



**SEC MEMORANDUM CIRCULAR NO. 15**  
Series of 2017

**TO : PUBLICLY-LISTED COMPANIES**

**SUBJECT : INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT (I-ACGR)**

To facilitate the disclosure of publicly-listed companies' (PLCs) compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for PLCs and to harmonize the corporate governance requirements of the Commission and the Philippine Stock Exchange, the Commission, pursuant to its regulatory and supervisory power under Section 5 of the Securities Regulation Code, mandates all companies to submit an Integrated Annual Corporate Governance Report (I-ACGR) subject to the following:

1. All companies already listed in the PSE by 31 December of a given year shall submit three (3) copies of a fully accomplished I-ACGR **on May 30 of the following year for every year that the company remains listed in the PSE;**
2. The I-ACGR shall cover all relevant information from January to December of the given year. It is expected that companies, regardless of listing dates, would already have Corporate Governance practices in place. Hence, they can already submit their I-ACGR by May 30 of the following year;
3. At least one (1) complete copy of the I-ACGR filed with the Commission shall be duly notarized and shall bear **original and manual** signatures of the following required signatories:
  - a. Chairman of the Board;
  - b. Chief Executive Officer or President;
  - c. All Independent Directors;
  - d. Compliance Officer; and
  - e. Corporate Secretary;
4. The I-ACGR with accessible links shall be posted on the company website within five (5) business days from submission to the SEC;
5. The companies shall no longer be required to file updates and changes on their I-ACGR within five (5) days from the occurrence of the reportable changes;
6. The companies shall no longer be required to file a Consolidated Changes in the ACGR within ten (10) days from the end of the year;
7. The imposable penalties are as follows:

<b>VIOLATION</b>	<b>BASIC PENALTY</b>	<b>MONTHLY PENALTY</b>
Non/Late Submission	Php50,000.00	Php5,000.00
<b><i>Disclosure(s)</i></b>		

a. Incomplete (i.e. no explanation provided; no alternative practices to achieve over-all principle)	Php25,000.00	Php2,500.00
b. Misrepresentation/Misinformation	Php100,000.00	Php10,000.00
<b>Signatory(ies)</b>		
a. Incomplete	Php10,000.00	Php1,000.00
b. Incorrect		


For General Instructions in answering the I-ACGR, please see attached SEC Form I-ACGR.

Any previous Orders, Issuances and Circulars which are inconsistent with the provisions of this Circular are hereby repealed accordingly.

This Memorandum Circular shall take effect fifteen (15) days after its publication in two (2) newspapers of general circulation.

Pasay City, Philippines, 15 December 2017.

For the Commission:



**TERESITA J. HERBOSA**  
Chairperson



**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

**GENERAL INSTRUCTIONS**

**A. Use of Form I-ACGR**

This SEC Form shall be used as a tool to disclose Publicly-Listed Companies’ compliance/non-compliance with the recommendations provided under the Code of Corporate Governance for Publicly-Listed Companies, which follows the “comply or explain” approach, and for harmonizing the corporate governance reportorial requirements of the SEC and the Philippine Stock Exchange (PSE).

**B. Preparation of Report**

These general instructions are not to be filed with the report. The report shall contain the numbers and captions of all items.

The I-ACGR has four columns, arranged as follows:

RECOMMENDED CG PRACTICE/POLICY	COMPLIANT/ NON-COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<p>Contains CG Practices/ Policies, labelled as follows:</p> <p>(1) <b>“Recommendations”</b> – derived from the CG Code for PLCs;</p> <p>(2) <b>“Supplement to Recommendation”</b> – derived from the PSE CG Guidelines for Listed Companies;</p> <p>(3) <b>“Additional Recommendations”</b> – CG Practices not found in the CG Code for PLCs and PSE CG Guidelines but are expected already of PLCs; and</p> <p>(4) <b>“Optional Recommendation”</b> – practices taken from the ASEAN Corporate Governance Scorecard</p> <p><b>*Items under (1) – (3) must be answered/disclosed by the PLCs following the “comply or explain” approach. Answering of items under (4) are left to the discretion of PLCs.</b></p>	<p>The company shall <b>indicate compliance or non-compliance</b> with the recommended practice.</p>	<p>The company shall provide additional information to <b>support their compliance</b> with the recommended CG practice</p>	<p>The PLCs shall <b>provide the explanations for any non-compliance</b>, pursuant to the “comply or explain” approach.</p> <p>Please note that the explanation given should describe the non-compliance and include <b>how the overall Principle being recommended is still being achieved</b> by the company.</p> <p><b>*“Not Applicable” or “None” shall not be considered as sufficient explanation</b></p>

**C. Signature and Filing of the Report**

- a. Three (3) copies of a fully accomplished I-ACGR shall be filed with the Main Office of the Commission **on or before May 30 of the following year for every year that the company remains listed in the PSE;**
- b. At least one (1) complete copy of the I-ACGR shall be duly notarized and shall bear **original and manual** signatures
- c. The I-ACGR shall be signed under oath by: (1) Chairman of the Board; (2) Chief Executive Officer or President; (3) All Independent Directors; (4) Compliance Officer; and (5) Corporate Secretary.
- d. The I-ACGR shall cover all relevant information from January to December of the given year.
- e. All reports shall comply with the full disclosure requirements of the Securities Regulation Code.



