

CEBU HOLDINGS, INC.
ASEAN CORPORATE GOVERNANCE SCORECARD
ASSESSMENT YEAR: 2016
PART E. RESPONSIBILITIES OF THE BOARD

| | Guiding Reference | Yes / No | Explanation/ Support |
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| E. Responsibilities of the Board | | | |
| E.1 Board Duties and Responsibilities | | | |
| <i>Clearly defined board responsibilities and corporate governance policy</i> | | | |
| E.1.1 | Does the company disclose its corporate governance policy / board charter? | G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on: 9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented. | Y The Company discloses its Board Charter. The Board has adopted a Board Charter which contains clear and specific guidelines on internal processes, particularly the types of decisions requiring Board approval Supporting Documents: a. Corporate Website- Board Charter http://www.cebuholdings.com/wp-content/uploads/2016/12/CHARTER-OF-THE-BOARD-OF-DIRECTORS-CHI-v2.pdf b. Corporate Website – Board Responsibilities http://www.cebuholdings.com/governance_list/8/ c. Corporate Website – Company Policies and Manuals http://www.cebuholdings.com/governance_list/16/ d. SEC Annual Corporate Governance Report – ACGR (page 7) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf |
| E.1.2 | Are the types of decisions requiring board of directors/commissioners' approval disclosed ? | G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; | Y The types of decisions requiring board approval are disclosed/ Board Duties and Responsibilities. Supporting Documents: a. 2016 Annual and Sustainability Report (page 62) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf b. Corporate Website – Board Responsibilities http://www.cebuholdings.com/governance_list/8/ |

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| | | <p>setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</p> | | <p>c. SEC Annual Corporate Governance Report – ACGR (page 7) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.1.3 | <p>Are the roles and responsibilities of the board of directors/commissioners clearly stated ?</p> | <p>2. Monitoring the effectiveness of the company’s governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. 5. Ensuring a formal and transparent board nomination and election process. 6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions. 7. Ensuring the integrity of the corporation’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. 8. Overseeing the process of disclosure and communications.</p> | Y | <p>Board duties and responsibilities are disclosed.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 62) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Responsibilities http://www.cebuholdings.com/governance_list/8/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 7) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

| Corporate Vision/Mission | | | | |
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| E.1.4 | Does the company have an updated vision and mission statement? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board ICGN (2014): 4.1 Codes of Conduct/Ethics The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p> | Y | <p>The Company discloses its Mission and Vision Statement.</p> <p>Supporting Documents: a. 2016 Annual and Sustainability Report (page 21) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Mission and Vision Statement http://www.cebuholdings.com/about/</p> |
| E.1.5 | Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board</p> <p>D. The board should fulfil certain key functions, including: Reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital</p> | Y | <p>The Board of Directors play a leading role in the periodic review of the company's governance charter and its corporate strategy map with its corresponding performance scorecards.</p> <p>Supporting Documents: a. 2016 Annual and Sustainability Report (page 62 to 63) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Responsibilities http://www.cebuholdings.com/governance_list/8/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 7) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| | | expenditures, acquisitions and divestitures. | | |
| E.1.6 | Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy? | <p>ICGN (2014): 4.1 Codes of Conduct/Ethics The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</p> <p>ICGN (2014): 1.2 Responsibilities The board is accountable to shareholders and relevant stakeholders and is responsible for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board members</p> | Y | <p>The Board of Directors adopts a process to review, monitor and oversee the implementation of the corporate strategy. The Board is responsible for the approval and adoption of a corporate policy and corresponding strategy, with proactive oversight of strategy execution.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 62 to 63) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Responsibilities http://www.cebuholdings.com/governance_list/8/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 7) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| | | <p>should: a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments</p> | | |
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| E.2.1 | Are the details of the code of ethics or conduct disclosed? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (C) The board should apply high ethical standards. It should take into account the interests of stakeholders.</p> <p>The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the</p> | Y | <p>Details of the Code of Ethics is disclosed.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 77, 68) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Code of Ethical Behavior http://www.cebuholdings.com/governance_list/12/</p> <p>c. Code of Ethics http://www.cebuholdings.com/wp-content/uploads/2016/12/Code-of-Ethics.pdf</p> <p>d. SEC Annual Corporate Governance Report – ACGR (page 23) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.2 | Are all directors/commissioners, senior management and employees required to comply with the code/s? | <p>objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights. Company-wide codes serve as a standard for conduct by both</p> | 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>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 77, 68) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Code of Ethical Behavior http://www.cebuholdings.com/governance_list/12/</p> <p>c. Code of Ethics http://www.cebuholdings.com/wp-content/uploads/2016/12/Code-of-Ethics.pdf</p> <p>d. SEC Annual Corporate Governance Report – ACGR (page 23) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.2.3 | Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct? | the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement. | Y | <p>The Company has in place a process to implement and monitor compliance with the code of ethics or conduct. This applies to Directors, Senior Management and Employees.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 77, 68) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Code of Ethical Behavior http://www.cebuholdings.com/governance_list/12/</p> <p>c. Code of Ethics http://www.cebuholdings.com/wp-content/uploads/2016/12/Code-of-Ethics.pdf</p> <p>d. SEC Annual Corporate Governance Report – ACGR (page 23) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| Board Structure & Composition | | | | |
| E.2.4 | Do independent directors/commissioners make up at least 50% of the board of directors/commissioners? | G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. | Y | <p>Three (3) of the nine (9) members of the Board are Independent.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 64 to 67, 176) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Structure and People on the Board http://www.cebuholdings.com/governance_list/7/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 5) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.5 | Does the company have a term limit of nine years or less or 2 terms of five years ¹ each for its independent directors/commissioners? | UK CODE (2016): B.2.3 Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non- | Y | <p>Independent Directors may serve for a period of not more than nine years.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 63) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |

