

**CEBU HOLDINGS, INC.**  
**ASEAN CORPORATE GOVERNANCE SCORECARD**  
**ASSESSMENT YEAR: 2016**  
**PART F. BONUS**

Guiding Reference	Yes / No	Explanation/ Support
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**Level 2 - Bonus Items**

<b>(B)A. Rights of shareholders</b>			
<b>(B)A.1 Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.</b>			
(B)A.1.1	Does the company practice secure electronic voting in absentia at the general meetings of shareholders?	<b>OECD Principle II (C)</b> (5)The objective of facilitating shareholder participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all listed companies. The principles recommend that voting by proxy be generally accepted. Indeed, it is important to the promotion and protection of shareholders rights that investors can place reliance upon directed proxy voting.	<p style="text-align: center;">Y</p> <p><b>The Company practices secure voting in absentia. At Annual Stockholders Meetings, 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</b></p> <p><b>Supporting Documents:</b></p> <p>a. <b>2016 Annual and Sustainability Report (page 50)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p>a. <b>SEC Annual Corporate Governance Report – ACGR (page 6)</b>  <a href="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">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</a></p>

(B)B. Equitable treatment of shareholders				
(B)B.1 Notice of AGM				
(B)B.1.1	Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p><b>OECD Principle II (C)</b>  (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.  (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p><b>OECD Principle III (A)</b></p> <p><b>ICGN 8.3.2 Shareholder participation in governance</b>  Shareholders should have the right to participate in key corporate governance decisions, such as the right to nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p><b>ICGN 8.4.1 Shareholder ownership rights</b>  The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate notice of all matters proposed for shareholder vote.</p> <p><b>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2.</b>  <b>(I) CG rules and practices</b>  (25) Do company release their AGM notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>	Y	<p><b>The Notice of ASM Meeting was released on 21 February 2017, 62 calendar days from date of meeting 24 April 2017.</b></p> <p><b>Supporting Documents:</b>  <b>a. Notice of Annual Stockholders Meeting (page 1)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2016/12/Notice-of-ASM-2017.pdf">http://www.cebuholdings.com/wp-content/uploads/2016/12/Notice-of-ASM-2017.pdf</a></p>

<b>(B)C. Roles of Stakeholders</b>				
<b>(B)C.1 The rights of stakeholders that are established by law or through mutual agreements are to be respected</b>				
(B)C.1.1	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?	<b>OECD - IV. The role of Stakeholders</b>	Y(GRI G4, IR or SASB)	<p><b>The Company adopts GRI reporting and publishes an integrated Annual and Sustainability Report.</b></p> <p><b>Supporting Documents:</b></p> <p><b>a. 2016 Annual and Sustainability Report (page 50)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p>

<b>(B)D. Disclosure and transparency</b>				
<b>(B)D.1 Quality of Annual Report</b>				
(B)D.1.1	Are the audited annual financial report /statement released within 60 days from the financial year end?	<p><b>OECD Principle V (A)</b>  (1) The financial and operating results of the company. Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies.</p> <p><b>OECD Principle V (E)</b>  <b>ICGN 7.2 Timely disclosure</b>  <b>ICGN 7.3 Affirmation of financial statements</b>  The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</p>	Y	<p><b>Audited Financial Statements released 22 February 2017, or 53 calendar days from financial year-end. DIS-20 filed 22 February 2017</b></p> <p><b>Supporting Document:</b></p> <p><b>a. 2016 Annual and Sustainability Report – Audited Financial Statements (Pages 207 to 209)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p><b>b. DIS-20 / Definitive Information Statement (page 50)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf">http://www.cebuholdings.com/wp-content/uploads/2016/12/2017-Definitive-Information-Statement.pdf</a></p> <p><b>c. SEC 17-A (page 69)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-SEC-17-A-2016-Annual-Report-with-ACGR-SEC-Stamped.pdf">http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-SEC-17-A-2016-Annual-Report-with-ACGR-SEC-Stamped.pdf</a></p>

(B)D.1.2	Does the company disclose details of remuneration of the CEO?	<b>OECD Principle V (A)</b> (4) Disclosure on an individual basis (including termination and retirement provisions) is increasingly regarded as good practice and is now mandated in many countries. In these cases, some jurisdictions call for remuneration of a certain number of the highest paid executives to be disclosed, while in others it is confined to specified positions.	Y	<b>The Company discloses remuneration details of its top management &amp;/or officers.</b>  <b>Supporting Documents:</b>  a. <b>SEC Annual Corporate Governance Report – ACGR (page 34)</b> <a href="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">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</a>  b. <b>2016 Annual and Sustainability Report (page 184)</b> <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a>
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<b>(B)E. Responsibilities of the Board</b>				
<b>(B)E.1 Board Competencies and Diversity</b>				
(B)E.1.1	Does the company have at least one female independent director/commissioner?	<b>OECD Principle VI (E)</b> (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management	Y (2 or more Directors)	<b>The Chairman of the Board is a female non-executive director.</b>  <b>Chairman as of 24 April 2017: Anna Ma. Margarita B. Dy</b>  <b>Supporting Documents:</b>  a. <b>2016 Annual and Sustainability Report (page 65, 178)</b> <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a>  b. <b>SEC Annual Corporate Governance Report – ACGR (page 5)</b> <a href="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">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</a>

