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INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

1. For the fiscal year ended **December 31, 2023**
2. SEC Identification Number **CS20090917** 3. BIR Tax Identification No. **007-213-353-000**
4. Exact name of issuer as specified in its charter **Italpinas Development Corporation**
5. **Metro Manila, Philippines**
Province, Country or other jurisdiction of
incorporation or organization
6. (SEC Use Only)
Industry Classification Code:
7. **Unit 28C BPI Philamlife Building, 6811 Ayala Ave., Makati City** **1212**
Address of principal office Postal Code
8. **(+632) 8893 0328**
Issuer's telephone number, including area code
9. **Not applicable**
Former name, former address, and former fiscal year, if changed since last report.

INTEGRATED ANNUAL CORPORATE GOVERNANCE REPORT

	COMPLIANT/ NON- COMPLIANT	ADDITIONAL INFORMATION	EXPLANATION
The Board's Governance Responsibilities			
Principle 1: 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.			
Recommendation 1.1			
1. Board is composed of directors with collective working knowledge, experience or expertise that is relevant to the company's industry/sector.	Compliant	The qualifications and professional experience of the directors are accessible at the Company website under the following link: <i>https://italpinas.com/about-us/leadership/</i>	
2. Board has an appropriate mix of competence and expertise.	Compliant	The Company's Manual on Corporate Governance provides for the qualifications of the Board of Directors as follows:	
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	<i>"1.2 c With relevant experience and credentials such as previous business experience in a corporation, membership in good standing in relevant industry and membership in business or professional organizations and practical understanding of the business of the Company and its subsidiaries."</i> For purposes of flexibility, industry specific experience or qualification is not provided for, but under the Manual on Corporate Governance, the Nomination Committee is tasked as follows:	

		"2.2a Evaluate the qualifications of all persons nominated for election to the Board of Directors and recommend such adjustment in the Board structure and the skills and expertise required to meet the needs of the Company."	
Recommendation 1.2			
1. Board is composed of a majority of non-executive directors.	Compliant	The Board is composed of five (5) non-executive directors and four (4) executive directors. The directors and officers are identified at the Company website under the following link: https://italpinas.com/about-us/leadership/	
Recommendation 1.3			
1. Company provides in its Board Charter and Manual on Corporate Governance a policy on training of directors.	Compliant	The Revised Corporate Governance Manual provides that the Chairman shall: <i>"3.1e Assure(s) the availability of proper orientation for first-time directors and continuing training opportunities for all directors",</i>	
2. Company has an orientation program for first time directors.	Compliant	The said Manual is accessible at the following link: https://italpinas.com/wp-content/uploads/Manual-on-Corporate-Governance.pdf	
3. Company has relevant annual continuing training for all directors.	Compliant		

Recommendation 1.4			
1. Board has a policy on board diversity.	Compliant	<p>The Revised Corporate Governance Manual provides under paragraph 3 of item 1.1</p> <p><i>"The Board shall be composed of directors of proven integrity and having the appropriate mix of core competencies that would be relevant to the Company and help build a sustainable business. The Board shall encourage diversity in its composition as to age, gender, culture, skills, competence and knowledge. It shall endeavor to exercise an objective and independent judgment in the performance of its duties and responsibilities."</i></p> <p>The board has 9 members, 7 of whom are male, while 2 are female.</p>	
Optional: Recommendation 1.4			
1. Company has a policy on and discloses measurable objectives for implementing its board diversity and reports on progress in achieving its objectives.	Non-compliant		While no explicit measurable objectives have been set specifically for implementing the board diversity policy, the Board and the Nomination Committee ensure that there is sufficient diversity in the Board's composition as their assessment and selection of a proposed candidate for director take into consideration diversity in background, skills and expertise, personal attributes and abilities so as to make significant contribution to the Board and to the Company.
Recommendation 1.5			
1. Board is assisted by a Corporate Secretary.	Compliant	Atty Michael John A. Tantoco is the appointed Corporate Secretary. He is not the Chief Compliance Officer, nor is he a member of the Board. Rather, he	
2. Corporate Secretary is a separate individual from the Compliance Officer.	Compliant		

3. Corporate Secretary is not a member of the Board of Directors.	Compliant	<p>assists the Board in the performance of its duties and responsibilities. His biographical information and qualifications, including his present occupation and business experience, are described in the Company's Annual Report (17-A) duly submitted to the SEC and PSE and accessible at the following link:</p> <p><i>https://italpinas.com/share-information/investor-relations/</i></p>	
4. Corporate Secretary attends training/s on corporate governance.	Compliant	Atty. Tantoco attends training on corporate governance.	
Optional: Recommendation 1.5			
1. Corporate Secretary distributes materials for board meetings at least five business days before scheduled meeting.	Compliant	As a general rule, agenda materials for consideration of the Board are distributed to them at least 5 business days before the scheduled meeting.	
Recommendation 1.6			
1. Board is assisted by a Compliance Officer.	Compliant	Atty Jose D. Leviste III, the Company's President has likewise been appointed Chief Compliance Officer and assists the Board in the performance of its duties and responsibilities.	
2. Compliance Officer has a rank of Senior Vice President or an equivalent position with adequate stature and authority in the corporation.	Compliant	His biographical information and qualifications, including his present	

		<p>occupation and business experience, are described in the Company's Annual Report (17-A) and Information Statement (20:IS) duly submitted to the SEC and PSE. Please see the following link for reference</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=150691fe039233b63470cea4b051ca8f</p> <p>The duties of the Chief Compliance Officer are described in the Revised Manual of CG. A copy of the Revised Manual on Corporate Governance may be found in the Company's website:</p> <p>https://italpinas.com/wp-content/uploads/Manual-on-Corporate-Governance.pdf</p>	
3. Compliance Officer is not a member of the board.	Non-compliant		It is the first time that the Company appointed a Chief Compliance Officer, for which reason the Board deemed it best to appoint from among themselves in order to get a good grasp of the compliance functions before appointing an outsider to the position.
4. Compliance Officer attends training/s on corporate governance.	Compliant	The Chief Compliance Officer, being likewise the President, attends trainings on corporate governance. The last seminar he attended was the webinar organized by Center for Global Best Practices Foundation held on January 31, 2024, and entitled " New Year SEC Updates and Compliance "	

Principle 2: 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.

Recommendation 2.1

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	The Board of Directors gives importance to its responsibilities as such. This can be seen in the meetings conducted by the company wherein acts of management are deliberated and approved by the board.	
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Recommendation 2.2

1. Board oversees the development, review and approval of the company's business objectives and strategy.	Compliant	Sections A.1.6 and 1.7 of the Corporation's Revised Corporate Governance Manual sets out the Board responsibility for formulating the Corporation's business objectives and defining its strategic priorities for sustainability.	
2. Board oversees and monitors the implementation of the company's business objectives and strategy.	Compliant	This can be seen in the meetings conducted by the company wherein both the direction and the acts of management are deliberated and approved by the board.	