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| | ¹ The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011 | executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board. | | <p>b. Corporate Website – Board Structure and People on the Board http://www.cebuholdings.com/governance_list/7/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 13) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.6 | Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>3. Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Some countries have limited the number of board positions that can be held. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders.</p> | Y | <p>Independent Directors may hold only up to five board seats simultaneously.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 63) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Structure and People on the Board http://www.cebuholdings.com/governance_list/7/</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 13) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.7 | Does the company have any executive directors who serve on more than two boards of listed companies outside of the group? | <p>Disclosure about other board memberships to shareholders is therefore a key instrument to improve board nominations. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken</p> | N | <p>The Company does not have any executive directors who serve on more than two boards of listed companies outside of the group.</p> <p>a. SEC Annual Corporate Governance Report – ACGR (page 9) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>b. 2016 Annual and Sustainability Report (page 176- Directors’ Profile) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |

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| | | on behalf of the board and the associated remuneration. | | |
| Nominating Committee | | | | |
| E.2.8 | Does the company have a Nominating Committee? | <p>G20/OECD PRINCIPLE II: The Rights and Equitable Treatment of Shareholders and Key Ownership Functions</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 general shareholder meetings:</p> <p>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a</p> | Y | <p>The Company has a nomination Committee.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 70, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Committees- Nomination Committee http://www.cebuholdings.com/governance_list/9/#nomination</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 42, 52) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.9 | Is the Nominating Committee comprised of a majority of independent directors/commissioners? | <p>a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> | Y | <p>The Committee is composed of the following: 1 independent director, 1 non-executive director and 1 executive director.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 70, 74, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Committees- Nomination Committee http://www.cebuholdings.com/governance_list/9/#nomination</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 42, 52) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.2.10 | Is the chairman of the Nominating Committee an independent director/commissioner? | <p>The recognition of Independent Party in the composition of the Nomination Committee can be counted as committee members. However, to score “Y”, the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</p> <p>G20/OECD PRINCIPLE VI (E)</p> <p>1. Boards should consider assigning a sufficient number of nonexecutive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p> | Y | <p>The Committee Chairman is an Independent Director. Committee Chairman: Justice Pampio A. Abarintos</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 70, 74, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. Corporate Website – Board Committees- Nomination Committee http://www.cebuholdings.com/governance_list/9/#nomination</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 42, 52) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.2.11 | Does the company disclose the terms of reference/ governance structure/charter of the Nominating Committee? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company’s size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and</p> | Y | <p>The Committee is governed by its Charter.</p> <p>Supporting Documents:</p> <p>a. Corporate Website – Board Committees- Nomination Committee http://www.cebuholdings.com/governance_list/9/#nomination</p> <p>b. Nomination Committee Charter http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI_Nomination_Committee_Charter.pdf</p> <p>c. 2016 Annual and Sustainability Report (page 70) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |

