

1. Company has a policy of rotating the lead audit partner every five years.	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> i. assessing the integrity and independence of external auditors; ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements. 	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	
2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	
Supplement to Recommendations 9.2			
1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	

2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	
Recommendation 9.3			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	The external auditors were contracted solely for audit purposes and not for other services.	
2. Audit Committee stays alert for any potential conflict of interest situations, given the guidelines or policies on non-audit services, which could be viewed as impairing the external auditor's objectivity.	Compliant	http://www.ipeople.com.ph Corporate Governance – Audit Committee Charter Item 3, Roles and Responsibilities	
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	The external auditors were contracted solely for audit purposes and not for other services.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Ana Lea C. Bergado Engagement partner Accreditation number: 0660-AR-4 Date Accredited: October 22, 2019 Expiry date of accreditation: October 21, 2022 SGV & Co, Ayala Avenue, Makati City	
2. Company's external auditor agreed to be subjected to the SEC Oversight Assurance Review (SOAR) Inspection Program conducted by the SEC's Office of the General Accountant (OGA).	Compliant	SGV & Co has not yet been visited/subjected to SOAR inspection.	

Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.			
Recommendation 10.1			
1. Board has a clear and focused policy on the disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance (EESG) issues of its business, which underpin sustainability.	Compliant	http://www.ipeople.com.ph Corporate Disclosure-SEC Filings/Annual Report (SEC Form 17-A)	
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Compliant	http://www.ipeople.com.ph Corporate Disclosure-SEC Filings/Annual Report (SEC Form 17-A)	
Principle 11: The company should maintain a comprehensive and cost-efficient communication channel for disseminating relevant information. This channel is crucial for informed decision-making by investors, stakeholders and other interested users.			
Recommendation 11.1			
1. Company has media and analysts' briefings as channels of communication to ensure the timely and accurate dissemination of public, material and relevant information to its shareholders and other investors.	Compliant	http://www.ipeople.com.ph a. Analysts briefing b. Media briefings/press conferences. c. Quarterly reporting, Current reporting, etc.) Investors Relations Officer - Manual of Corporate Governance	
Supplemental to Principle 11			
1. Company has a website disclosing up-to-date information on the following:	Compliant	http://www.ipeople.com.ph	
a. Financial statements/reports (latest quarterly)	Compliant	http://www.ipeople.com.ph Corporate Disclosure	

b. Materials provided in briefings to analysts and media	Compliant	Financial reports are distributed to attendees of the briefings	
c. Downloadable annual report	Compliant	http://www.ipeople.com.ph Corporate Disclosure	
d. Notice of ASM and/or SSM	Compliant	http://www.ipeople.com.ph Press Release	
e. Minutes of ASM and/or SSM	Compliant	http://www.ipeople.com.ph Corporate Disclosure	
f. Company's Articles of Incorporation and By-Laws	Compliant	http://www.ipeople.com.ph Corporate Disclosure	
Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant	http://www.ipeople.com.ph	
Internal Control System and Risk Management Framework			
Principle 12: To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.			
Recommendation 12.1			
1. Company has an adequate and effective internal control system in the conduct of its business.	Compliant	Service programs ensure adequacy of internal control systems. <ol style="list-style-type: none"> 1. Attendance of each director is monitored and reported. 2. All the financial reports were reviewed by the Audit Committee before being finalized and endorsed to the Board of Directors for approval and submission to pertinent offices. Systems and measures have been undertaken such as strict observance of Code of Business Conduct and Ethics, financial and manpower audit,	

		employees are required to attend seminars and continuous monitoring of compliance to governmental reportorial requirements.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Compliant	http://www.ipeople.com.ph Corporate Governance -Enterprise Risk Management framework Corporate Disclosure-SEC Filings/Annual Report (SEC Form 17-A) Review of the enterprise risk management framework is adequate since it is done annually and approved by top management after the review of the Audit and Board Risk Oversight Committees.	
Supplement to Recommendations 12.1			
1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.	Compliant	To ensure compliance with laws and relevant regulations for Bureau of Internal Revenue, accounting staff is assigned to monitor the compliance for monthly, quarterly and semi-annual and annual reports. Results of the monitoring is reported to the Controller on a monthly basis. For SEC and PSE reports, compliance is coordinated between the Compliance Officer and Accounting Department and Business Development Office. Accounting handles the structured reports while the Compliance and Business	