Supplement to Recommendation 2.2			
1. Board has a clearly defined and updated vision, mission and core values.	Compliant	<p>The Company's vision and mission statement and core values are disclosed in the Annual Report of Management to the Shareholders, a copy of which is available at its website under the following link:</p> <p><u>https://italpinas.com/about-us/the-company/</u></p> <p>The Board reviews the Company's vision and mission at the organizational meeting each year and, when necessary, updates it.</p>	
2. Board has a strategy execution process that facilitates effective management performance and is attuned to the company's business environment, and culture.	Compliant	<p>The Board of Directors, upon recommendation from management, deliberates the best possible direction of the Company. Upon approval, the board reviews the progress of this direction through its regular quarterly board meetings or its special board meetings when applicable.</p>	

Recommendation 2.3

<p>1. Board is headed by a competent and qualified Chairperson.</p>	<p>Compliant</p>	<p>Arch. Romolo Valentino Nati, 56 years old, Italian, is a multi-awarded green architect, sustainable developer and multi awarded car designer (BMW and Mitsubishi). He has been awarded in Italy, Estonia and the Philippines.</p> <p>“La Sapienza” and has a Specialization Course in Urban Landscape and Layers from University of Tallin, Estonia and currently taking an Executive Master’s in Business Administration from Asian Institute of Management, Philippines.</p> <p>Arch. Nati is primarily responsible for the overall management and implementation of the Company’s projects. He particularly enjoys working in a team environment, collaborating with the development and design teams from concepts, early site and product development through project sell-out.</p> <p>His biographical information and qualification, including his present occupation and business experience, are described in the Company’s Annual Report (17-A) and Information Statement (20:IS) duly submitted to the SEC and PSE.</p>	
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Recommendation 2.4			
<p>1. Board ensures and adopts an effective succession planning program for directors, key officers and management.</p>	Compliant	<p>The board ensures that there is an effective succession plan for directors, key officers, and management.</p> <p>Employees with potential are given opportunities to hone their leadership skills through various trainings available and mentoring programs to be viable for more senior roles in the Company.</p> <p>Also, the Nomination Committee works to ensure that a short list of experts and professionals having the leadership experience, skills-set and expertise relevant to the business of the Corporation is available in case a director or key senior officer would be retiring.</p>	
<p>2. Board adopts a policy on the retirement for directors and key officers.</p>	Non-compliant	<p>The Company's By-Laws provide for a one-year term for elected Directors who may stand for re- election. All nominees for election or re-election for Board membership undergo an assessment process through the Nomination Committee which screens the candidates in line with the Company's strategic goals and needs of the Board and requirement to refresh and recruit new directors and key officers.</p>	<p>The Board has yet to fix a specific retirement age policy for its directors and key officers. However, to aid in the Board renewal process, the Company adopts a robust performance evaluation for the Board and senior management and continuous assessment of Board skills set requirements.</p>

Recommendation 2.5			
1. Board aligns the remuneration of key officers and board members with long-term interests of the company.	Compliant	Other than the payment of reasonable per diem allowances as discussed below, there are no standard arrangements pursuant to which directors of the Company are compensated, or are to be compensated, directly or indirectly, for any services provided as a director. The remuneration of key officers and board members are aligned with long-term interests of the company.	
2. Board adopts a policy specifying the relationship between remuneration and performance.	Non-compliant		While there is no written policy, the board, through the remuneration committee, ensures that, in actual practice, every adjustment in remuneration is supported by measurable performance parameters. The resolutions of the remunerations committee indicate the basis for particular salary adjustments.
3. Directors do not participate in discussions or deliberations involving his/her own remuneration.	Compliant	<p>No director is involved in directly deciding his/her remuneration. Upon management recommendation, the Remunerations Committee deliberates and approves on any changes in remuneration, and the same is reported to the Board</p> <p>Non-executive directors do not receive options, share-based incentives or bonuses.</p>	

		The director's compensation is also described in the Company's Annual Report (17-A) and Information Statement (20:IS) duly submitted to the SEC and PSE.	
Optional: Recommendation 2.5			
1. Board approves the remuneration of senior executives.	Compliant	The Remunerations Committee recommends the remuneration of senior executives, and reports to the Board the rationale and process of determining executive compensation. The Board then approves or denies the recommendation.	
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.	Compliant	The variable remuneration packages of the President & the CEO and top senior officers are based on achievement of certain target performance criteria linked with the annual budget and other parameters.	
Recommendation 2.6			
1. Board has a formal and transparent board nomination and election policy.	Compliant	The Board has adopted a formal and transparent board nomination and election policy. This policy is also disclosed in the Definitive Information Statement provided to the Shareholders in connection with the holding of the Corporation's Annual Stockholders' Meeting.	

<p>2. Board nomination and election policy is disclosed in the company's Manual on Corporate Governance.</p>	<p>Compliant through alternative practice</p>	<p>In accordance with the mandate provided Company's By Laws, the Nomination Committee has prescribed the procedures for the nomination and election of directors as well as screening policies and parameters in the review of the qualifications of the nominees for election to the Board of Directors. The qualification standards for Independent directors and directors in general are also set out in the Company's Manual of Corporate Governance. In accordance with the Corporation Code, any shareholder, including minority shareholders, has a right to nominate candidates to the Board.</p>	
<p>3. Board nomination and election policy includes how the company accepted nominations from minority shareholders.</p>	<p>Compliant</p>	<p>Written nominations by any stockholders shall be received by the corporation not earlier than 40 days from the ASM but not later than 20 days before the date of the Annual General Meeting of the</p>	
<p>4. Board nomination and election policy includes how the board shortlists candidates.</p>	<p>Compliant</p>	<p>Stockholders. The Nomination Committee pre-screens and short lists the nominees for election by the shareholders during the annual meeting. This is provided for the bylaws of the company and is explained in the notice and information statements sent out by the Company which is submitted to the SEC, disclosed with the PSE, and furnished to all stockholders of record. The Information Statement is</p>	
<p>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.</p>	<p>Compliant</p>	<p>Stockholders. The Nomination Committee pre-screens and short lists the nominees for election by the shareholders during the annual meeting. This is provided for the bylaws of the company and is explained in the notice and information statements sent out by the Company which is submitted to the SEC, disclosed with the PSE, and furnished to all stockholders of record. The Information Statement is</p>	