(B)E.1.2	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?	<b>OECD Principle VI (E)</b> (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management	Y (all)	<p><b>The Company encourages the selection of a mix of competent directors, where each can add value and contribute independent judgment to the formulation of sound corporate strategies and policies.</b></p> <p><b>The company has a policy ensuring diversity of experience and background of directors in the Board. The Revised Manual of Corporate Governance reflects the relevant qualifications of directors, including their membership to the Board’s various committees. Apart from educational requirements, a director should have sufficient understanding of business fundamentals and experience in managing a business.</b></p> <p><b>Supporting Documents:</b></p> <p><b>a. 2016 Annual and Sustainability Report (page 80)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p><b>b. SEC Annual Corporate Governance Report – ACGR (page 12)</b>  <a href="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">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</a></p> <p><b>c. 2017 Revised Corporate Governance Manual (page 21)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-2017-CG-Manual-upload-30May2017-1.pdf">http://www.cebuholdings.com/wp-content/uploads/2016/12/CHI-2017-CG-Manual-upload-30May2017-1.pdf</a></p>
<b>(B)E.2 Board Structure</b>				
(B)E.2.1	Is the Nominating Committee comprise entirely of independent directors/commissioners?	<b>ICGN 2.4.4 Composition of board committees</b> The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.	N	<p><b>The Chairman of the Nomination Committee is and Independent Director.</b></p> <p><b>Supporting Documents:</b></p> <p><b>a. 2016 Annual and Sustainability Report (page 183)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p><b>b. SEC Annual Corporate Governance Report – ACGR (page 52)</b>  <a href="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">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</a></p> <p><b>c. Corporate Website- Board Committees/Nomination Committee</b>  <a href="http://www.cebuholdings.com/governance_list/9/#nomination">http://www.cebuholdings.com/governance_list/9/#nomination</a></p>

(B)E.2.2	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?	<p><b>OECD Principle VI</b> (5) Ensuring a formal and transparent board nomination and election process. 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. The board or nominating committee has a key role in (but not limited to): (i) Defining the general or individual profile of board members that the company may need at any given time; (ii) Considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board; (iii) Identifying potential candidates to meet desired profiles and proposing them to shareholders, and/or (iv) Considering those candidates advanced by shareholders with the right to make nominations</p>	Y	<p><b>The Committee enforces the required qualifications and recommend policies for considering nominees for election as directors, or advisors to the Board, or all other officers whose appointment requires the Board's approval in accordance with company by-laws and other pertinent rules.</b></p> <p><b>Supporting Documents:</b></p> <p>a. <b>2016 Annual and Sustainability Report (page 70)</b> <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p>b. <b>SEC Annual Corporate Governance Report – ACGR (page 42)</b> <a href="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">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</a></p>
<b>(B)E.3 Board Appointments and Re-Election</b>				
(B)E.3.1	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners?	<p><b>OECD Principle VI (D)</b> (5) 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> <p><b>WORLD BANK PRINCIPLE 6</b> (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?</p>	Y(policy)	<p><b>The Company, at its discretion, may opt to use professional search firms or other external sources of candidates when searching for its Board.</b></p> <p><b>Supporting Documents:</b></p> <p>a. <b>2016 Annual and Sustainability Report (page 70)</b> <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p>b. <b>SEC Annual Corporate Governance Report – ACGR (page 42)</b> <a href="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">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</a></p>

(B)E.4 Board Structure & Composition				
(B)E.4.1	Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman?	<b>OECD Principle VI (E)</b> (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.	Y	<p><b>The Board is composed of 5 non-executive directors, 3 independent directors and 1 executive director.</b></p> <p><b>Supporting Documents:</b></p> <p>a. <b>2016 Annual and Sustainability Report (page 176 to 181)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p>b. <b>SEC Annual Corporate Governance Report – ACGR (page 5)</b>  <a href="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">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</a></p>
(B)E.5 Risk Oversight				
(B)E.5.1	Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board?	<b>King Code 2009</b> <b>5. The governance of information technology</b> The board should be responsible for information technology (IT) governance 5.1.1. The board should assume the responsibility for the governance of IT and place it on the board agenda. 5.1.2. The board should ensure that an IT charter and policies are established and implemented.	Y	<p><b>The Company has identified its key risks. These risks fall into the four main risk categories: strategic, operational, financial and environmental risks.</b></p> <p><b>Supporting Documents:</b></p> <p>a. <b>2016 Annual and Sustainability Report (page 90 to 94)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p>b. <b>SEC Annual Corporate Governance Report – ACGR (page 59 to 64)</b>  <a href="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">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</a></p>

<b>(B)E.6 Board Performance</b>				
(B)E.6.1	Does the company have a separate board level Risk Committee?	<b>ICGN 5.5 Risk Committee</b> While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or other) can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's risk management approach.	Y	<p><b>The Company has a separate Board-level Risk Committee.</b></p> <p><b>Supporting Documents:</b></p> <p><b>a. 2016 Annual and Sustainability Report (page 72, 90 to 94)</b>  <a href="http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf">http://www.cebuholdings.com/wp-content/uploads/2017/01/2016-Integrated-Annual-and-Sustainability-Report.pdf</a></p> <p><b>b. SEC Annual Corporate Governance Report – ACGR (page 45, 54 59 to 64)</b>  <a href="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">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</a></p> <p><b>c. Corporate Website- Board Committees / Risk Committee</b>  <a href="http://www.cebuholdings.com/governance_list/9/#risk">http://www.cebuholdings.com/governance_list/9/#risk</a></p>