**SEC FORM – I-ACGR**

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

1. For the fiscal year ended .....December 31, 2019.....
2. SEC Identification Number .....133828..... 3. BIR Tax Identification No. ....420-000-188-756.....
4. Exact name of issuer as specified in its charter .....Primex Corporation.....
5. Metro Manila.....  
Province, Country or other jurisdiction of  
incorporation or organization  
G/F Richbelt Terraces, 19 Annapolis St., SJ 1502
6.  (SEC Use Only)  
Industry Classification Code:
7. ....  
Address of principal office ..... Postal Code
8. (632) 722-8078  
Issuer's telephone number, including area code
9. N/A  
Former name, former address, and former fiscal year, if changed since last report.

**INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT**

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
<b>The Board's Governance Responsibilities</b>			
<p><b>Principle 1:</b> The company should be headed by a competent, working board to foster the long- term success of the corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the long- term best interests of its shareholders and other stakeholders.</p>			
<b>Recommendation 1.1</b>			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	Company's Annual Report and 20-IS includes a write-up of each of our directors.	
2. Board has an appropriate mix of competence and expertise.	Compliant		
3. Directors remain qualified for their positions individually and collectively to enable them to fulfill their roles and responsibilities and respond to the needs of the organization.	Compliant		
<b>Recommendation 1.2</b>			
1. Board is composed of a majority of non-executive directors.	Non-Compliant		The 9 member board is composed of 5 exec. members and 4 non-exec.
<b>Recommendation 1.3</b>			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The Company's Manual on Good Corporate Governance provides that each director shall attend an annual seminar on good corporate governance.	

2. Company has an orientation program for first time directors.	Compliant	The Compliance Officer ensures proper onboarding of new directors, including orientation on the company's business, charter, by-laws.	
3. Company has relevant annual continuing training for all directors.	Compliant	All directors are required to attend annual training seminars.	
<b>Recommendation 1.4</b>			
1. Board has a policy on board diversity.	Compliant	Currently, the Board is composed of 8 males and 1 female, with diversity in age, ethnicity, skills, culture and competence.	
<b>Optional: Recommendation 1.4</b>			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.			
<b>Recommendation 1.5</b>			
1. Board is assisted by a Corporate Secretary.	Compliance		20-IS
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliance		20-IS
3. Corporate Secretary is not a member of the Board of Directors.	Non-compliant		Corporate Secretary is also a director

4. Corporate Secretary attends training/s on corporate governance.	Compliant	No seminar was attended by the directors and executive officers for the year 2020.	All seminars were cancelled due to the COVID-19 pandemic.
<b>Optional: Recommendation 1.5</b>			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.			
<b>Recommendation 1.6</b>			
1. Board is assisted by a Compliance Officer.	Compliant	The Compliance Officer is Atty. Ericson O. Ang, who holds the rank of Vice President-Legal.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant		
3. Compliance Officer is not a member of the board.	Non-Compliant		Atty. Ang is also a member of the Board.
4. Compliance Officer attends training/s on corporate governance.	Compliant	The latest seminar attended was on June 14, 2019.	
<b>Principle 2:</b> The fiduciary roles, responsibilities and accountabilities of the Board as provided under the law, the company's articles and by-laws, and other legal pronouncements and guidelines should be clearly made known to all directors as well as to stockholders and other stakeholders.			
<b>Recommendation 2.1</b>			
1. Directors act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company.	Compliant	As provided for under Responsibilities Duties and Functions of a director Manual of Good Corporate Governance.	
<b>Recommendation 2.2</b>			



1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant		
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant		
<b>Supplement to Recommendation 2.2</b>			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	As provided in the Manual on Good Corporate Governance under Responsibilities, Duties and Functions	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	Contained in the Manual on Good Corporate Governance under Responsibility, Duties & Functions of the Board of Directors.	
<b>Recommendation 2.3</b>			
1. Board is headed by a competent and qualified Chairperson.	Compliant	Since its inception, the Company is headed by the same Chairman.	
<b>Recommendation 2.4</b>			

1. Board ensures and adopts an effective succession planning program for directors, key officers and management.	Non-compliant		A succession planning program is still in the process of finalization.
2. Board adopts a policy on the retirement for directors and key officers.	Compliant		
<b>Recommendation 2.5</b>			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliance	Provided for under Responsibilites, Duties and Functions of the Board in the company's Manual on Good Corporate Governance.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Compliance		
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliance		
<b>Optional: Recommendation 2.5</b>			
1. Board approves the remuneration of senior executives.			
2. Company has measurable standards to align the performance-based remuneration of the executive directors and senior executives with long-term interest, such as claw back provision and deferred bonuses.			
<b>Recommendation 2.6</b>			

