



| ITEM | CORPORATE GOVERNANCE STANDARD | GUIDING REFERENCE | RESPONSE | PUBLIC DISCLOSURES AND COMMENTS |
|--------------------------------------|--|--|----------|---|
| PART A RIGHTS OF SHAREHOLDERS | | | | |
| A.1 | Basic Shareholder Rights | | | |
| A.1.1 | Does the company pay (interim and final/annual) dividends in an equitable and timely manner; that is, all shareholders are treated equally and paid within 30 days after being (i) declared for interim dividends and (ii) approved by shareholders at general meetings for final dividends? In case the company has offered Scrip dividend, did the company paid the dividend within 60 days? | <i>G20/OECD (2015) Principle II: The rights and equitable treatment of shareholders and key ownership functions (A) Basic shareholder rights should include the right to: (6) share in the profit of the corporation.</i> | YES | GTCAP declared regular and special cash dividends to its common shareholders last March 21, 2017. Shareholders were paid said dividends on April 20, 2017 or twenty nine (29) days from date of declaration. GTCAP Declaration of Dividends http://edge.pse.com.ph/openDiscViewer.do?edge_no=f72d6f1e917050c73318251c9257320d#sthash.4ayy7Zrh.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=901610cc84acf4a83318251c9257320d#sthash.vsjRQO7d.dpbs |
| A.2 | Right to participate in decisions concerning fundamental corporate changes. | | | |
| | <i>Do shareholders have the right to participate in:</i> | | | |
| A.2.1 (Default) | Amendments to the company's constitution? | <i>G20/OECD (2015) Principle II (B) Shareholders should be sufficiently informed about, and have the right to approve or participate in, decisions concerning fundamental corporate changes such as: (1) amendments to the statutes, or articles of incorporation or similar governing documents of the company.</i> | YES | Stockholders have the right to participate in the amendments to GT Capital Holdings, Inc.'s ("GT Capital", "GTCAP", or the "Corporation") Articles of Incorporation ("AOI") and By-Laws. The stockholders may vote in person or by proxy. The 2016 Minutes of the Annual Stockholders' Meeting ("ASM") reflect the participation of GT Capital's shareholders in amending its By-Laws. GTCAP 2016 ASM Minutes: Item 9. Amendment of Amended By-Laws, pages 3-4 http://www.gtcapital.com.ph/storage/uploads/asm/59cc8692b9e4b.pdf GTCAP Amended By-Laws: Article IX, Section 1, page 12 "Section 1. These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for the purpose. ... " http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa5bc8.pdf GTCAP Amended Manual on Corporate Governance ("MCG"): Section 6.3.4 "6.3.4. In all matters which require a vote of shareholders under the Corporation Code, the company shall allow voting in person or by proxy." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|----------------------------|---|---|------------|--|
| <p>A.2.2 (Default)</p> | <p>The authorization of additional shares?</p> | <p><i>G20/OECD (2015) Principle II (B): (2) the authorisation of additional shares.</i></p> | <p>YES</p> | <p>Corporation Code of the Philippines, Section 16.</p> <p>Section 16. Amendment of Articles of Incorporation. – Unless otherwise prescribed by this Code or by special law, and for “legitimate purposes, any provision or matter stated in the articles of incorporation may be amended by a majority vote of the board of directors or trustees and the vote or written assent of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, without prejudice to the appraisal right of dissenting stockholders in accordance with the provisions of this Code, or the vote or written assent of at least two-thirds (2/3) of the members if it be a non-stock corporation. Xxx xxx xxx”</p> <p>GTCAP Amended MCG: Section 6.3.4 “6.3.4. In all matters which require a vote of shareholders under the Corporation Code, the company shall allow voting in person or by proxy.” http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| <p>A.2.3 (Default)</p> | <p>The transfer of all or substantially all assets, which in effect results in the sale of the company?</p> | <p><i>G20/OECD (2015) Principle II (B): (3) extraordinary transactions, including the transfer of all or substantially all assets, that in effect result in the sale of the company</i></p> | <p>YES</p> | <p>Corporation Code of the Philippines, Section 40.