<p>6. Board has a process for identifying the quality of directors that is aligned with the strategic direction of the company.</p>	<p>Compliant</p>	<p>accessible at the following link:</p> <p>https://italpinas.com/share-information/investor-relations/</p> <p>The Board and Nomination Committee's assessment of a proposed candidate involve considerations of the diversity in the Board's composition including a review of the nominee's experience, specialized expertise in the industry, understanding of issues affecting the Company, as well as the current composition of the Board, the balance of management and independent directors, the need for independent oversight and evaluations.</p>	
<p>Optional: Recommendation to 2.6</p>			
<p>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.</p>	<p>Non-compliant</p>		<p>While the Company does not use professional search firms, the management consults other external sources such as professionals who have worked or advised the Company, or it taps people known in the industry for their qualification and integrity.</p>
<p>Recommendation 2.7</p>			
<p>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.</p>	<p>Compliant</p>	<p>The Company's Policy on Material Related Party Transactions is found in the Company's website at the following link:</p> <p>https://italpinas.com/wp-content/uploads/RPT-Policy.pdf</p>	

2. RPT policy includes appropriate review and approval of material RPTs, which guarantee fairness and transparency of the transactions.	Compliant	The provision for review and approval of material RPTs is found in Part IX of the Policy.	
3. RPT policy encompasses all entities within the group, taking into account their size, structure, risk profile and complexity of operations.	Compliant	Part I (Scope) and Part IV (Criteria) of the Policy clearly indicates that it applies to subsidiaries.	
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	Part IX of the Policy provides that RPTs exceeding Php 5M in value, whether single or aggregate, must be disclosed and approved on 2/3 vote by the Board, with the independent members participating and voting. In the event of a failure of the 2/3 vote, the RPT shall be submitted to the stockholders for approval.	

<p>2. Board establishes a voting system whereby a majority of non-related party shareholders approve specific types of related party transactions during shareholders' meetings.</p>	<p>Compliant through alternative practice</p>	<p>In lieu of a specific requirement on approval by majority vote of non-related/public shareholders of transactions with related parties, the policy/practice adopted by the Board requires that the three independent directors approve the transaction with related parties exceeding the threshold of P10 million in value. The independent directors act on behalf of the minority shareholders in approving or disapproving related party transactions.</p>	
<p>Recommendation 2.8</p>			
<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>Partly compliant</p>	<p>Under Section B. 1.7 (a) of the Company's Revised Manual on Corporate Governance, it is the duty of the Board to approve the selection and appointment of the Chief Compliance Officer, the Chief Risk Officer and Chief Audit Executive.</p> <p>The Company's Bylaws, which is accessible at the following link:</p> <p>https://italpinas.com/download/by-laws/</p> <p>also provides for the duty of the Board to select and appoint the Chief Executive Officer.</p>	<p>The Company is still actively looking for a Chief Audit Officer. The President, Atty. Jose D. Leviste III, has been appointed concurrently as Chief Compliance Officer. On the other hand, the functions of a Chief Risk Officer are subsumed in the functions of the Chief Executive Officer, which position is occupied by Romolo Nati.</p>

		<p>The list of individuals comprising the Company's Management Team is available at its website under the following link:</p> <p>https://italpinas.com/about-us/leadership/</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>	Compliant	<p>Formal appraisals are conducted annually after the end of the year, during which the members of the Management team are individually assessed based on the agreed key performance indicators in support of the business strategies, objectives and financial goals.</p>	
Recommendation 2.9			
<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>	Non-compliant		<p>While the Board has yet to establish a performance management framework, the Company conducts an annual performance review of management using the management by objectives approach.</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>	Non-compliant		<p>The performance review conducted every year applies to personnel, except that the graphic rating scale appraisal is used.</p>

Recommendation 2.10			
1. Board oversees that an appropriate internal control system is in place.	Compliant	Under Section B. 1.7 of the Company's Revised Manual of Corporate Governance, the Board has the responsibility to ensure the adoption, adequacy and effectiveness of organizational and operational internal controls.	
2. The internal control system includes a mechanism for monitoring and managing potential conflict of interest of the Management, members and shareholders.	Partly compliant	The Company has a draft Conflict of Interest Policy, which is available at its website under the following link: https://italpinas.com/wp-content/uploads/Draft-Conflict-of-Interest-Policy.pdf	While the Board of Directors has yet to approve the draft Conflict of Interest Policy, Atty. Jose D. Leviste III, the Chief Compliance Officer oversees the implementation of the policy in practice, even pending approval.
3. Board approves the Internal Audit Charter.	Non-compliant		The Company's draft Internal Audit Charter has been revised by the Internal Audit OIC, and will be presented to the Board at the next organizational meeting.
Recommendation 2.11			
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	Section B 1.7 of the Company's Revised Manual of Corporate Governance sets out the Board's responsibility to ensure that a sound ERP system is in place.	

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.	Non-compliant		The Company is in the process of enhancing its risk management systems and is currently developing a formal enterprise-wide integrated risk management framework for a more comprehensive and coordinated risk response strategy.
Recommendation 2.12			
1. Board has a Board Charter that formalizes and clearly states its roles, responsibilities and accountabilities in carrying out its fiduciary role.	Partly compliant	The Company has a draft Charter of the Board of Directors, which is available at its website under the following link:	
2. Board Charter serves as a guide to the directors in the performance of their functions.	Compliant	https://italpinas.com/download/draft-charter-of-the-board-of-directors/ The draft Charter is already being followed even pending finalization.	
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.	Partly compliant	The Company has a draft Policy on Insider Trading, which is available at its website under the following link: https://italpinas.com/wp-content/uploads/Draft-Policy-on-Insider-Trading.pdf	
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.	Compliant	While no loans are being granted to directors, any such transaction will be overseen by the audit committee.	

<p>2. Company discloses the types of decision requiring board of directors' approval.</p>	<p>Compliant</p>	<p>Section B 1.7 of the Revised Manual of Corporate Governance lists the matters under the responsibility and authority of the Board to act upon. Significant matters approved by the Board are immediately disclosed by the Company through the PSE Edge Disclosure System and reported to the SEC under SEC Form 17-C. Copies of disclosures are available at the Company's website under the following link:</p> <p>https://italpinas.com/share-information/investor-relations/</p>	
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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