1. Board has a formal and transparent board nomination and election policy.	Compliant	Contained in the company's Manual on Good Corporate Governance under Responsibilities, Duties and Functions of the Board of Directors.	
2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.	Compliant		
3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.	Compliant		
4. Board nomination and election policy includes how the board shortlists candidates.	Compliant		
5. Board nomination and election policy includes an assessment of the effectiveness of the Board's processes in the nomination, election or replacement of a director.	Compliant		
6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.	Compliant		
<b>Optional: Recommendation to 2.6</b>			
1. Company uses professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors.			
<b>Recommendation 2.7</b>			

1. Board has overall responsibility in ensuring that there is a group-wide policy and system governing related party transactions (RPTs) and other unusual or infrequently occurring transactions.	Compliant	Provided for under Functions of the RPT Committee in the Manual on Good Corporate Governance.	
2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant		
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant		

#### Supplement to Recommendations 2.7

1. Board clearly defines the threshold for disclosure and approval of RPTs and categorizes such transactions according to those that are considered <i>de minimis</i> or transactions that need not be reported or announced, those that need to be disclosed, and those that need prior shareholder approval. The aggregate amount of RPTs within any twelve (12) month period should be considered for purposes of applying the thresholds for disclosure and approval.	Compliant	All Related Party Transactions are subject to the same procedures, regardless of size and amount.	
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2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.	Non-compliant		The company states the Related Party Transactions in its Annual Report, Financial Statements and Information Statement which are presented to the stockholders during the Annual Stockholders Meeting.
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#### Recommendation 2.8

<p>1. Board is primarily responsible for approving the selection of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>The Board approves the selection of Key Management after the annual stockholders meeting.</p>	
<p>2. Board is primarily responsible for assessing the performance of Management led by the Chief Executive Officer (CEO) and the heads of the other control functions (Chief Risk Officer, Chief Compliance Officer and Chief Audit Executive).</p>	<p>Compliant</p>	<p>As provided under the Manual on Good Corporate Governance.</p>	
<p><b>Recommendation 2.9</b></p>			
<p>1. Board establishes an effective performance management framework that ensures that Management's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>	<p>As provided under Internal Control Responsibilities of the Board in the Manual on Good Corporate Governance.</p>	
<p>2. Board establishes an effective performance management framework that ensures that personnel's performance is at par with the standards set by the Board and Senior Management.</p>	<p>Compliant</p>		
<p><b>Recommendation 2.10</b></p>			

1. Board oversees that an appropriate internal control system is in place.	Compliant	Provided under Internal Control Responsibilities of the Board in the Manual on Good Corporate Governance.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Compliant		
3. Board approves the Internal Audit Charter.	Compliant		
<b>Recommendation 2.11</b>			
1. Board oversees that the company has in place a sound enterprise risk management (ERM) framework to effectively identify, monitor, assess and manage key business risks.	Compliant	These are among the functions of the Audit Committee as mandated in the Company's Manual on Good Corporate Governance.	
2. The risk management framework guides the board in identifying units/business lines and enterprise-level risk exposures, as well as the effectiveness of risk management strategies.	Compliant		
<b>Recommendation 2.12</b>			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Compliant	In lieu of a Board Charter, the Board refers to its Manual on Good Corporate Governance as a guideline to the directors and officers of the Company.	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant		
3. Board Charter is publicly available and posted on the company's website.	Compliant		

Additional Recommendation to Principle 2			
1. Board has a clear insider trading policy.	Non-Compliant		The policy on Insider Trading is under final review by the Board.
Optional: Principle 2			
1. Company has a policy on granting loans to directors, either forbidding the practice or ensuring that the transaction is conducted at arm's length basis and at market rates.			
2. Company discloses the types of decision requiring board of directors' approval.			
Principle 3: Board committees should be set up to the extent possible to support the effective performance of the Board's functions, particularly with respect to audit, risk management, related party transactions, and other key corporate governance concerns, such as nomination and remuneration. The composition, functions and responsibilities of all committees established should be contained in a publicly available Committee Charter.			
Recommendation 3.1			
1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.	Compliant	Specific functions of the various committees are found in the Manual of Good Governance of the company.	20-IS
Recommendation 3.2			

1. Board establishes an Audit Committee to enhance its oversight capability over the company's financial reporting, internal control system, internal and external audit processes, and compliance with applicable laws and regulations.	Compliant	As mandated in the Manual on Good Corporate Governance.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Non-Compliant		Presently, the audit committee is composed of 2 non-executive and one executive member and the chairman is an independent director.
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	As mandated in the Manual on Good Corporate Governance	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	As reported in our Information Statement. The Chairman of the Audit Committee is Independent Director, Benito Chua Co Kiong.	
<b>Supplement to Recommendation 3.2</b>			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	Mandated under Duties and Functions of the Audit Comm.	



2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Non-Compliant		The internal auditor is usually present in the meetings.
<b>Optional: Recommendation 3.2</b>			
1. Audit Committee meet at least four times during the year.			
2. Audit Committee approves the appointment and removal of the internal auditor.			
<b>Recommendation 3.3</b>			
1. Board establishes a Corporate Governance Committee tasked to assist the Board in the performance of its corporate governance responsibilities, including the functions that were formerly assigned to a Nomination and Remuneration Committee.	Compliant	As reported in the Information Statement (SEC Form 20-IS)	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Non-Compliant		The 3 member committee is composed of non-executive members but only 2 are independent directors.