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| | | working procedures should be well defined and disclosed by the board. | | |
| E.2.12 | Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year? | <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.</p> <p>Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities</p> | Y | <p>The Company discloses the meeting attendance of the Nomination Committee. The Nomination Committee met twice in 2016.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 52) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| | | <p>effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.</p> <p>G20/OECD PRINCIPLE VI (E)</p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> | | |
| Remuneration Committee/ Compensation Committee | | | | |
| E.2.13 | Does the company have a Remuneration Committee? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable</p> | Y | <p>The Company has a Personnel and Compensation Committee.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 71, 75) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 43, 52-53) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Committees- Personnel and Compensation Committee http://www.cebuholdings.com/governance_list/9/#personnel</p> |

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| E.2.14 | Is the Remuneration Committee comprised of a majority of independent directors/commissioners? | standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive. | Y | <p>The Committee is comprised of the following: 1 independent director, 1 non-executive director and 1 executive director.</p> <p>Supporting Documents:</p> <p>a. SEC Annual Corporate Governance Report – ACGR (page 43, 53) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>b. 2016 Annual and Sustainability Report (page 71, 75) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. Corporate Website – Board Committees- Personnel and Compensation Committee http://www.cebuholdings.com/governance_list/9/#personnel</p> |
| E.2.15 | Is the chairman of the Remuneration Committee an independent director/commissioner? | In large companies, it is considered good practice that remuneration policy and contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors and excluding executives that serve on each other’s remuneration committees, which could lead to conflicts of interest. The introduction of malus and claw-back provisions is considered good practice. They grant the company the right to withhold and recover compensation from executives in cases of managerial fraud and other circumstances, for example when the company is required to restate its financial statements due to material | Y | <p>The Committee Chairman is an Independent Director.</p> <p>Chairman: Justice Pampio A. Abarintos</p> <p>Supporting Documents:</p> <p>a. Corporate Website – Board Committees- Personnel and Compensation Committee http://www.cebuholdings.com/governance_list/9/#personnel</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 43, 53) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. 2016 Annual and Sustainability Report (page 71, 75) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |

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| | | <p>noncompliance with financial reporting requirements.</p> <p>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score “Y”, the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board</p> | | |
| E.2.16 | Does the company disclose the terms of reference/ governance structure/ charter of the Remuneration Committee? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company’s size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</p> <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and</p> | Y | <p>The Committee is governed by its Charter.</p> <p>Supporting Documents:</p> <p>a. Corporate Website – Board Committees- Personnel and Compensation Committee http://www.cebuholdings.com/governance_list/9/#personnel</p> <p>b. Personnel and Compensation Committee Charter http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI_Personnel_and_Compensation_Committee_Charter.pdf</p> |
| E.2.17 | Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year? | | N | The Committee did not hold any meetings in 2016. |

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| | | <p>composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</p> <p>Given the responsibilities of the Remuneration Committee (RC) which are spelt out in codes of corporate governance, the RC is unlikely to be fulfilling these responsibilities effectively if it only meets once a year. Globally, the RC of large companies would meet several times a year.</p> | | |
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| Audit Committee | | | | |
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| E.2.18 | Does the company have an Audit Committee? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>(1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</p> | Y | <p>The Company has an Audit Committee.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 69, 74, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 41, 49 to 51) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Committees- Audit Committee http://www.cebuholdings.com/governance_list/9/#audit</p> |
| E.2.19 | Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company’s size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and</p> | Y | <p>The Committee is composed entirely of Independent Directors.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 69, 74, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 41, 49 to 51) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Committees- Audit Committee http://www.cebuholdings.com/governance_list/9/#audit</p> |
| E.2.20 | Is the chairman of the Audit Committee an independent director/commissioner? | <p>working procedures should be well defined and disclosed by the board.</p> | Y | <p>The Committee Chairman is an Independent Director.</p> <p>Chairman: Fr. Roderick C. Salazar, Jr., SVD</p> <p>Supporting Documents:</p> |

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| | | <p>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions. The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score “Y”, the Independent Party should meet the independence</p> | | <p>a. 2016 Annual and Sustainability Report (page 69, 74, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 41, 49 to 51) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Committees- Audit Committee http://www.cebuholdings.com/governance_list/9/#audit</p> |
| E.2.21 | Does the company disclose the terms of reference/governance structure/charter of the Audit Committee? | | Y | <p>The Committee is governed by its Charter.</p> <p>Supporting Documents:</p> <p>a. Corporate Website – Board Committees- Audit Committee http://www.cebuholdings.com/governance_list/9/#audit</p> <p>b. Committee Charter http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI_Audit_Committee_Charter.pdf</p> |