<p>1. Board establishes board committees that focus on specific board functions to aid in the optimal performance of its roles and responsibilities.</p>	<p>Compliant</p>	<p>Section B.2 of the Company's Revised Manual of Corporate Governance sets out the standing committees of the Board.</p> <p>The Board Committees and their members are identified at the Company's website under the following link:</p> <p>https://italpinas.com/about-us/board-committees/</p>	
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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	Section B.2.1 of the Company's Revised Manual of Corporate Governance sets out duties and responsibilities of the Audit Committee, including its responsibility to recommend for the appointment and removal of the Company's external auditor.	
2. Audit Committee is composed of at least three appropriately qualified non-executive directors, the majority of whom, including the Chairman is independent.	Compliant	The Audit Committee is composed of Mr. Jose D. Araullo, an independent director, as Chairman, and Attys. Christine P. Base a CPA-lawyer, and Dionisio A. Tejero as members.	
3. All the members of the committee have relevant background, knowledge, skills, and/or experience in the areas of accounting, auditing and finance.	Compliant	The qualifications of the members of the Audit Committee may be viewed at the Company's website under the following link: https://italpinas.com/about-us/leadership/	
4. The Chairman of the Audit Committee is not the Chairman of the Board or of any other committee.	Compliant	Mr. Jose G. Araullo, an independent director, is the Chairman of the Audit Committee. He is a member of the Corporate Governance Committee, but he is not the Chairman of the same.	
Supplement to Recommendation 3.2			
1. Audit Committee approves all non-audit services conducted by the external auditor.	Compliant	The external auditor is not engaged for non-audit services	

2. Audit Committee conducts regular meetings and dialogues with the external audit team without anyone from management present.	Compliant	The Audit Committee meets with the external auditors every quarter.	
Optional: Recommendation 3.2			
1. Audit Committee meet at least four times during the year.	Compliant	The Audit Committee meets to review the quarterly, as well as the annual, financial statements before submission to the Board.	
2. Audit Committee approves the appointment and removal of the internal auditor.	Compliant	The Audit Committee approved the appointment of the Internal Audit OIC.	
Recommendation 3.3			
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.	Partly Compliant	There is a Corporate Governance Committee side by side with a Nomination and Remuneration Committee.	
2. Corporate Governance Committee is composed of at least three members, all of whom should be independent directors.	Compliant	The members of the Corporate Governance Committee are Messrs. Jose G. Araullo, Rafael A. Dominguez, and Emerald Magnaye, all of whom are independent directors. Their qualifications may be viewed at the Company's website under the following link: https://italpinas.com/about-us/board-committees/	
3. Chairman of the Corporate Governance Committee is an independent director.	Compliant		

Optional: Recommendation 3.3.			
1. Corporate Governance Committee meet at least twice during the year.	Non-compliant		The members of the Corporate Governance Committee exercise their functions in consultation, rather than in formal meetings.
Recommendation 3.4			
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	Section B 1.7 of the Company's Revised Manual of Corporate Governance provide for the organization of the Board Risk Oversight Committee.	The Board has not as yet organized a separate Risk Oversight Committee. Presently, risk oversight is included in the functions of the Audit Committee.
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		
Recommendation 3.5			
1. Board establishes a Related Party Transactions (RPT) Committee, which is tasked with reviewing all material related party transactions of the company.	Non-compliant	Section B 1.7 of the Company's Revised Manual of Corporate Governance provide for the organization of the Related Party Transactions Committee	The Board has yet to organize a Related Party Transactions Committee. Meantime, the Audit Committee performs the function of reviewing material related party transactions.

2. RPT Committee is composed of at least three non-executive directors, two of whom should be independent, including the Chairman.	Partly compliant		The Audit Committee, which reviews related party transactions, is composed of non-executive directors, whose Chairman is an independent director.
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Recommendation 3.6

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.	Partly compliant	The Company has only four established Committees, to wit: Audit Committee, Corporate Governance Committee, Nomination Committee, and Compensation & Remuneration Committee.	Of the established committees, only the Nomination Committee, and the Compensation & Remuneration Committee have draft charters. In any event, the Board ensures that best practices are observed.
2. Committee Charters provide standards for evaluating the performance of the Committees.	Non-compliant		The draft charters are still in the process of being revised, and a provision on performance evaluation is intended to be included in the revisions.
3. Committee Charters were fully disclosed on the company's website.	Partly compliant	The draft charters may be viewed at the Company's website under the following link: https://italpinas.com/about-us/board-committees/	

Principle 4: 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.

Recommendation 4.1

1. The Directors attend and actively participate in all meetings of the Board, Committees and shareholders in person or through tele/video-conferencing conducted in accordance with the rules and regulations of the Commission.	Compliant	Majority of the time, all Directors are present in person, and actively participate in the discussion. Prior to meetings, the board is furnished with materials to be briefed on the upcoming agenda items and are given an opportunity to raise questions, suggest alternative solutions to items raised.	
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2. The directors review meeting materials for all Board and Committee meetings.	Compliant		
3. The directors ask the necessary questions or seek clarifications and explanations during the Board and Committee meetings.	Compliant		
Recommendation 4.2			
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.	Compliant	The Revised Corporate Governance Manual provides that: <i>The non-executive directors of the Board shall concurrently serve in other directorships up to a maximum of five publicly listed companies to demonstrate their commitment and availability to attend to the affairs of the Company and carry out their duties adequately. All directors shall submit to a low indicative limit on director appointments in other non-listed non-group companies.</i>	
Recommendation 4.3			
1. The directors notify the company's board before accepting a directorship in another company.	Compliant	There has been no such instance in 2023.	
Optional: Principle 4			
1. Company does not have any executive directors who serve in more than two boards of listed companies outside of the group.	Compliant	The backgrounds of the executive directors are provided in the Information Statements filed with both SEC and PSE.	
2. Company schedules board of directors' meetings before the start of the financial year.	Compliant through alternative practice	The Company schedules its meetings at the organizational meeting held after the general shareholders' meetings.	

3. Board of directors meet at least six times during the year.	Compliant	At each organizational meeting the Board schedules regular meetings set for the first Wednesday of every other month. For this year, the Board has already had 4 meetings to date.	
4. Company requires as minimum quorum of at least 2/3 for board decisions.	Partly compliant	The Amended By-Laws of the Company requires the presence of only a majority of the Board for purposes of a quorum.	The Board strives to ensure the presence of all members at these meetings. No meeting proceeds without a quorum.

Principle 5: The board should endeavor to exercise an objective and independent judgment on all corporate affairs

Recommendation 5.1

1. The Board has at least 3 independent directors or such number as to constitute one-third of the board, whichever is higher.	Compliant	The Board has three independent directors in the persons of Mr. Rafael A. Dominguez, Mr. Jose G. Araullo and MGen. Emerald C. Magnaye.	
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Recommendation 5.2

1. The independent directors possess all the qualifications and none of the disqualifications to hold the positions.	Compliant	The background information of the directors, including the independent directors, may be viewed at the Company's website under the following link: https://italpinas.com/about-us/leadership/	
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Supplement to Recommendation 5.2			
1. Company has no shareholder agreements, by-laws provisions, or other arrangements that constrain the directors' ability to vote independently.	Compliant	The Company's Information Statement provides/reflects this policy.	
Recommendation 5.3			
1. The independent directors serve for a cumulative term of nine years (reckoned from 2012).	Compliant	Summary of the backgrounds including the terms of the directors are provided for in the Annual Report and the Information Statement filed with the SEC and disclosed with the PSE.	
2. The company bars an independent director from serving in such capacity after the term limit of nine years.	Compliant	The Revised Corporate Governance Manual provides under 1.3: <i>"An independent director who has served the maximum cumulative term of 9 years as independent director shall be disqualified from being re-elected as independent director of the Company."</i>	
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.	Non-applicable		The Company has not been confronted with such instance.