</p> <p>“Section 40. Sale or other disposition of assets. – Subject to the provisions of existing laws on illegal combinations and monopolies, a corporation may, by a majority vote of its board of directors or trustees, sell, lease, exchange, mortgage, pledge or otherwise dispose of all or substantially all of its property and assets, including its goodwill, upon such terms and conditions and for such consideration, which may be money, stocks, bonds or other instruments for the payment of money or other property or consideration, as its board of directors or trustees may deem expedient, when authorized by the vote of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock, or in case of non-stock corporation, by the vote of at least to two-thirds (2/3) of the members, in a stockholder’s or member’s meeting duly called for the purpose. Written notice of the proposed action and of the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with postage prepaid, or served personally: Provided, That any dissenting stockholder may exercise his appraisal right under the conditions provided in this Code.</p> <p>A sale or other disposition shall be deemed to cover substantially all the corporate property and assets if thereby the corporation would be rendered incapable of continuing the business or accomplishing the purpose for which it was incorporated. Xxx xxx xxx”</p> <p>GTCAP Amended MCG: Section 6.3.4 “6.3.4. In all matters which require a vote of shareholders under the Corporation Code, the company shall allow voting in person or by proxy.” http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |



| | | | | |
|-----------------|---|--|-----|---|
| A.3 | Right to participate effectively in and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings. | | | |
| A.3.1 (Default) | Do shareholders have the opportunity, evidenced by an agenda item, to approve remuneration (fees, allowances, benefit-in-kind and other emoluments) or any increases in remuneration for the non-executive directors/commissioners? | <i>OECD Principle II (C)</i> (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval. | NO | |
| A.3.2 | Does the company provide non-controlling shareholders a right to nominate candidates for board of directors/commissioners? | | YES | GT Capital recognizes the right of its non-controlling shareholders to nominate candidates for the Board of Directors (the "Board"). GTCAP Amended MCG: : Section 6.3.7 "6.3.7 Shareholders may nominate candidates for seats in the Board of Directors ..." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| A.3.3 | Does the company allow shareholders to elect directors/commissioners individually? | | YES | The Proxy Form which allows shareholders to vote for each individual director is included in the Corporation's DIS. GTCAP 2017 DIS: Proxy, attachment to Notice of ASM, page 1 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| A.3.4 | Does the company disclose the voting procedures used before the start of meeting? | <i>G20/OECD (2015) Principle II (C): Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings</i> | YES | GT Capital's Voting Procedure during the ASM was disclosed in its DIS and was reiterated by the Corporate Secretary during the recent ASM. GTCAP 2016 ASM Minutes: Item 3. Voting Procedures, page 1 http://www.gtcapital.com.ph/storage/uploads/asm/59cc8692b9e4b.pdf GTCAP 2017 ASM Minutes: Item 3. Voting Procedures http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf GTCAP 2017 DIS: Item 4(c) – Voting Securities and Principal Holders Thereof and Item 19- Voting Procedures http://edge.pse.com.ph/openDiscViewer.do?edge_no=40147e58151d226a3318251c9257320d#sthash.eIsLQcUu.dpbs |
| A.3.5 | Do the minutes of the most recent AGM record that there was an opportunity allowing for shareholders to ask questions or raise issues? | <i>G20/OECD (2015) Principle II (C): (3) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on</i> | YES | During the recent ASM, after the President rendered his report for the year 2015, the Chairman opened the floor for questions or comments from the stockholders. GTCAP 2016 ASM Minutes: Item 5. President's Report, page 2 http://www.gtcapital.com.ph/storage/uploads/asm/59cc8692b9e4b.pdf |



| | | | | |
|--------|--|--|-----|--|
| | | <i>the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.</i> | | GTCAP 2017 ASM Minutes: Item 5. President's Report, page 2 http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.6 | Does the company disclose the voting results including approving, dissenting, and abstaining votes for all resolutions/each agenda item for the most recent AGM? | <i>G20/OECD (2015) Principle II (C): (3) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.