		Development Office are assigned to comply with the unstructured reports. Frequency of review- monthly, quarterly, semi- annual and annual	
Optional: Recommendation 12.1			
1. Company has a governance process on IT issues including disruption, cyber security, and disaster recovery, to ensure that all key risks are identified, managed and reported to the board.	Compliant	IT governance process and policies are kept and updated regularly by IT Department.	
Recommendation 12.2			
1. Company has in place an independent internal audit function that provides an independent and objective assurance, and consulting services designed to add value and improve the company's operations.	Compliant	The Company has an internal audit department directly reporting to the Audit Committee.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Compliant	SVP – ALEXANDER ANTHONY G. GALANG Chief Audit Executive (CAE). http://www.ipeople.com.ph Corporate Disclosure – Manual of Corporate Governance – Part III Implementing Guidelines- Item O Accountability and Audit No. 3 Chief Audit Executive.	
2. CAE oversees and is responsible for the internal audit activity of the organization,	Compliant	http://www.ipeople.com.ph	

including that portion that is outsourced to a third-party service provider.		Corporate Disclosure – Manual on Corporate Governance – Part III Implementing Guidelines- Item O Accountability and Audit – No. 3 Chief Audit Executive.	
3. In case of a fully outsourced internal audit activity, a qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Compliant	The Company has Internal Audit Department who reports to the Audit Committee.	
Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual on Corporate Governance – Part III Implementing guidelines item K No. 6. Board Risk Oversight Committee.	
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The services of SGV were engaged during the implementation of Enterprise-Wide Risk Management Program for the Mapua Group.	
Recommendation 12.5			
1. In managing the company's Risk Management System, the company has a Chief Risk Officer (CRO), who is the ultimate champion of Enterprise Risk Management (ERM).	Compliant	MS. RUTH C. FRANCISCO Chief Risk Officer (CRO) who was appointed on July 16, 2021 as disclosed to the PSE and SEC on the same date.	
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	CRO has adequate authority emanating from the Board Risk Oversight Committee and the President.	
Additional Recommendation to Principle 12			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Compliant	http://www.ipeople.com.ph The Company - CEO and CAE Attestation	
Principle 13: The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
Recommendation 13.1			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q	
Supplement to Recommendation 13.1			
1. Company's common share has one vote for one share.	Compliant	http://www.ipeople.com.ph Company Profile – Amended By Laws.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q http://www.ipeople.com.ph Corporate Governance – Amended By Laws Article II Section 2	
3. Board has an effective, secure, and efficient voting system.	Compliant	http://www.ipeople.com.ph Corporate Governance – Amended By Laws Article II Section 2 http://www.ipeople.com.ph	

		Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q	
4. Board has an effective shareholder voting mechanisms such as supermajority or "majority of minority" requirements to protect minority shareholders against actions of controlling shareholders.	Compliant	http://www.ipeople.com.ph Corporate Governance – Amended By-Laws Article II Section 2 http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q page 29	
5. Board allows shareholders to call a special shareholders' meeting and submit a proposal for consideration or agenda item at the AGM or special meeting.	Compliant	http://www.ipeople.com.ph Corporate Governance – Amended By Laws Article II Section 2. http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	http://www.ipeople.com.ph Corporate Governance – Amended By Laws Article II Section 2. http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Implementing Guidelines Item Q	
7. Company has a transparent and specific dividend policy.	Compliant	http://www.ipeople.com.ph Corporate Disclosure-SEC Filings/SEC Form 17-A – Part II Operational and Financial Information Item 5 – Dividends –page 9	