3. Chairman of the Corporate Governance Committee is an independent director.	Compliant	As reported in SEC Form 20-IS	
<b>Optional: Recommendation 3.3.</b>			
1. Corporate Governance Committee meet at least twice during the year.			
<b>Recommendation 3.4</b>			
1. Board establishes a separate Board Risk Oversight Committee (BROC) that should be responsible for the oversight of a company's Enterprise Risk Management system to ensure its functionality and effectiveness.	Non-Compliant		The Company does not have a Board Risk Oversight Committee although there are plans to establish one.
2. BROC is composed of at least three members, the majority of whom should be independent directors, including the Chairman.	Non-Compliant		
3. The Chairman of the BROC is not the Chairman of the Board or of any other committee.	Non-Compliant		
4. At least one member of the BROC has relevant thorough knowledge and experience on risk and risk management.	Non-Compliant		

<b>Recommendation 3.5</b>			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Compliant	Mandated in the Manual on Good Corporate Governance.	
2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Compliant	As reported in SEC Form 20-IS	
<b>Recommendation 3.6</b>			
1. All established committees have a Committee Charter stating in plain terms their respective purposes, memberships, structures, operations, reporting process, resources and other relevant information.	Compliant	Contained in the company's Manual on Good Corporate Governance	
2. Committee Charters provide standards for evaluating the performance of the Committees.	Compliant		
3. Committee Charters were fully disclosed on the company's website.	Compliant	Contained in the company's Manual on Good Corporate Governance	
<b>Principle 4:</b> To show full commitment to the company, the directors should devote the time and attention necessary to properly and effectively perform their duties and responsibilities, including sufficient time to be familiar with the corporation's business.			
<b>Recommendation 4.1</b>			

<p>1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele-/videoconferencing conducted in accordance with the rules and regulations of the Commission.</p>	<p>Compliant</p>	<p>As reported in SEC Form 17-C on January 07, 2020 concerning the 100 % attendance record of directors in 2019.</p>	
<p>2. The directors review meeting materials for all Board and Committee meetings.</p>	<p>Compliant</p>	<p>Materials for meetings are provided before the meeting.</p>	
<p>3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.</p>	<p>Compliant</p>	<p>Minutes of the meeting reflects active discussion of the issues concerned.</p>	
<p><b>Recommendation 4.2</b></p>			
<p>1. Non-executive directors concurrently serve in a maximum of five publicly-listed companies to ensure that they have sufficient time to fully prepare for minutes, challenge Management's proposals/views, and oversee the long-term strategy of the company.</p>	<p>Compliant</p>	<p>The company's SEC Forms 17-A and 20-IS includes the directorships in other companies, if any.  This is also covered under Multiple Board Seats of the Manual on Good Corporate Governance of the Company.</p>	

<b>Recommendation 4.3</b>			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	No instance of this nature has taken place as of today.	
<b>Optional: Principle 4</b>			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.			
2. Company schedules board of directors' meetings before the start of the financial year.			
3.			
4. Board of directors meet at least six times during the year.			
5. Company requires as minimum quorum of at least 2/3 for board decisions.			
<b>Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs</b>			
<b>Recommendation 5.1</b>			
1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Non-Compliant		Currently, there are 2 independent directors in the 9-member Board.
<b>Recommendation 5.2</b>			

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	Latest Reported on SEC Form 17-C April 29, 2019 on the Qualifications of the Independent Directors.	
<b>Supplement to Recommendation 5.2</b>			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	Company Website: www.primex.ph	
<b>Recommendation 5.3</b>			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	No director is presently serving beyond the term limit.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	The company strictly adheres to the rules of the Securities and Exchange Commission on term limits.	
3. In the instance that the company retains an independent director in the same capacity after nine years, the board provides meritorious justification and seeks shareholders' approval during the annual shareholders' meeting.	Compliant	The company strictly adhere to the rules of the Securities and Exchange Commission on term limits.	
<b>Recommendation 5.4</b>			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-Compliant		Since the company's inception, the 2 positions are occupied by the same person.

2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	Under Specific Duties in the Manual of Good Corporate Governance.	
<b>Recommendation 5.5</b>			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	The Lead Director is an Independent Director as identified in SEC Form 20-IS	
<b>Recommendation 5.6</b>			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	Covered by the Functions of the RPT Committee under the Manual on Good Corporate Governance.	
<b>Recommendation 5.7</b>			
1. The non-executive directors (NEDs) have separate periodic meetings with the external auditor and heads of the internal audit, compliance and risk functions, without any executive present.	Non-Compliant		The NEDs have not found any cause or reason to have separate meetings without the presence of any exec. directors.
2. The meetings are chaired by the lead independent director.	Non-Compliant		
<b>Optional: Principle 5</b>			

1. None of the directors is a former CEO of the company in the past 2 years.			
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**Principle 6:** The best measure of the Board's effectiveness is through an assessment process. The Board should regularly carry out evaluations to appraise its performance as a body, and assess whether it possesses the right mix of backgrounds and competencies.