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| | | requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board | | |
| E.2.22 | Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)? | <p>UK CODE (2016)</p> <p>C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience.</p> <p>As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.</p> | Y | <p>The Committee members possess the relevant qualifications.</p> <p>Supporting Documents:</p> <p>a. SEC Annual Corporate Governance Report – ACGR (page 50 to 51-Profile of AuditComm Members) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>b. 2016 Annual and Sustainability Report (page 179 – Profile of Independent Board Members) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |
| E.2.23 | Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year? | | Y | <p>The Company discloses the meeting attendance of the Audit Committee.</p> <p>The Nomination Committee met four times in 2016.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 49 to 51) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.2.24 | Does the Audit Committee have primary responsibility for recommendation on the appointment, and removal of the external auditor? | <p>UK CODE (2016) C.3.6 The Audit Committee should have primary responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee’s recommendation, it should include in the Annual Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.</p> | Y | <p>The Audit Committee has the primary responsibility for the recommendation on the appointment, and removal of the external auditor.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 69) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 41) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Committees- Audit Committee http://www.cebuholdings.com/governance_list/9/#audit</p> <p>d. Committee Charter http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI_Audit_Committee_Charter.pdf</p> |
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| E.3 Board Processes | | | | |
| Board meetings and attendance | | | | |
| E.3.1 | Are the board of directors meeting scheduled before the start of financial year? | Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way. | Y | <p>Board meetings are scheduled at the beginning of the year.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 29) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. Corporate Website – Board Processes/Board Meetings and Attendance http://www.cebuholdings.com/governance_list/10/</p> |

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| E.3.2 | Does the board of directors/commissioners meet at least six times during the year? | WORLDBANK PRINCIPLE 6 (VI.I.24) Does the board meet at least six times per year? | Y | <p>The Board meets as many times as necessary. In 2016, five Board meetings were held.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 30) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.3 | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>3. Board members should be able to commit themselves effectively to their responsibilities</p> <p>Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.</p> | Y | <p>Majority of the directors have attended at least 75% of the Board Meetings in 2016.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 30) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.3.4 | Does the company require a minimum quorum of at least 2/3 for board decisions? | <p>WORLD BANK PRINCIPLE 6 (VI.I.28) Is there a minimum quorum of at least 2/3 for board decisions to be valid?</p> | Y | <p>Two-thirds of the number of directors shall constitute a quorum for transaction of corporate business.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 31) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.5 | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present? | <p>WORLD BANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions?</p> <p>G20/OECD PRINCIPLE VI (E) Independent board members can contribute significantly to the decision making of the board. They can bring an objective view to the evaluation of the performance of the board and management. In addition, they can play an important role in areas where the interests of management, the company and its shareholders may diverge such as executive remuneration, succession planning, changes of corporate control, take-over defences, large acquisitions and the audit function. In order for them to play this key role, it is desirable that boards declare who they consider to be independent and the criterion for this judgement. Some jurisdictions also require separate meetings of independent directors on a periodic basis.</p> | Y | <p>The non-executive directors conducted at least one meeting without any executives present.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 31) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

| Access to information | | | |
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| E.3.6 | <p>Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting?</p> | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p>Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have the same access to information as key managers within the company. The contributions of non-executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary, the internal auditor, and the head of risk management or chief risk officer, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely information. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models.</p> <p>WORLD BANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p> | <p style="text-align: center;">Y</p> <p>Dissemination of agenda, presentation materials and items for approval are made available at least three days prior to meeting schedule.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 31) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.3.7 | Does the company secretary play a significant role in supporting the board in discharging its responsibilities? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.</p> <p>ICSA Guidance on the Corporate Governance Role of the Company Secretary</p> | Y | <p>The Corporate Secretary plays a key role in supporting the Board in the discharge of its functions and must share the visions and decisiveness of the CEO.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 31) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.8 | Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments? | <p>WORLDBANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p> | Y | <p>The Company Secretary has the necessary skills to discharge his/her function. He or she is a Filipino with excellent legal, financial, accounting, administrative, and interpersonal skills</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 76) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 31) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| Board Appointments and Re-Election | | | | |
| E.3.9 | Does the company disclose the criteria used in selecting new directors/commissioners? | <p>G20/OECD PRINCIPLE II (C) (4): To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> <p>G20/OECD PRINCIPLE VI:</p> | Y | <p>The company discloses the criteria used in selection of new directors.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 71) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 14) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.3.10 | Did the company describe the process followed in appointing new directors/commissioners? | <p>Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>5. Ensuring a formal and transparent board nomination and election process.</p> <p>These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people.</p> | Y | <p>The company discloses the criteria used in selection of new directors.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 71) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 14) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| E.3.11 | <p>Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years² each?</p> | <p>ICGN (2014): 3.6 Elections Board members should be conscious of their accountability to shareholders. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted.</p> | <p>Y</p> | <p>Directors hold office for the term of one year or until their successors shall have been elected and qualified, in accordance with the by-laws.</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. Amended By-Laws http://www.cebuholdings.com/wp-content/uploads/2016/12/Amended-By-Laws-CHI.pdf</p> |
| | <p>² The five years term must be required by legislation which pre-existed the introduction of the ASEAN Corporate Governance Scorecard in 2011</p> | <p>WORLD BANK PRINCIPLE 6 (VI.I.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</p> | | |