Recommendation 5.4			
1. The positions of Chairman of the Board and Chief Executive Officer are held by separate individuals.	Non-compliant	Under the Company's By-Laws, the Chairman presides over meetings of the Board & Stockholders, and performs such other functions as the Board may assign. Consequently, the Company streamlined its operations by fusing the functions of Chairman and CEO.	Mr. Romulo V. Nati is Chairman of the Board as well as Chief Executive Officer. Conflict of interest is avoided in 2 ways: (a) by referral of issues with possible conflict of interest to the Corporate Governance and Audit Committees, both of which are composed of non-executive directors, prior to deliberation by the Board; and (b) by the Lead Independent Director presiding when issues with possible conflict of interest are decided.
2. The Chairman of the Board and Chief Executive Officer have clearly defined responsibilities.	Compliant	The Revised Corporate Governance Manual provides for the distinct and separate functions and responsibilities of the Chairman and the CEO, and the same is accessible at the Company's website under the following link: https://italpinas.com/wp-content/uploads/Manual-on-Corporate-Governance.pdf	
Recommendation 5.5			
1. If the Chairman of the Board is not an independent director, the board designates a lead director among the independent directors.	Compliant	Mr. Romolo Nati, the Chairman of the Board, is not an independent director, but Mr. Jose G. Araullo has been designated as lead independent director.	

Recommendation 5.6			
1. Directors with material interest in a transaction affecting the corporation abstain from taking part in the deliberations on the transaction.	Compliant	There has been no formalized transaction where a director has material interest.	
Recommendation 5.7			
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		Only the Audit Committee, which is chaired by an independent director, meets with the external auditor.
2. The meetings are chaired by the lead independent director.			
Optional: Principle 5			
1. None of the directors is a former CEO of the company in the past 2 years.	Non-compliant		Mr. Romolo Nati has been a director and Chairman of the Board from the inception of the Company.
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.	Compliant	The Board assessed its performance for 2023.	
2. The Chairman conducts a self-assessment of his performance.	Non-compliant		The Company has not yet implemented self-assessment for the Chairman, individual members, and the committees, but it will undertake to do so at the end of 2024.
3. The individual members conduct a self-assessment of their performance.			

4. Each committee conducts a self-assessment of its performance.			
5. Every three years, the assessments are supported by an external facilitator.			
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		While the Company has not yet approved a process, the shareholders are given the opportunity to judge and elect its directors based on the Board's performance.
2. The system allows for a feedback mechanism from the shareholders.			
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.	Partly compliant	The Company has a draft Code of Business Conduct & Ethics, which is available at its website under the following link: <i>https://italpinas.com/wp-content/uploads/Draft-Code-of-Business-Conduct.pdf</i>	The Board has yet to approve the Code of Business Conduct & Ethics.
2. The Code is properly disseminated to the Board, senior management and employees.			
3. The Code is disclosed and made available to the public through the company website.			

Supplement to Recommendation 7.1			
1. Company has clear and stringent policies and procedures on curbing and penalizing company involvement in offering, paying and receiving bribes.	Partly compliant	The Company has a draft Whistle Blowing Policy, which is available at its website under the following link: https://italpinas.com/wp-content/uploads/Draft-Code-of-Business-Conduct.pdf	The Board has yet to approve this policy.
Recommendation 7.2			
1. Board ensures the proper and efficient implementation and monitoring of compliance with the Code of Business Conduct and Ethics.	Partly compliant		While the policy has not yet been approved, the directors and executive officers are exhorted to comply with the draft policy, and the HR department ensures compliance by middle management and other employees.
2. Board ensures the proper and efficient implementation and monitoring of compliance with company internal policies.			
Disclosure and Transparency			
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			
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.	Non-compliant	The List of Disclosures can be accessed at the Company's website under the following link: https://italpinas.com/share-information/investor-relations/	While the Board has not adopted corporate disclosure policies, the Company follows the relevant disclosure rules of the SEC and the PSE, and regularly informs the directors, officers and employees of the same.

Supplement to Recommendations 8.1			
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.	Partly compliant		The AFS is submitted and disclosed at least 105 days from the end of the audit period while the quarterly FS is submitted and disclosed within 45 days from the end of the reporting period.
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.	Compliant	The Annual Report can be accessed at the Company's website under the following link: <i>https://italpinas.com/share-information/investor-relations/</i>	
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.	Non-compliant		While the Company does not have a written policy on the same, the Board regularly reminds its members as well as the key officers about the requirement to disclose within 2-3 days from the transaction to give the Company ample

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.			time to disclose the same to the SEC and PSE.
Supplement to Recommendation 8.2			
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 share buy-back program).	Compliant	<p>Please refer to the top 100 shareholders as disclosed at</p> <p>https://italpinas.com/share-information/investor-relations/</p> <p>The conglomerate map is available at</p> <p>https://italpinas.com/conglomerate-map/</p>	
Recommendation 8.3			
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.		<p>The qualifications of the directors and key officers are provided in its Information Statement and Annual Reports. as attached herein.</p> <p>Copies of the above-mentioned documents may be found in the link below:</p>	
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.		<p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=e4b4a880062c0aaf0de8473cebbd64_07</p> <p>https://edge.pse.com.ph/openDiscViewer.do?edge_no=e7d344dbefbd7c005d542af6f1e997b_9</p>	

Recommendation 8.4			
1. Company provides a clear disclosure of its policies and procedure for setting Board remuneration, including the level and mix of the same.	Non-compliant		While policies for board remuneration have not been set in writing yet, the company through the remuneration committee is currently drafting the policy.
2. Company provides a clear disclosure of its policies and procedure for setting executive remuneration, including the level and mix of the same.			
3. Company discloses the remuneration on an individual basis, including termination and retirement provisions.	Non-compliant		The company discloses the top executive compensation lumped as a group. The remuneration of executives are competitive and within industry standards.
Recommendation 8.5			
1. Company discloses its policies governing Related Party Transactions (RPTs) and other unusual or infrequently occurring transactions in their Manual on Corporate Governance.	Compliant	The Company's Policy on Material Related Party Transactions is found in the Company's website at the following link: https://italpinas.com/wp-content/uploads/RPT-Policy.pdf	
2. Company discloses material or significant RPTs reviewed and approved during the year.	Not applicable	There have been no formalized related party transactions involving the directors.	
Supplement to Recommendation 8.5			
1. Company requires directors to disclose their interests in transactions or any other conflict of interests.	Compliant	The directors and officers are required to disclose related party transactions in accordance with the Company's Policy cited above.	