**Recommendation 6.1**

1. Board conducts an annual self-assessment of its performance as a whole.	Non-Compliant		The Board is still studying the matter.
2. The Chairman conducts a self-assessment of his performance.	Non-Compliant		The mechanics of a self-assessment process is still undergoing refinement.
3. The individual members conduct a self-assessment of their performance.	Non-Compliant		The mechanics of a self-assessment process is still undergoing refinement.
4. Each committee conducts a self-assessment of its performance.	Non-Compliant		The mechanics of a self-assessment process is still undergoing refinement.
5. Every three years, the assessments are supported by an external facilitator.	Non-Compliant		The Board intends to rely on its self-assessment results.

**Recommendation 6.2**

1. Board has in place a system that provides, at the minimum, criteria and process to determine the performance of the Board, individual directors and committees.	Non-Compliant		
2. The system allows for a feedback mechanism from the shareholders.	Non-Compliant		All shareholders are given the opportunity to express their feedbacks during the ASM.

**Principle 7:** Members of the Board are duty-bound to apply high ethical standards, taking into account the interests of all stakeholders.

**Recommendation 7.1**



1. Board adopts a Code of Business Conduct and Ethics, which provide standards for professional and ethical behavior, as well as articulate acceptable and unacceptable conduct and practices in internal and external dealings of the company.	Non-compliant		The Board has yet to adopt a formal Code of Business Conduct and Ethics. Formulation of a Code Business Conduct and Ethics is ongoing.
2. The Code is properly disseminated to the Board, senior management and employees.	Non-compliant		Once adopted, the Code will be disseminated to the Board, senior management & employees.
3. The Code is disclosed and made available to the public through the company website.	Non-compliant		Once adopted, the Code will be posted on the Company website.
<b>Supplement to Recommendation 7.1</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Non-Compliant		Clear and stringent policies in accordance with Phil. laws & regulations will be incorporated in the Code of Business Conduct and Ethics.
<b>Recommendation 7.2</b>			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Non-Compliant		The Board shall be primarily responsible for the implementation and monitoring of compliance with the Code.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.	Non-Compliant		The Board shall be primarily responsible for the implementation and monitoring of compliance with internal policies.
<b>Disclosure and Transparency</b>			

**Principle 8:** The company should establish corporate disclosure policies and procedures that are practical and in accordance with best practices and regulatory expectations.

**Recommendation 8.1**

<p>1. Board establishes corporate disclosure policies and procedures to ensure a comprehensive, accurate, reliable and timely report to shareholders and other stakeholders that gives a fair and complete picture of a company's financial condition, results and business operations.</p>	<p>Compliant</p>	<p>Covered under Reportorial or Disclosure System of Company's Corporate Governance and Policies of the Manual on Good Corporate Governance.</p>	
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**Supplement to Recommendations 8.1**

<p>1. Company distributes or makes available annual and quarterly consolidated reports, cash flow statements, and special audit revisions. Consolidated financial statements are published within ninety (90) days from the end of the fiscal year, while interim reports are published within forty-five (45) days from the end of the reporting period.</p>	<p>Compliant</p>	<p>Annual and Quarterly reports are submitted and uploaded within the prescribed time frame at the company's website and PSE EDGE portal.</p>	
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<p>2. Company discloses in its annual report the principal risks associated with the identity of the company's controlling shareholders; the degree of ownership concentration; cross-holdings among company affiliates; and any imbalances between the controlling shareholders' voting power and overall equity position in the company.</p>	<p>Compliant</p>	<p>Complete information provided under SEC Forms 17-A and 20-IS.</p>	
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**Recommendation 8.2**

1. Company has a policy requiring all directors to disclose/report to the company any dealings in the company's shares within three business days.	Compliant	All dealings of the directors and officers are required to be reported to the company within 3 business days.	
2. Company has a policy requiring all officers to disclose/report to the company any dealings in the company's shares within three business days.	Compliant		
<b>Supplement to Recommendation 8.2</b>			
1. Company discloses the trading of the corporation's shares by directors, officers (or persons performing similar functions) and controlling shareholders. This includes the disclosure of the company's purchase of its shares from the market (e.g. share buy-back program).	Compliant	All trading of the company's shares by directors and officers are reported within the prescribed time limit on prescribed forms (23-A, 23-B, POR)	
<b>Recommendation 8.3</b>			
1. Board fully discloses all relevant and material information on individual board members to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliant	The information is provided in the Company's SEC Form 17-A and 20-IS.	

2. Board fully discloses all relevant and material information on key executives to evaluate their experience and qualifications, and assess any potential conflicts of interest that might affect their judgment.	Compliance	All relevant and material information are presented in the company's 17-A and 20-IS.	
<b>Recommendation 8.4</b>			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Compliant	The company fixed an annual honorarium of P 10,000 for directors in 2006.	
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.	Non-Compliant		The company refrains from disclosing the remuneration of executives.
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-Compliant		Executive remuneration is reported as a group combined.
<b>Recommendation 8.5</b>			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	Covered under Functions of the RPT Committee in the Manual on Good Corporate Governance.	