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| E.3.12 | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive.</p> | Y | <p>The company discloses its remuneration policies/ practices for its executive directors and CEO.</p> <p>Supporting Documents: a. 2016 Annual and Sustainability Report (page 78, 184) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 33) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| E.3.13 | Is there disclosure of the fee structure for non-executive directors/commissioners? | <p>UK CODE (2016) D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role.</p> <p>Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</p> | Y | <p>The Company discloses its Remuneration Policy / Fee Structure.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 78) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 35) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.14 | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</p> <p>ICGN (2014): 6.1 Alignment Remuneration should be designed to effectively align the interests of the CEO and senior management with those of the company and its shareholders. Remuneration should be reasonable and equitable and the quantum should be determined within the context of the company as a whole.</p> | Y | <p>Remuneration is approved at the Stockholder Level.</p> <p>Supporting Documents:</p> <p>a. SEC Annual Corporate Governance Report – ACGR (page 35 to 36) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.3.15 | Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interests of the company, such as claw back provision and deferred bonuses? | <p>ASX CODE (2016) Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p> <p>The disclosures regarding the remuneration of executive directors and other senior executives should include a summary of the entity’s policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the entity’s financial statements.</p> <p>G20/OECD PRINCIPLE VI (D) 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations.</p> | Y | <p>The Company discloses its Remuneration Policy / Fee Structure. The Company does not offer stock options to its directors, executives, and employees.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 78) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 35 to 36) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| Internal Audit | | | |
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| E.3.16 | Does the company have a separate internal audit function? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> | <p>Y</p> <p>The Company has an Internal Audit Department (IAD) which is an independent unit that reports to the Audit Committee of the Board.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 59 to 60) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 69 to 72) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.17 | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed? | <p>Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive.</p> | <p>Y</p> <p>The name of the Internal Audit Head is disclosed.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 60) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 69) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.3.18 | Does the appointment and removal of the internal auditor require the approval of the Audit Committee? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit,</p> | <p>Y</p> <p>The appointment and removal of the internal auditor require the approval of the Audit Committee.</p> <p>Supporting Documents:</p> <p>a. Audit Committee Charter (page 3, Section F, Item 3.2) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI_Audit_Committee_Charter.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 70)</p> |

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| | | <p>and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board.</p> <p>WORLD BANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee?</p> <p>ASX (2016) Principle 4: Safeguard integrity in corporate reporting Recommendation 4.1 Commentary: if the entity has an internal audit function:</p> <ul style="list-style-type: none"> • the appointment or removal of the head of internal audit; • the scope and adequacy of the internal audit work plan; and • the objectivity and performance of the internal audit function. | <p>http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>c. 2016 Annual and Sustainability Report (page 69) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |
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Risk Oversight