Optional : Recommendation 8.5			
<p>1. Company discloses that RPTs are conducted in such a way to ensure that they are fair and at arms' length.</p>	<p>Compliant</p>	<p>The Company's Policy on Material Related Party Transactions provides for disclosure procedures.</p>	
Recommendation 8.6			
<p>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.</p>	<p>Compliant</p>	<p>The website of the Company, as well as PSE EDGE, is used for purposes of disclosing to the public such transactions, but there have been no acquisition or disposal of significant assets which would have adverse effect on the Company's viability.</p>	
<p>2. Board appoints an independent party to evaluate the fairness of the transaction price on the acquisition or disposal of assets.</p>	<p>Compliant</p>	<p>The Company always requires a report from an independent appraiser before making any acquisition of assets of substantial value. To date, no disposition has been made of assets of substantial value.</p>	

Supplement to Recommendation 8.6			
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	The Company's Information Statement discloses such details. A copy of the IS may be found in the link below: https://edge.pse.com.ph/openDiscViewer.do?edge_no=68396c7f2f1d84183470cea4b051ca8f	
Recommendation 8.7			
1. Company's corporate governance policies, programs and procedures are contained in its Manual on Corporate Governance (MCG).	Compliant	The corporate governance policies and programs are all in the Revised Manual on Corporate Governance.	
2. Company's MCG is submitted to the SEC and PSE.	Compliant	The Revised Manual has been submitted to SEC and PSE, and is available at the Company's website at the following link: https://italpinas.com/wp-content/uploads/Manual-on-Corporate-Governance.pdf	
3. Company's MCG is posted on its company website.			
Supplement to Recommendation 8.7			
1. Company submits to the SEC and PSE an updated MCG to disclose any changes in its corporate governance practices.	Compliant	There has been no changes to the Revised Manual since its submission to SEC and PSE.	
Optional: Principle 8			
1. Does the company's Annual Report disclose the following information:	Compliant	The Company's Annual Report has been posted in the Company's website at the following link:	
a. Corporate Objectives	Compliant	https://italpinas.com/share-information/investor-relations/	

b. Financial performance indicators	Compliant		
c. Non-financial performance indicators	Compliant		
d. Dividend Policy	Compliant		
e. Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and other directorships in listed companies) of all directors	Compliant		
f. Attendance details of each director in all directors' meetings held during the year	Non-compliant		This is not in the Annual Report. However, the company includes this in the Information Statement submitted to the SEC and disseminated to the stockholders prior to the annual stockholders meeting.
g. Total remuneration of each member of the board of directors	Non-compliant		The top remunerations are lumped as a group.
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.	Non-compliant		The CGR was no longer required to be attached in the annual report. However, the Company always adhered to the rules of the Code of Corporate Governance.

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.	Non-compliant		While no such disclosure was made, as this was not required, the directors actually conduct a review of the company's material controls.
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).	Compliant	Risks are found in part I of the annual report.	
<p>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.</p>			
<p>Recommendation 9.1</p>			
1. Audit Committee has a robust process for approving and recommending the appointment, reappointment, removal, and fees of the external auditors.	Non-compliant		The company is currently drafting the committee manual which will also cover the process for approving and recommending the appointment, reappointment, removal and fees of the company's external auditor.

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 shareholders approved Moore Roxas Cruz Tagle and Co. as the external auditor by 100% of those present and represented in the meeting.	
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.	Not applicable	There has been no such incident.	
Supplement to Recommendation 9.1			
1. Company has a policy of rotating the lead audit partner every five years.	Compliant	The Revised Manual on Corporate Governance provides under 5.1B that: <i>"The Company's external auditor shall be rotated or the handling partner shall be changed every five (5) years or earlier or the signing partner of the external auditing firm assigned to the Company, shall be changed with the same frequency."</i>	
Recommendation 9.2			
1. Audit Committee Charter includes the Audit Committee's responsibility on: i. assessing the integrity and independence of external auditors;	Non-compliant		The Company finished drafting the Audit Committee Charter, and the same includes the herein enumerated responsibilities.

<ul style="list-style-type: none"> 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. 			
<p>2. Audit Committee Charter contains the Committee's responsibility on reviewing and monitoring the external auditor's suitability and effectiveness on an annual basis.</p>	<p>Non-compliant</p>		<p>The Company finished drafting the Audit Committee Charter, and the same includes this specific responsibility.</p>
<p>Supplement to Recommendations 9.2</p>			
<p>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.</p>	<p>Non-compliant</p>		<p>The Company finished drafting the Audit Committee Charter, and the same includes the desired qualifications of the external auditor.</p>
<p>2. Audit Committee ensures that the external auditor has adequate quality control procedures.</p>	<p>Compliant</p>	<p>The Audit Committee questions the external auditor on quality control procedures during the submission and prior to its approval of the audit plan.</p>	

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.	Not applicable	There were no non-audit services that were provided by the external auditor as disclosed in SEC 17-A report.	
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.	Non-compliant		The Company finished drafting the Audit Committee Charter, and the same includes a policy on potential conflict of interest situations for auditors.
Supplement to Recommendation 9.3			
1. Fees paid for non-audit services do not outweigh the fees paid for audit services.	Not applicable	There were no non-audit services that were provided by the external auditor as disclosed in SEC 17-A report.	
Additional Recommendation to Principle 9			
1. Company's external auditor is duly accredited by the SEC under Group A category.	Compliant	The Company appointed the firm of Moore Roxas Cruz Tagle & Co. as external auditors. The details of the audit engagement partner are as follows: Name: Warren M. Urriza SEC Accreditation No: 106419- SEC Group A Date Accredited: March 24, 2020 Accreditation Expiry: March 23, 2025	

<p>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).</p>	<p>Compliant</p>	<p>The Company's external auditors agreed to be subjected to SOAR inspection.</p>	
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Principle 10: The company should ensure that the material and reportable non-financial and sustainability issues are disclosed.