</i> | YES | GTCAP 2016 ASM Minutes http://www.gtcapital.com.ph/storage/uploads/asm/59cc8692b9e4b.pdf GTCAP 2017 ASM Minutes http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.7 | Does the company disclose the list of board members who attended the most recent AGM? | <i>G20/OECD (2015) Principle II (C); and ICGN (2014) 1.4: The board of directors should meet regularly to discharge its duties and directors should allocate adequate time to meeting preparation and attendance. Board members should know the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.</i> | YES | The Minutes of the 2017 ASM provides the list of board members who attended the 2017 ASM. GTCAP 2017 ASM Minutes http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.8 | Does the company disclose that all board members and the CEO (if he is not a board member) attended the most recent AGM? | <i>G20/OECD (2015) Principle II (C); and ICGN (2014) 1.4: The board of directors should meet regularly to discharge its duties and directors should allocate adequate time to meeting preparation and attendance. Board members should know the business, its operations and senior management well enough to contribute effectively to board discussions and decisions.</i> | NO | The Minutes of the 2017 ASM provides the list of board members who attended the 2017 ASM. Not all members of the board of directors attended the 2017 ASM. GTCAP 2017 ASM Minutes http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.9 | Does the company allow voting in absentia? | <i>G20/OECD (2015) Principle II (C): (5) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia</i> | YES | Shareholders are allowed to vote by proxy. GTCAP 2017 DIS http://edge.pse.com.ph/openDiscViewer.do?edge_no=40147e58151d226a3318251c9257320d#sthash.eIsLQcUu.dpbs |
| A.3.10 | Did the company vote by poll (as opposed to by show of hands) for all resolutions at the most recent AGM? | | YES | All voting during the latest ASM of GT Capital were done by poll. GTCAP 2017 ASM Minutes: Item 3. Voting Procedures http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |



| | | | | |
|------------------|--|--|-----|--|
| | | | | GTCAP 2017 DIS: Item 4(c) – Voting Securities and Principal Holders Thereof and Item 19- Voting Procedures http://edge.pse.com.ph/openDiscViewer.do?edge_no=40147e58151d226a3318251c9257320d#sthash.eIslQcUu.dpbs |
| A.3.11 | Does the company disclose that it has appointed an independent party (scrutineers/inspectors) to count and/or validate the votes at the AGM? | | YES | All votes during the 2017 ASM were received and tabulated by the GT Capital’s Stock Transfer Agent, MBTC-Trust Banking Group, and validated by the external auditor, Sycip Gorres Velayo & Company. GTCAP 2017 ASM Minutes: Item 3. Voting Procedures http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.12 | Does the company make publicly available by the next working day the result of the votes taken during the most recent AGM/EGM for all resolutions? | <i>G20/OECD (2015) Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.</i> | YES | The draft Minutes of the 2017 ASM were uploaded on May 11, 2017 in GT Capital’s website. GTCAP 2017 ASM Minutes: Item 3. Voting Procedures http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| A.3.13 | Does the company provide at least 21 days notice for all AGMs and EGMS? | <i>G20/OECD (2015) Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.</i> | YES | GT Capital ensures, as far as practicable, at least twenty eight (28) days’ notice for all resolutions. For the 2017 ASM, notice was disclosed and posted in the PSE on April 3, 2017 thirty six (36) days before the ASM, through the PIS. GTCAP PIS: Notice of ASM http://edge.pse.com.ph/openDiscViewer.do?edge_no=31062dfc39893a8e3318251c9257320d#sthash.Zza93mAL.dpbs |
| A.3.14 (Default) | Does the company provide the rationale and explanation for each agenda item which require shareholders’ approval in the notice of AGM/circulars and/or the accompanying statement? | <i>G20/OECD (2015) Principle II (C): (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.</i> | YES | GT Capital provided the rationale and explanation for each agenda item in the notice of the ASM, as reflected in the DIS. GTCAP 2017 DIS: Explanation/Rationale for each Agenda Item http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| A.3.15 | Does the company give the opportunity for shareholder to place item/s on the agenda of AGM? | <i>G20/OECD (2015) Principle II (C): (3) Shareholders should have the opportunity to ask questions to the board, including questions relating to the annual external audit, to place items on the agenda of general meetings, and to propose resolutions, subject to reasonable limitations.</i> | YES | GTCAP Amended MCG: Section 6.6.2 “6.6.2 The minority shareholders shall be granted the right to propose the holding of a meeting, and the right to propose items in the agenda of the meeting, provided the items are for legitimate business purposes.” http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|------------|---|--|-----|--|