		Dividends declared are paid on the average, 20 to 26 days after date of declaration.	
		The company has not declared scrip dividends for the last five years.	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.		Identify the independent party that counted/validated the votes at the ASM, if any.	
Recommendation 13.2			
1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Non-Compliant	http://www.ipeople.com.ph Corporate Governance – Amended By-Laws. The notice and agenda of stockholders' meeting or special stockholders' meeting are sent 21 days before the actual meeting based on the Company's By-Laws.	The Company deems that the time frame in sending the Notice 21 days before the meeting as provided in the company's By-laws is sufficient for shareholders to actively participate in the meeting.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	http://www.ipeople.com.ph Press Release – Notice of Annual Stockholders Meeting	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Although they are not detailed in the notice, the data are in the SEC Form 17 – A given to them as materials for the meeting. http://www.ipeople.com.ph Corporate Disclosure-SEC Filings/Annual Report (SEC Form 17-	

		A)-Part III Control and Compensation Information. http://www.ipeople.com.ph Corporate Disclosure-IPO ACGR Changes	
b. Auditors seeking appointment/re-appointment	Compliant	http://www.ipeople.com.ph Press Release – Notice of Annual Stockholders Meeting.	
c. Proxy documents	Compliant	http://www.ipeople.com.ph Press Release – Notice of Annual Stockholders Meeting	
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	http://www.ipeople.com.ph Press Release – Notice of Annual Stockholders Meeting	
Recommendation 13.3			
1. Board encourages active shareholder participation by making the result of the votes taken during the most recent Annual or Special Shareholders' Meeting publicly available the next working day.	Compliant	http://www.ipeople.com.ph Corporate Governance – Minutes of the Meeting – Annual Stockholders Meeting of IPO	
2. Minutes of the Annual and Special Shareholders' Meetings were available on the company website within five business days from the end of the meeting.	Compliant	http://www.ipeople.com.ph Corporate Governance – Minutes of the Meeting – Annual Stockholders Meeting of IPO	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant	Compliant	External auditors and other relevant individuals are present during the ASM and or special meeting.	

individuals to answer shareholders questions during the ASM and SSM.			
Recommendation 13.4			
1. Board makes available, at the option of a shareholder, an alternative dispute mechanism to resolve intra-corporate disputes in an amicable and effective manner.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual on Corporate Governance – Grievance Procedures	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual on Corporate Governance – Grievance Procedures	
Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	VICTOR V. RAFAEL Vice President 8253-3637 Fax No. 816-11- 27 E-mail address: VicRafael@ipeople.com.ph	
2. IRO is present at every shareholder's meeting.	Compliant	IRO is present during the ASM.	
Supplemental Recommendations to Principle 13			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	There are no takeover measures	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant	Company's public float is within the minimum regulatory requirement.	The Company's public float as of December 31, 2022 is 15.19%, which is within the minimum regulatory requirement but currently the Company is in the process of evaluating on how to substantially comply with the best practice.

Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Compliant	An Analyst briefing is scheduled at the end of each Annual Stockholders Meeting.	
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	Disclose the process and procedure for secure electronic voting in absentia, if any.	
Duties to Stakeholders			
Principle 14: The rights of stakeholders established by law, by contractual relations and through voluntary commitments must be respected. Where stakeholders' rights and/or interests are at stake, stakeholders should have the opportunity to obtain prompt effective redress for the violation of their rights.			
Recommendation 14.1			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	http://www.ipeople.com.ph Corporate Disclosures – SEC Form 17-11 – List of Stockholders and Sec Form 17-12 – Top 100 Stockholders.	
Recommendation 14.2			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Part III – Implementing Guidelines – Q-Stockholders Rights and Protection of Minority Stockholders Interest.	
Recommendation 14.3			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Appointment of Investor Relations Officer: Victor V. Rafael Vice President – Finance 8 th Floor Mapua University– Makati Campus, 1191 P. Ocampo Extension, Makati City, 1205 Tel No. 8253-3736 Fax No. 816-1127	

		http://www.ipeople.com.ph Corporate Governance -Whistle Blowing Policy.	
Supplement to Recommendation 14.3			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Compliant	http://www.ipeople.com.ph Corporate Governance – Manual of Corporate Governance – Part III - Implementing Guidelines – Q-Stockholders Rights and Protection of Minority Stockholders Interest – Item 2- Grievance Procedure	
Additional Recommendations to Principle 14			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The Company does not request exemption from complying with any government regulatory agencies.	
2. Company respects intellectual property rights.	Compliant	http://www.ipeople.com.ph Corporate Governance – Code of Business Conduct and Ethics There were no specific instances that this provision was violated.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Compliant	http://www.ipeople.com.ph Corporate Governance – Code of Business Conduct and Ethics	

