Major decisions</p> <p>Shareholders should have the right to vote on major decisions which may change the nature of the company in which they have invested.</p>	Y	<p>Profiles of the members of the Board of Directors are indicated in the Annual Report.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (Page 176) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>
B.2.4	Are the auditors seeking appointment/re-appointment clearly identified?		Y	<p>The auditors seeking re-appointment are specified in the Proxy Form.</p> <p>Supporting Document:</p> <p>a. 2017 Definitive Information Statement (page 3) http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf</p>

B.2.5	Were the proxy documents made easily available?		Y	<p>The proxy form is attached to DIS-20</p> <p>a. 2017 Definitive Information Statement (page 3) http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf</p>
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B.3 Insider trading and abusive self-dealing should be prohibited.				
B.3.1	Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market?	<p>OECD Principle III E. Insider trading and market manipulation should be prohibited and the applicable rules enforced.</p> <p>ICGN Principle 4. Corporate Culture 4.5 Employee share dealing There should be clear rules regarding any trading by directors and employees in the company's own securities. Individuals should not benefit directly or indirectly from knowledge which is not generally available to the market.</p>	Y	<p>The Company has an Insider Trading Policy.</p> <p>The Company adheres to a uniform Insider Trading Policy in all securities dealings. This means that directors, officers and employees who are considered to have knowledge of material facts or changes in the affairs of CHI that have not been disclosed to the public, including any information likely to affect the market price of the securities of the company, are prohibited from buying or selling the company's securities during trading blackout periods.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (Page 51) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>

B.3.2	Are the directors / commissioners required to report their dealings in company shares within 3 business days?		Y	<p>In line with the Insider Trading Policy of the company, each director is required to notify the Board at least one day before dealing in the company's shares of stock.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (Page 77) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>
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B.4 Related party transactions by directors and key executives.				
B.4.1	Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest?	<p>OECD Principle II</p> <p>F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders.</p> <p>1. Conflicts of interest inherent in related-party transactions should be addressed.</p> <p>2. Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation.</p>	Y	<p>The Company has a Related Party Transaction (RPT) Policy.</p> <p>All directors and employees of the Company and its subsidiaries are required to promptly disclose any business and family related transactions to the company and/or its subsidiaries to ensure that potential conflicts of interest are immediately brought to the attention of management. The company also prohibits the grant of loans to directors.</p> <p>Supporting Documents:</p> <p>a. Related Party Transaction Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Related-Party-Transactions-Policy.pdf</p> <p>b. 2016 Annual and Sustainability Report (Page 52) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. Corporate Website – Section on Related Party Transactions http://www.cebuholdings.com/governance_list/14/</p>

B.4.2	Does the company have a policy requiring a committee of independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders?	<p>ICGN Principle</p> <p>9.3 Conflicts of interest Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</p> <p>9.4 Related party transactions The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</p>	Y	<p>Independent directors are likewise requested to review material and significant RPTs to determine whether these are in the best interests of the company.</p> <p>Supporting Documents:</p> <p>a. Related Party Transaction Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Related-Party-Transactions-Policy.pdf</p> <p>b. 2016 Annual and Sustainability Report (Page 52) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. Corporate Website – Section on Related Party Transactions http://www.cebuholdings.com/governance_list/14/</p>
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B.4.3	Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted?		Y	<p>Directors are expected to act only in the best interest of the company and are required to comply with the Code of Ethics.</p> <p>Moreover, directors are required to abstain from participating in discussions and voting on any matter where they are in conflict of interest.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (Page 77) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Section on Board Processes (Board Independence and Conflict of Interest) http://www.cebuholdings.com/governance_list/10/</p>
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B.4.4	Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates?		Y	The company prohibits the grant of loans to directors. Supporting Documents: a. Related Party Transaction Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Related-Party-Transactions-Policy.pdf b. 2016 Annual and Sustainability Report (Page 52) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf c. Corporate Website – Section on Related Party Transactions http://www.cebuholdings.com/governance_list/14/ d. Notes to FS #20 – 2016 Annual and Sustainability Report (page 256) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf
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B.5 Protecting minority shareholders from abusive actions

Protecting minority shareholders from abusive actions			
B.5.1	<p>Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length?</p>	<p>OECD Principle II E. All shareholders of the same series of a class should be treated equally. F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders. G. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive selfdealing should be prohibited.</p> <p>ICGN Principle 9.3 Conflicts of interest Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</p> <p>9.4 Related party transactions The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</p> <p>ICGN Principle 9.5 Shareholder approval Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</p> <p>ICGN Principle 9.10 Equality and redress Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p>	<p>Y</p> <p>Related party transactions (RPTs) are conducted on an arm's length basis and in a manner that ensures fairness to the company's best interest, and no less favorable than those generally available to non-related parties under the same or similar circumstances</p> <p>Supporting Documents:</p> <p>a. Related Party Transaction Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Related-Party-Transactions-Policy.pdf</p> <p>b. 2016 Annual and Sustainability Report (Page 52) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. Corporate Website – Section on Related Party Transactions http://www.cebuholdings.com/governance_list/14/</p> <p>d. Notes to FS #20 – 2016 Annual and Sustainability Report (page 256) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>

B.5.2	<p>In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders?</p>	<p>OECD Principle II G. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive selfdealing should be prohibited.</p> <p>ICGN Principle 9.5 Shareholder approval Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</p> <p>ICGN Principle 9.10 Equality and redress Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</p>	Y	<p>The Board may, at its option, require that a related party transaction that it has approved be also submitted to the stockholders for consideration and ratification. In 2016, no RPTs were classified as financial assistance to entities other than wholly-owned subsidiary companies.</p> <p>Supporting Documents:</p> <p>a. Related Party Transaction Policy http://www.cebuholdings.com/wp-content/uploads/2016/12/Related-Party-Transactions-Policy.pdf</p> <p>b. 2016 Annual and Sustainability Report (Page 52) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. Corporate Website – Section on Related Party Transactions http://www.cebuholdings.com/governance_list/14/</p> <p>d. Notes to FS #20 – 2016 Annual and Sustainability Report (page 256) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p>
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