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| E.3.19 | Does the company establish a sound internal control procedures/risk management framework and periodically review the effectiveness of that framework? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>7. Ensuring the integrity of the corporation’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>G20/OECD PRINCIPLE VI (D)</p> <p>1. An area of increasing importance for boards and which is closely related to corporate strategy is oversight of the company’s risk management. Such risk management oversight will involve oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it will manage the risks it creates through its operations and relationships.</p> <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>7. Ensuring the integrity of the corporation’s accounting and financial reporting systems, including the independent audit, and that appropriate systems of</p> | Y | <p>The company has an established sound internal control procedures/risk management framework and periodically reviews the effectiveness of this framework.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 90) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 59) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| | | control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. | | |
| E.3.20 | Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | <p>UK CODE (2016)</p> <p>C.2.3 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report.¹⁴ The monitoring and review should cover all material controls, including financial, operational and compliance controls.</p> | Y | <p>The Company has a separate Board-level Risk Committee.</p> <p>The Company discloses that the Board has conducted a review of the Company's material controls and risk management systems.</p> <p>a. Report of the Risk Committee to the Board – 2016 Annual Report (page 205) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. 2016 Annual and Sustainability Report (page 72, 75, 90) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 59 to 66) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.3.21 | Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic)? | <p>G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on: 7. Foreseeable risk factors</p> <p>Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice.</p> | Y | <p>The Company discloses its Key Risks.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 92) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 64 to 66) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| E.3.22 | Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.</p> | Y | <p>The Risk Committee issues its Annual Report to the Board.</p> <p>Supporting Document:</p> <p>a. Report of the Risk Committee to the Board – 2016 Annual Report (page 205) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>c. SEC Annual Corporate Governance Report – ACGR (page 64 to 66) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| E.4 People on the Board | | | |
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| Board Chairman | | | |
| E.4.1 | Do different persons assume the roles of chairman and CEO? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision making independent of management.</p> | <p>Y</p> <p>Different persons assume the role of Chairman and CEO.</p> <p>The chairman and the CEO have separate roles to ensure Board independence from management, an appropriate balance of power and increase accountability</p> <p>Chairman: Bernard Vincent O. Dy Anna Ma. Margarita B. Dy (effective 24 April 2017) CEO/President Aniceto V. Bisnar, Jr.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 64, 82, 176) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>d. SEC Annual Corporate Governance Report – ACGR (page 11) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.4.2 | Is the chairman an independent director/commissioner? | <p>UK Code (2016)</p> <p>A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the</p> | <p>Y</p> <p>The Board Chairman is a non-executive director.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 176, 178, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 5) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.4.3 | Is any of the directors a former CEO of the company in the past 2 years? | <p>become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the</p> | <p>N</p> <p>None of the directors is a former CEO of the Company in the past two years.</p> <p>Supporting Document:</p> |

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| | | <p>appointment and in the next Annual Report.</p> <p>ASX (2016) Recommendation 2.5 The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p> | | <p>a. 2016 Annual and Sustainability Report (page 64, 82, 176) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 5, 11, 13) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.4.4 | Are the roles and responsibilities of the chairman disclosed? | ICGN (2014): Leadership and Independence | Y | <p>The Company discloses the roles and responsibilities of the Chairman.</p> <p>Supporting Document:</p> <p>a. 2016 Annual and Sustainability Report (page 82) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 11) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| <p>Lead Independent Director</p> | | | | |

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| E.4.5 | If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined? | <p>King Code 2009</p> <p>2. Boards and directors</p> <p>Role and function of the board -</p> <p>The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of the chairman of the board</p> <p>2.16.3 A lead independent director should be appointed in the case where an executive chairman is appointed or where the chairman is not independent or conflicted. ICGN (2014): 2.2 Lead independent director</p> <p>The chair should be independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. The board should explain the reasons why this leadership structure is appropriate and keep the structure under review. A lead independent director also provides shareholders and directors with a valuable channel of communication should they wish to discuss concerns relating to the chair.</p> | Y | <p>The Board has appointed a Lead Independent Director.</p> <p>Lead Independent Director: Consul Enrique L. Benedicto</p> <p>Supporting Documents:</p> <p>a. Results of Annual Stockholders Meeting dated 24 April 2017</p> <p>http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-04-24-SEC-PSE-PDEx-RESULT-OF-ASM-4.24.17.pdf</p> |
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| E.4.6 | Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in? | <p>ICGN (2014): 3.1 Composition The board should comprise a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. 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 decision-making.</p> | Y | <p>Majority of the Non-executive Directors have working experienced in the major sector the company is operating in.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (BOD Profile pages 176 to 180) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> |
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| E.5 Board Performance | | | | |
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| <i>Directors Development</i> | | | | |
| E.5.1 | Does the company have orientation programmes for new directors/commissioners? | This item is in most codes of corporate governance. | Y | <p>An orientation program for new directors is held whenever necessary to properly equip and prepare them for their role as members of the Board.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 80) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 20) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| E.5.2 | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</p> <p>3. Board members should be able to commit themselves effectively to their responsibilities.</p> <p>In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.</p> | Y | <p>Aside from the regular corporate governance training facilitated by the ICD, we ensured the perfect attendance of all members of the Board to the Ayala group of companies' annual SEC-accredited corporate governance summit in 2016.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 80 to 81, 183) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 20 to 21) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| CEO/Executive Management Appointments and Performance | | | | |
| E.5.3 | Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.</p> <p>In two tier board systems the supervisory board is also responsible for appointing the management board which will</p> | Y | <p>The Board, through its Nomination Committee, reviews and discloses plans of succession for members of the Board and officers for the position of group directors, to the president/CEO.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 70, 74) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 11, 42) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