Recommendation 10.1

<p>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.</p>	<p>Non-compliant</p>		<p>The company intends to draft relevant policy manuals on disclosure of non-financial information, with emphasis on the management of economic, environmental, social and governance issues.</p>
<p>2. Company adopts a globally recognized standard/framework in reporting sustainability and non-financial issues.</p>			

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

<p>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.</p>	<p>Non-compliant</p>		<p>While the company does not use communication channels, management invites media in shareholder meetings as well as uploads updates in its websites. There are relevant articles on the progress of the company from time to time. The website is also updated on the current projects of the company.</p>
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Supplemental to Principle 11

<p>1. Company has a website disclosing up-to-date information on the following:</p>	<p>Compliant</p>	<p>Please see the Company's website at the following link: <i>https://italpinas.com/share-information/investor-relations/</i></p>	
<p>a. Financial statements/reports (latest quarterly)</p>	<p>Compliant</p>		
<p>b. Materials provided in briefings to analysts and media</p>	<p>Compliant</p>		
<p>c. Downloadable annual report</p>	<p>Compliant</p>		
<p>d. Notice of ASM and/or SSM</p>	<p>Compliant</p>		
<p>e. Minutes of ASM and/or SSM</p>	<p>Compliant</p>		
<p>f. Company's Articles of Incorporation and By-Laws</p>	<p>Compliant</p>		

Additional Recommendation to Principle 11			
1. Company complies with SEC-prescribed website template.	Compliant		
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 controls system in the conduct of its business.	Compliant	The Company's Audit Committee reviews the internal controls system to improve the adequacy and effectiveness of controls.	
2. Company has an adequate and effective enterprise risk management framework in the conduct of its business.	Partly compliant	The Company has completed written policies and procedures for all functional units, for which reason it is ready to implement systemized risk monitoring and reporting by the beginning of the 2025	
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.	Non-compliant		Pending finalization of an enterprise-wide compliance program, the management monitors strict compliance to any and all relevant regulatory requirements.

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	The Company has set policies on handling of server protection, virus prevention, employee responsibility, and website integrity.	
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 OIC, who reports functionally to the Board.	
Recommendation 12.3			
1. Company has a qualified Chief Audit Executive (CAE) appointed by the Board.	Non-compliant		The Company is actively searching for a Chief Audit Executive.
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.			
3. In case of a fully outsourced internal audit activity, qualified independent executive or senior management personnel is assigned the responsibility for managing the fully outsourced internal audit activity.	Not applicable		The Company does not outsource its internal audit functions.

Recommendation 12.4			
1. Company has a separate risk management function to identify, assess and monitor key risk exposures.	Non-compliant		The functions of a Chief Risk Officer are subsumed in the functions of the Chief Executive Officer.
Supplement to Recommendation 12.4			
1. Company seeks external technical support in risk management when such competence is not available internally.	Compliant	The Company seeks external technical support from its insurance companies for catastrophe and hazards analysis, from accredited appraisers for property valuation, from geotechnical and materials testing companies for geotechnical analysis, from local government agencies for local natural and man-made risks.	
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).	Non-compliant		The functions of a Chief Risk Officer are subsumed in the functions of the Chief Executive Officer.
2. CRO has adequate authority, stature, resources and support to fulfill his/her responsibilities.	Compliant	The functions of a Chief Risk Officer are subsumed in the functions of the Chief Executive Officer, and the latter has the authority, stature and resources to fulfill risk management responsibilities.	
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.	Non-compliant		The Company is still looking for a Chief Audit Officer. In the meantime, the Internal Audit OIC has recommended, and has supervised a soft implementation of a control and compliance system.

Cultivating a Synergic Relationship with Shareholders

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	Section 8 of the Revised Corporate Governance Manual provides for the rights of shareholders.	
2. Board ensures that basic shareholder rights are disclosed on the company's website.	Compliant	Basic shareholders rights enumerated out at the Company website, accessible at the following link: https://italpinas.com/share-information/investor-relations/	

Supplement to Recommendation 13.1

1. Company's common share has one vote for one share.	Compliant		
2. Board ensures that all shareholders of the same class are treated equally with respect to voting rights, subscription rights and transfer rights.	Compliant	Please refer to Section 8 of the Revised Corporate Governance Manual	
3. Board has an effective, secure, and efficient voting system.	Compliant	Please refer to Section 8 of the Revised Corporate Governance Manual	
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	Please refer to Section 8 of the Revised Corporate Governance Manual	

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	While this is allowed, no such instance has occurred to date.	
6. Board clearly articulates and enforces policies with respect to treatment of minority shareholders.	Compliant	Please refer to Section 8 of the Revised Corporate Governance Manual	
7. Company has a transparent and specific dividend policy.	Partly Compliant	<p>The Company follows the PSE rules on declaration of dividends and payment thereof. It also follows a set of guidelines, which has not been formalized into a policy.</p> <p>The Company has no restrictions that will limit the ability to pay dividends on common equity. But the Company, as a general rule, shall only declare from surplus profit as determined by the Board of Directors as long as such declaration will not impair the capital of the Company.</p>	
Optional: Recommendation 13.1			
1. Company appoints an independent party to count and/or validate the votes at the Annual Shareholders' Meeting.	Compliant through alternative practice		The Law Firm of the Company's Corporate Secretary and the transfer agent, both of whom are external, handles vote validation.

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		The Company sends notices of meetings at least 15 days prior to the annual stockholders meeting, which is in accordance with the minimum rules of the SEC and PSE.
Supplemental to Recommendation 13.2			
1. Company's Notice of Annual Stockholders' Meeting contains the following information:	Compliant	The Notice of Stockholders Meeting is uploaded to the Company's website at the following link: <i>https://italpinas.com/share-information/investor-relations/</i>	
a. The profiles of directors (i.e., age, academic qualifications, date of first appointment, experience, and directorships in other listed companies)	Compliant		
b. Auditors seeking appointment/re-appointment	Compliant		
c. Proxy documents	Compliant		
Optional: Recommendation 13.2			
1. Company provides rationale for the agenda items for the annual stockholders meeting	Compliant	The Company sends an Explanation of Agenda Items together with the Notice of Stockholders Meeting, the Information Statement and the Management Report to the stockholders at least 15 days before the scheduled ASM.	

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.	Not applicable		No relevant questions were raised during the last annual stockholders meeting.
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	The Minutes of the Annual Stockholders Meeting is uploaded to the Company's website at the following link: https://italpinas.com/share-information/investor-relations/	
Supplement to Recommendation 13.3			
1. Board ensures the attendance of the external auditor and other relevant individuals to answer shareholders questions during the ASM and SSM.	Compliant	The external auditors, counsels and transfer agents are present at the Annual Stockholders Meeting	
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	While no disputes have arisen to date, the Company intends alternative dispute resolution as the means of resolving intra-corporate issues.	
2. The alternative dispute mechanism is included in the company's Manual on Corporate Governance.	Compliant	The Revised Corporate Governance Manual provides for alternative dispute resolution under 1.7 thereof.	