2. Company discloses its policies and practices that address supplier/contractor selection procedures	Compliant	http://www.ipeople.com.ph Corporate Governance – Code of Business Conduct and Ethics	
Principle 15: A mechanism for employee participation should be developed to create a symbiotic environment, realize the company's goals and participate in its corporate governance processes.			
Recommendation 15.1			
1. Board establishes policies, programs and procedures that encourage employees to actively participate in the realization of the company's goals and in its governance.	Compliant	To encourage employees to actively participate in the realization of the company's goals and its governance, the Company uses the Merit based system to determine the annual salary increases of officers and employees of the company.	
Supplement to Recommendation 15.1			
1. Company has a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures.	Compliant	Merit-based system is used to determine the annual salary increases of officers and employees of the company.	
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	To maintain the physical well-being, employees are required to undergo annual physical examination. Also, employees are entitled to medicine reimbursements, and group insurance hospitalization policy.	
3. Company has policies and practices on training and development of its employees.	Compliant	The Company includes in the annual evaluation form of all officers and employees the trainings and seminars attended during the period and	

		training and learnings needed for the coming year.	
Recommendation 15.2			
1. Board sets the tone and makes a stand against corrupt practices by adopting an anti-corruption policy and program in its Code of Conduct.	Compliant	http://www.ipeople.com.ph Corporate Governance – Code of Business Conduct and Ethics- Fair Dealing, Gifts, entertainment and gifts.	
2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Annually, all employees are required to sign a disclosure statement attesting that they have read and understand all the company policies and programs.	
Supplement to Recommendation 15.2			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	http://www.ipeople.com.ph Corporate Governance – Code of Business Conduct and Ethics – Policy Violations Employee Manual	
Recommendation 15.3			
1. Board establishes a suitable framework for whistleblowing that allows employees to freely communicate their concerns about illegal or unethical practices, without fear of retaliation	Compliant	http://www.ipeople.com.ph Corporate Governance – Whistle Blowing Policy Legal Officer handles the whistle blowing concerns/investigation	
2. Board establishes a suitable framework for whistleblowing that allows employees to have direct access to an independent member of the Board or a unit created to handle whistleblowing concerns.	Compliant	http://www.ipeople.com.ph Corporate Governance – Whistle Blowing Policy	

3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	http://www.ipeople.com.ph Corporate Governance – Whistle Blowing Policy	
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.	Compliant	All the social responsibility of the company to the people within its area of operations is centralized through the AY Foundation. Each member of the YGC Group is required to make regular financial donation to fund the scholarship programs, medical assistance and other disasters that need immediate assistance within and even outside the area of operation of the company.	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Compliant	http://www.ayfoundation.com.ph	
2. Company exerts effort to interact positively with the communities in which it operates	Compliant	http://www.ayfoundation.com.ph	

MAY 11 2023

Signed this _____ day of May, 2023 with the Authority of the Board of Directors


DR. REYNALDO B. VEA
Chairman and Chief Executive Officer


ALFREDO ANTONIO A. AYALA
President and Chief Operating Officer


ATTY. DENISE JORDAN P. ARENILLO
Compliance Officer


RENATO C. VALENCIA
Lead Independent Director


ATTY. SAMUEL V. TORRES
Corporate Secretary


HERMINIA S. JACINTO
Independent Director


CESAR A. BUENAVENTURA
Independent Director

MAY 11 2023


Subscribed and Sworn to me this _____ day of _____, 2023 in **MANILA**, affiants exhibiting their proof of identity, as follows:

Dr. Reynaldo B. Vea
Alfredo Antonio A. Ayala
Atty. Denise Jordan P. Arenillo
Renato C. Valencia
Cesar A. Buenaventura
Herminia S. Jacinto
Atty. Samuel V. Torres

Proof of Identity



Date/Place of Issuance


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Notary Public for Manila
Notarial Commission No. 2023-016
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PTR No. 0427450 / 06.20.2022
IBP Membership No. 243549 / 06.20.2022
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