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| | | normally comprise most of the key executives. | | |
| E.5.4 | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p>Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.</p> | Y | <p>Following best practices, the Board measure its assessment process and regularly carries out evaluations to appraise its performance and ensure a balanced composition or mix of backgrounds and competencies.</p> <p>One of the tools used by the Board to monitor and improve its performance is an annual self-assessment exercise. This peer review is implemented in the form of a formal questionnaire and cuts across each top management group based on four review clusters. The Assessment covers the Board of Directors, the Board Committees, individual directors, and the president and CEO.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 81) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 95) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |

Board Appraisal

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| E.5.5 | <p>Did the company conduct an annual performance assessment of the board of directors/commissioners and disclose the criteria and process followed for the assessment?</p> | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 2. Monitoring the effectiveness of the company’s governance practices and making changes as needed.</p> <p>G20/OECD PRINCIPLE VI (E) 4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences.</p> <p>In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</p> | Y | <p>Following best practices, the Board measure its assessment process and regularly carries out evaluations to appraise its performance and ensure a balanced composition or mix of backgrounds and competencies.</p> <p>One of the tools used by the Board to monitor and improve its performance is an annual self-assessment exercise. This peer review is implemented in the form of a formal questionnaire and cuts across each top management group based on four review clusters. The Assessment covers the Board of Directors, the Board Committees, individual directors, and the president and CEO.</p> <p>Supporting Documents: a. 2016 Annual and Sustainability Report (page 81) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 95) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> <p>Following best practices, the Board measure its assessment process and regularly carries out evaluations to appraise its performance and ensure a balanced composition or mix of backgrounds and competencies.</p> <p>One of the tools used by the Board to monitor and improve its performance is an annual self-assessment exercise. This peer review is implemented in the form of a formal questionnaire and cuts across each top management group based on four review clusters. The Assessment covers the Board of Directors, the Board Committees, individual directors, and the president and CEO.</p> <p>Supporting Documents: a. 2016 Annual and Sustainability Report (page 81) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 95) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
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| Director Appraisal | | | |
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| E.5.6 | Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</p> <p>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</p> <p>G20/OECD PRINCIPLE VI (E)</p> <p>4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences.</p> <p>In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</p> | <p style="text-align: center;">Y</p> <p>Following best practices, the Board measure its assessment process and regularly carries out evaluations to appraise its performance and ensure a balanced composition or mix of backgrounds and competencies.</p> <p>One of the tools used by the Board to monitor and improve its performance is an annual self-assessment exercise. This peer review is implemented in the form of a formal questionnaire and cuts across each top management group based on four review clusters. The Assessment covers the Board of Directors, the Board Committees, individual directors, and the president and CEO.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 81) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 95) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |
| E.5.7 | Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment? | <p>UK CODE (2016)</p> <p>B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</p> | <p style="text-align: center;">Y</p> <p>Following best practices, the Board measure its assessment process and regularly carries out evaluations to appraise its performance and ensure a balanced composition or mix of backgrounds and competencies.</p> <p>One of the tools used by the Board to monitor and improve its performance is an annual self-assessment exercise. This peer review is implemented in the form of a formal questionnaire and cuts across each top management group based on four review clusters. The Assessment covers the Board of Directors, the Board Committees, individual directors, and the president and CEO.</p> <p>Supporting Documents:</p> <p>a. 2016 Annual and Sustainability Report (page 81) http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</p> <p>b. SEC Annual Corporate Governance Report – ACGR (page 95) http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-Consolidated-Changes-in-the-ACGR-for-the-year-2016-Updated-as-of-30-May-2017.pdf</p> |