2. Company discloses material or significant RPTs reviewed and approved during the year.	Compliant	Any information concerning RPTs is disclosed in the Company's quarterly and Annual Reports, if any.	
<b>Supplement to Recommendation 8.5</b>			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	Covered under Responsibilities, Duties and Functions of Directors in the Manual on Good Corporate Governance.	
<b>Optional : Recommendation 8.5</b>			
1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.			
<b>Recommendation 8.6</b>			

1. Company makes a full, fair, accurate and timely disclosure to the public of every material fact or event that occur, particularly on the acquisition or disposal of significant assets, which could adversely affect the viability or the interest of its shareholders and other stakeholders.	Compliant	In 2019, all disclosure of this nature are timely disclosed.	
2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.	Non-Compliant		The company relies on its own evaluation process.
<b>Supplement to Recommendation 8.6</b>			
1. Company discloses the existence, justification and details on shareholder agreements, voting trust agreements, confidentiality agreements, and such other agreements that may impact on the control, ownership, and strategic direction of the company.	Compliant	In 2019, no disclosure of this nature was needed.	
<b>Recommendation 8.7</b>			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	www.primex.ph/Manual on Good Corporate Governance	
2. Company's MCG is submitted to the SEC and PSE.	Compliant		
3. Company's MCG is posted on its company website.	Compliant		
<b>Supplement to Recommendation 8.7</b>			

1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	The latest amended MCG was on May 31, 2017.	
<b>Optional: Principle 8</b>			
1. Does the company's Annual Report disclose the following information:	Compliant	Please refer to our latest SEC Form 17-A.	
a. Corporate Objectives			
b. Financial performance indicators			
c. Non-financial performance indicators			
d. Dividend Policy			
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors			
f. Attendance details of each director in all directors meetings held during the year			
g. Total remuneration of each member of the board of directors			
2. The Annual Report contains a statement confirming the company's full compliance with the Code of Corporate Governance and where there is non-compliance, identifies and explains reason for each such issue.			

3. The Annual Report/Annual CG Report discloses that the board of directors conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems.			
4. The Annual Report/Annual CG Report contains a statement from the board of directors or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems.			
5. The company discloses in the Annual Report the key risks to which the company is materially exposed to (i.e. financial, operational including IT, environmental, social, economic).			

**Principle 9:** The company should establish standards for the appropriate selection of an external auditor, and exercise effective oversight of the same to strengthen the external auditor's independence and enhance audit quality.

**Recommendation 9.1**

1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Compliant	The reappointment of our External Auditor was deliberated and endorsed by the Audit Comm.	
2. The appointment, reappointment, removal, and fees of the external auditor is recommended by the Audit Committee, approved by the Board and ratified by the shareholders.	Compliant	The reappointment of our External Auditor was unanimously approved during the Annual Stockholders Meeting on June 28, 2019.	



3. For removal of the external auditor, the reasons for removal or change are disclosed to the regulators and the public through the company website and required disclosures.		There is no cause or reason for the removal of our External Auditors.	
<b>Supplement to Recommendation 9.1</b>			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	The Lead Audit Partner is rotated every five years.	
<b>Recommendation 9.2</b>			
1. Audit Committee Charter includes the Audit Committee's responsibility on: <ul style="list-style-type: none"> <li>i. assessing the integrity and independence of external auditors;</li> <li>ii. exercising effective oversight to review and monitor the external auditor's independence and objectivity; and</li> <li>iii. exercising effective oversight to review and monitor the effectiveness of the audit process, taking into consideration relevant Philippine professional and regulatory requirements.</li> </ul>	Compliant	Covered under the Duties and Responsibilities of the Audit Committee in the Manual on Good Corporate Governance.	
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	Covered under the Duties and Responsibilities of the AUdit Committee in the Manual on Good Corporate Governance.	
<b>Supplement to Recommendations 9.2</b>			

1. Audit Committee ensures that the external auditor is credible, competent and has the ability to understand complex related party transactions, its counterparties, and valuations of such transactions.	Compliant	Covered under the Duties and Responsibilities of the Audit Committee in the Manual on Good Corporate Governance.	
2. Audit Committee ensures that the external auditor has adequate quality control procedures.	Compliant	Covered under the Duties and Responsibilities of the Audit Committee.	
<b>Recommendation 9.3</b>			
1. Company discloses the nature of non-audit services performed by its external auditor in the Annual Report to deal with the potential conflict of interest.	Compliant	Covered under the Duties and Responsibilities of the Audit Committee.	
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	Covered under the Duties and Responsibilities of the Audit Committee.	
<b>Supplement to Recommendation 9.3</b>			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Compliant	Audit fees outweigh all other non-audit fees.	
<b>Additional Recommendation to Principle 9</b>			

1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	Sycip, Gorres Velayo is accredited by the SEC under Group A Category.	
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).			