| A.4 | Markets for corporate control should be allowed to function in an efficient and transparent manner. | | | |
| A.4.1 | In cases of mergers, acquisitions and/or takeovers requiring shareholders' approval, does the board of directors/commissioners of the company appoint an independent party to evaluate the fairness of the transaction price? | <p><i>G20/OECD (2015) Principle II (H): Markets for corporate control should be allowed to function in an efficient and transparent manner. (1) The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers, and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.</i></p> | YES | <p>GTCAP Amended MCG: Section 6.2.2, page 21 "6.2.2 On all matters of importance to investors, especially institutional investors, such as decisions related to mergers and acquisitions, our company shall observe the principle of fair treatment of all shareholders. All resolutions put forward in an ASM concerning mergers and acquisitions shall be accompanied by a report on fair value and on equitable terms and conditions for all shareholders, from an independent valuation company." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| A.5 | The exercise of ownership rights by all shareholders, including institutional investors, should be facilitated. | | | |
| A.5.1 | Does the company disclose its practices to encourage shareholders to engage the company beyond AGM? | <p><i>G20/OECD (2015) Principle II (D): Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.</i></p> | YES | <p>GT Capital allows its shareholders to contact its offices via its website or through disclosed telephone numbers and e-mail addresses. Further, GT Capital conducts periodical analysts' and investors' briefings.</p> <p>GT Capital website - Contact Us http://www.gtcapital.com.ph/contact-us/</p> <p>Notice of Analysts'/Investors' Briefings http://edge.pse.com.ph/openDiscViewer.do?edge_no=d711d94f4970a2dd3318251c9257320d#sthash.UxWsSBWw.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=5db8a2f1e6983b6d72785c150f4cd6d2#sthash.Viy6XTWH.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=103a86111ca3727b72785c150f4cd6d2#sthash.Jy2dqvsP.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=6f2bdd4d4c799a0e72785c150f4cd6d2#sthash.v9fNhWbJ.dpbs</p> |



| PART B EQUITABLE TREATMENT OF SHAREHOLDERS | | | | |
|---|---|--|-----|--|
| B.1 | Shares and voting rights | | | |
| B.1.1 (Default) | Do the company's ordinary or common shares have one vote for one share? | <i>OECD Principle III (A) All shareholders of the same series of a class should be treated equally.</i> | YES | The Corporation observes the basic principle of "one vote per one common share" and does not intend to deviate from this principle. (Section 6.3.1, Manual on Corporate Governance). http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| B.1.2 (Default) | Where the company has more than one class of shares, does the company publicise the voting rights attached to each class of shares (e.g. through the company website / reports/ the stock exchange/ the regulator's website)? | <i>(1) Within any series of a class, all shares should carry the same rights. All investors should be able to obtain information about the rights attached to all series and classes of shares before they purchase. Any changes in voting rights should be subject to approval by those classes of shares which are negatively affected. ICGN 8.3.1 Unequal voting rights Companies' ordinary or common shares should feature one vote for one share. Divergence from a 'one-share, one-vote' standard which gives certain shareholders power which is disproportionate to their equity ownership should be both disclosed and justified.</i> | YES | GTCAP Amended AOI http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa4c4a.pdf |
| B.2 | Notice of AGM | | | |
| B.2.1 | Does each resolution in the most recent AGM deal with only one item, i.e., there is no bundling of several items into the same resolution? | <i>OECD Principle II C. Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern shareholder meetings: 1. Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.</i> | YES | It is GT Capital's policy that there shall be no bundling of several issues in one resolution. This is reflected in the Corporation's MCG, the Notice of the ASM, and the GTCAP 2017 ASM Minutes. GTCAP Amended MCG, Section 6.2.3.c "6.2.3.c Each resolution shall relate to only one agenda item, and it shall include a brief rationale or explanation for its inclusion in the ASM. There shall be no bundling of several issues in one resolution." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf GTCAP 2017 DIS: Notice of ASM http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf GTCAP 2017 ASM Minutes http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| B.2.2. | Is the company's notice of the most recent AGM / circulars fully | <i>the issues to be decided at the meeting.</i> | YES | All GT Capital notices, circulars, and press releases are in the English language. |