Recommendation 13.5			
1. Board establishes an Investor Relations Office (IRO) to ensure constant engagement with its shareholders.	Compliant	The Company has appointed Ms. Clara Marie Asuncion Elizaga as Investor Relations Officer, concurrent with her position as Director for Operations	
2. IRO is present at every shareholder's meeting.			
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	The Board has not implemented any policy, nor undertaken any action that may be considered as an anti-takeover measure.	
2. Company has at least thirty percent (30%) public float to increase liquidity in the market.	Compliant	As of March 30, 2024, the public float of the Company's stocks is at 42.16%	
Optional: Principle 13			
1. Company has policies and practices to encourage shareholders to engage with the company beyond the Annual Stockholders' Meeting	Partly compliant		While the Company does not have written policies on shareholder engagement, in practice, shareholders are encouraged to communicate with the Company through emails, and messages in the Company and the CEO's FB pages. The prompt answers to emails have even been noted by shareholders in chatgroups at investagrams.com.
2. Company practices secure electronic voting in absentia at the Annual Shareholders' Meeting.	Compliant	The Company allows electronic voting in absentia pursuant to Sections 49 of the Revised Corporation Code of the Philippines and SEC Memorandum Circular No. 6-2020.	

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.	Non-compliant		While there is no written policy on the matter, the company promotes cooperation with its stakeholders.
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Recommendation 14.2

1. Board establishes clear policies and programs to provide a mechanism on the fair treatment and protection of stakeholders.	Non-compliant		While there is no written policy on the matter, the company promotes fair treatment and protection of its stockholders.
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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.	Non-compliant		The Company is drafting a whistle blowing policy for its stockholders.
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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.	Non-compliant		While the Company is still drafting a policy on alternative dispute resolution for stakeholders, it adopts alternative dispute resolution as the means of resolving intra-corporate issues.
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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.	Not applicable		The Company is working to be fully compliant applicable laws, rules and regulations on corporate governance, and does not intend to seek any exemption.
2. Company respects intellectual property rights.	Compliant	The Company registers all its brand names and marks before the Intellectual Property Office. It recognizes the need to protect intellectual property rights, and complies with the necessary requirements in order to respect others' intellectual property rights.	
Optional: Principle 14			
1. Company discloses its policies and practices that address customers' welfare	Non-compliant		Company has not adopted relevant written policies but has adopted best practices in addressing customers' welfare, as well as in the supplier selection process.
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.	Non-compliant		The Company is finalizing its Employee Manual.
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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.	Non-compliant		The Company's incentive mechanism is applied purely to remuneration. Presently, there are no Employee Stock Ownership Plans.
2. Company has policies and practices on health, safety and welfare of its employees.	Compliant	The Company provides health insurance coverage for all its employees.	
3. Company has policies and practices on training and development of its employees.	Non-compliant		While there are no written policies on training and employee development, the Company has been willing to defray fees for seminars and other short-term training relevant to the work performed by employees.

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.	Partly compliant	A draft Whistle Blowing Policy is accessible at the Company's website through the following link: https://italpinas.com/wp-content/uploads/Draft-Whistle-blowing-Policy.pdf	While there is a draft whistle blowing policy for employees, the same has not yet been approved by the Board.
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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.			
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.	Not applicable	There has been no such incident to date.	
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	Partly compliant	While there is a draft whistle blowing policy for employees, the same has not yet been approved by the Board. Meantime, all concerns on illegal and unethical practices are forwarded to, and handled by Human Resources.	
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.			
3. Board supervises and ensures the enforcement of the whistleblowing framework.			

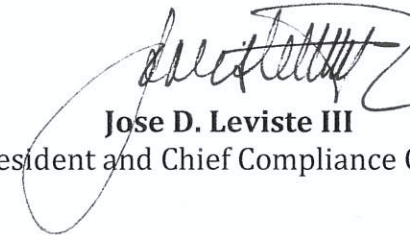
Principle 16: The company should be socially responsible in all its dealings with the communities where it operates. It should ensure that its interactions serve its environment and stakeholders in a positive and progressive manner that is fully supportive of its comprehensive and balanced development.			
Recommendation 16.1			
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.	Partly compliant	While the Company has no written policy on corporate social responsibility, it undertakes and supports social advancement activities, as seen on its website under the following link: http://www.italpinas.com	
Optional: Principle 16			
1. Company ensures that its value chain is environmentally friendly or is consistent with promoting sustainable development	Partly compliant	While no written policy has been approved, the Company is required by the relevant government agencies to ensure environmental compliance.	
2. Company exerts effort to interact positively with the communities in which it operates	Partly compliant	While no written policy has been approved, the Company supports community and local government endeavors.	

Pursuant to the requirement of the Securities and Exchange Commission, this Integrated Annual Corporate Governance Report is signed on behalf of the registrant by the undersigned, thereunto duly authorized, in the City of CITY OF MAKATI on MAY 30 2024, 2024.

SIGNATURE



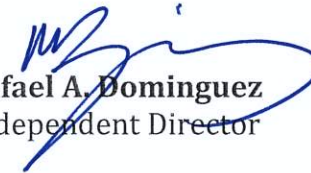
Romolo Nati
Chairman and Chief Executive Officer



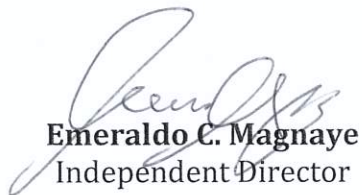
Jose D. Leviste III
President and Chief Compliance Officer



Jose G. Araullo
Lead Independent Director



Rafael A. Dominguez
Independent Director



Emeraldal C. Magnaye
Independent Director



Michael John A. Tantoco, Jr.
Corporate Secretary

MAY 30 2024

Subscribed and sworn to before me this ____ day of _____ 2024, affiant(s) exhibiting to me their Tax Identification Number (TIN) cards, with the following TINs:

Name	TIN
Romolo Nati	
Jose D. Leviste III	
Jose G. Araullo	
Rafael A. Dominguez	
Emeraldo C. Magnaye	
Michael John A. Tantoco, Jr.	

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Series of 2024

ATTY. GERVACIO B. ORTIZ JR.
Notary Public City of Makati
Until December 31, 2024
IBP No. 05729- Lifetime Member
MCLE Compliance No. VII-0022734
valid until April 14, 2025
Appointment No. M-39 (2023-2024)
PTR No. 10073909 Jan. 2, 2024 / Makati
Makati City Roll No. 40091
101 Urban Ave. Campos Rueda Bldg.
Reg. P.O. Del Pilar, Makati City