**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.	Non-Compliant		
2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.	Non-Compliant		

**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.	Non-Compliant		Timely & accurate Dissemination of public material and relevant information to its shareholders & investors can be accessed through the company's website.
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**Supplemental to Principle 11**

1. Company has a website disclosing up-to-date information on the following:		Please refer to <a href="http://www.primex.ph">www.primex.ph</a>	
a. Financial statements/reports (latest quarterly)	Compliant		
b. Materials provided in briefings to analysts and media	Non-Compliant		These materials are provided upon request to the corporate secretary.
c. Downloadable annual report	Compliant		
d. Notice of ASM and/or SSM	Compliant		
e. Minutes of ASM and/or SSM	Non-Compliant		These are provided upon request to the corporate secretary.
f. Company's Articles of Incorporation and By-Laws	Compliant		

**Additional Recommendation to Principle 11**

1. Company complies with SEC-prescribed website template.	Compliant	Please refer to <a href="http://www.primex.ph">www.primex.ph</a>	
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**Internal Control System and Risk Management Framework**

**Principle 12:** To ensure the integrity, transparency and proper governance in the conduct of its affairs, the company should have a strong and effective internal control system and enterprise risk management framework.

**Recommendation 12.1**

<p>1. Company has an adequate and effective internal control system in the conduct of its business.</p>	<p align="center"><b>Compliant</b></p>	<p>Covered under Internal Control Responsibilities of the Board in the Manual on Good Corporate Governance.</p>	
<p>2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.</p>	<p align="center"><b>Compliant</b></p>	<p>Covered under Internal Control Responsibilities of the Board in the Manual on Good Corporate Governance.</p>	

**Supplement to Recommendations 12.1**

<p>1. Company has a formal comprehensive enterprise-wide compliance program covering compliance with laws and relevant regulations that is annually reviewed. The program includes appropriate training and awareness initiatives to facilitate understanding, acceptance and compliance with the said issuances.</p>	<p>Non-Compliant</p>		<p>The Audit committee is tasked to ensure that all financial reports complies with all laws and relevant regulations. It also performs oversight responsibilities on internal control, internal and external audit.</p>
<p><b>Optional: Recommendation 12.1</b></p>			
<p>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.</p>			
<p><b>Recommendation 12.2</b></p>			
<p>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.</p>	<p>Compliant</p>	<p>Covered under the Duties and Responsibilities of the Audit Committee in the Manual on Good Corporate Governance.</p>	
<p><b>Recommendation 12.3</b></p>			
<p>1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.</p>	<p>Compliant</p>	<p>VP Emilio O. Ang, acts as the Chief AUdit Executive of the Company.</p>	

2. CAE oversees and is responsible for the internal audit activity of the organization, including that portion that is outsourced to a third party service provider.	Compliant	The company's Internal Auditor, Ms. Lourdes Mamerto, works in coordination with Mr. Emilio O. Ang.	
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.	N/A		
<b>Recommendation 12.4</b>			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-Compliant		Risk Management function is undertaken by the executive branch of the company.
<b>Supplement to Recommendation 12.4</b>			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company seeks external technical support only when is necessary.	
<b>Recommendation 12.5</b>			
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).	Non-Compliant		The company has not appointed any Chief Risk Officer since risk management function is undertaken by the executive management as a group.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Non-Compliant		No CRO was appointed as of date since enterprise risk management is undertaken by the executive management as a group.
<b>Additional Recommendation to Principle 12</b>			

1. Company's Chief Executive Officer and Chief Audit Executive attest in writing, at least annually, that a sound internal audit, control and compliance system is in place and working effectively.	Non-Compliant		The Statement on Management Responsibility submitted in SEC 17-A is signed only by the Chief Exec. Officer.
<b>Cultivating a Synergic Relationship with Shareholders</b>			
<b>Principle 13:</b> The company should treat all shareholders fairly and equitably, and also recognize, protect and facilitate the exercise of their rights.			
<b>Recommendation 13.1</b>			
1. Board ensures that basic shareholder rights are disclosed in the Manual on Corporate Governance.	Compliant	Please refer to <a href="http://www.primex.ph">www.primex.ph</a>	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Please refer to <a href="http://www.primex.ph">www.primex.ph</a>	
<b>Supplement to Recommendation 13.1</b>			
1. Company's common share has one vote for one share.	Compliant	Included in By-Laws of the company.	
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Included in By-laws of the company.	
3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to voting procedure in the company's Information Statement	
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	The company observes the voting requirements prescribed under the Corporation Code of the Philippines.	



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	Covered under the Rights of Shareholders in the Manual on Good Corporate Governance.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Covered under the Rights of Shareholders in the Manual on Good Corporate Governance.	
7. Company has a transparent and specific dividend policy.	Compliant	Included under the Right to Dividends in the Manual on Good Corporate Governance.	
<b>Optional: Recommendation 13.1</b>			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.			
<b>Recommendation 13.2</b>			

1. Board encourages active shareholder participation by sending the Notice of Annual and Special Shareholders' Meeting with sufficient and relevant information at least 28 days before the meeting.	Compliant	For the Annual Meeting on June 28, 2019, Notices were sent on May 25, 2019 or over a month before the meeting.	
<b>Supplemental to Recommendation 13.2</b>			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:			
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant	Please refer to Information Statement filed on May 28, 2019 with SEC.	
b. Auditors seeking appointment/re-appointment	Compliant	Please refer to Information Statement filed on May 28, 2019 with the SEC.	
c. Proxy documents	Compliant		
<b>Optional: Recommendation 13.2</b>			
1. Company provides rationale for the agenda items for the annual stockholders meeting			
<b>Recommendation 13.3</b>			

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	The results of the Annual Meeting on June 28, 2019 was posted on the same day.	
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.	Non-Compliant		Only the results of the meeting was posted
<b>Supplement to Recommendation 13.3</b>			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	Representatives of the External auditor was present in all ASM and SSM and is expected to be present on all ASM and SSM.	
<b>Recommendation 13.4</b>			
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.	Non-Compliant	To date, no intra-corporate dispute has arisen.	

2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.			
<b>Recommendation 13.5</b>			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Non-Compliant		The Office of the Corporate Secretary acts as the Investor Relations Office of the company.
2. IRO is present at every shareholder's meeting.	Compliant	Staff of the Corporate Secretary are present in all ASM and SSM.	
<b>Supplemental Recommendations to Principle 13</b>			
1. Board avoids anti-takeover measures or similar devices that may entrench ineffective management or the existing controlling shareholder group	Compliant	The Board has not employed anti-takeover measures or similar devices.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Non-Compliant	The Company's public float is between 22 to 25 %.	
<b>Optional: Principle 13</b>			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting			

2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.			
<b>Duties to Stakeholders</b>			
<b>Principle 14:</b> 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.			
<b>Recommendation 14.1</b>			
1. Board identifies the company's various stakeholders and promotes cooperation between them and the company in creating wealth, growth and sustainability.	Compliant	Covered under the Rights of Shareholders in the Manual on Good Corporate Governance.	
<b>Recommendation 14.2</b>			
1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Compliant	Fair Treatment and protection of stakeholders are provided in the Manual on Good Corporate Governance.	
<b>Recommendation 14.3</b>			
1. Board adopts a transparent framework and process that allow stakeholders to communicate with the company and to obtain redress for the violation of their rights.	Compliant	Covered under the Rights of Shareholders in the Manual on Good Corporate Governance and the Duties of the Board of Directors.	

<b>Supplement to Recommendation 14.3</b>			
1. Company establishes an alternative dispute resolution system so that conflicts and differences with key stakeholders is settled in a fair and expeditious manner.	Non-Compliant		There were no instance of this nature as of date although the corporate secretary is tasked to address and resolve all conflicts and differences with key stakeholders.
<b>Additional Recommendations to Principle 14</b>			
1. Company does not seek any exemption from the application of a law, rule or regulation especially when it refers to a corporate governance issue. If an exemption was sought, the company discloses the reason for such action, as well as presents the specific steps being taken to finally comply with the applicable law, rule or regulation.	Compliant	The company has not sought such exemption.	
2. Company respects intellectual property rights.	Compliant		
<b>Optional: Principle 14</b>			
1. Company discloses its policies and practices that address customers' welfare			
2. Company discloses its policies and practices that address supplier/contractor selection procedures			

**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	The company utilizes a Suggestion/ Complaint Box to encourage sharing of ideas, suggestions and best practices within the company.	
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**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	This function is primarily the function taken by the Compensation and Remuneration Committee.	
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2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The health and welfare of its employees is provided by a Welfare Officer of the Company.	
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3. Company has policies and practices on training and development of its employees.	Compliant	The company provides training to its employees depending on their work responsibilities.	
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**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	The required orientation on each incoming employee includes a strict reminder on corruption.	
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2. Board disseminates the policy and program to employees across the organization through trainings to embed them in the company's culture.	Compliant	Every new member of the company is required to take an orientation seminar on the company's culture.	
<b>Supplement to Recommendation 15.2</b>			
1. Company has clear and stringent policies and procedures on curbing and penalizing employee involvement in offering, paying and receiving bribes.	Compliant	These policies are inherent in the Orientation seminar for new employees.	
<b>Recommendation 15.3</b>			
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	Thru the company's Suggestion/Complaint Box, employees can freely communicate with management, without fear of retaliation. Only the CEO, Independent Director and the Compliance Officer has access to the contents of the Box.	
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	Thru the same process of the Suggestion Box.	
3. Board supervises and ensures the enforcement of the whistleblowing framework.	Compliant	The Board of Directors is the sole authority receiving and investigating all reports within the whistleblowing framework.	



**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**

<p>1. Company recognizes and places importance on the interdependence between business and society, and promotes a mutually beneficial relationship that allows the company to grow its business, while contributing to the advancement of the society where it operates.</p>	<p>Compliant</p>	<p>The company can contribute to the advancement of the society where it operates by faithfully complying with all laws and regulations.</p>	
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**Optional: Principle 16**

<p>1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development</p>			
<p>2. Company exerts effort to interact positively with the communities in which it operates</p>			