| | | | | |
|-------|--|--|-----|--|
| | translated into English and published on the same date as the local-language version? | | | GTCAP 2017 DIS: Notice of ASM http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| | <i>Does the notice of AGM/circulars have the following details:</i> | | | |
| B.2.3 | Are the profiles of directors/commissioners (at least age, academic qualification, date of appointment, experience, and directorships in other listed companies) in seeking election/re-election included? | <p>2. Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes.</p> <p>4. Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</p> <p>5. Shareholders should be able to vote in person or in absentia, ICGN Principle</p> <p>3.1 Composition (Board) There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.</p> <p>3.4 Appointment process The process for director nomination and election/re-election should be disclosed, along with information about board candidates which includes: a) board member identities and rationale for appointment; b) core competencies, qualifications, and professional background; c) recent and current board and management mandates at other companies, as well as significant roles on non-profit/charitable organisations; d) factors affecting independence, including relationship(s) with controlling shareholders; e) length of tenure;</p> <p>9.2 Major decisions Shareholders should have the</p> | YES | <p>The profiles of GT Capital's Directors, their professional background, and other material information are found in GT Capital's DIS and GTCAP's SEC Form 17-A (Annual Report).</p> <p>GTCAP 2017 DIS http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> <p>GTCAP SEC Form 17-A for year ended December 31, 2016 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.j5pRRbmH.dpbs</p> <p>GTCAP 2016 Annual Report: Board of Directors, page 72 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| B.2.4 | Are the auditors seeking appointment/re-appointment clearly identified? | | YES | <p>For the year 2017-2018, the recommendation for re-appointment of Sycip Gorres Velayo ("SGV") & Co. is included in the Corporation's DIS.</p> <p>GTCAP 2017 DIS: Item 7. Independent Public Accountants http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> |
| B.2.5 | Were the proxy documents made easily available? | | YES | <p>The Proxy Form for the 2017 ASM of GT Capital was available in the website and in the DIS, as disclosed via PSE Edge. Copies of the DIS, with an attached proxy form, were also transmitted to stock brokers through GT Capital's Stock Transfer Agent- MBTC-Trust.</p> <p>GTCAP 2017 DIS: http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf http://edge.pse.com.ph/openDiscViewer.do?edge_no=516147649ebdff133318251c9257320d#sthash.AVJFZB2a.dpbs</p> |



| | | | | |
|-----------------|---|--|-----|---|
| | | <i>right to vote on major decisions which may change</i> | | |
| B.3 | Insider trading and abusive self-dealing should be prohibited. | | | |
| B.3.1 (Default) | Does the company have policies and/or rules prohibiting directors/commissioners and employees to benefit from knowledge which is not generally available to the market? | <i>OECD Principle III (B) Insider trading and abusive dealing should be prohibited ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do not benefit from knowledge which is not generally available to the market. ICGN 8.5 Shareholder rights of action ... Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</i> | YES | GTCAP Amended MCG: Section 6.6.5 "6.6.5 The company considers insider trading a very serious offense and shall prohibit the continued service of any director, officer, or employee who has been convicted by a court of competent jurisdiction of insider trading." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf GTCAP 2016 Annual Report: Policies on Insider Trading, page 55 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| B.3.2 | Are the directors/commissioners required to report their dealings in company shares within 3 business days? | | YES | Outside the Blackout Period, in compliance with PSE's Revised Disclosure Rules and the Implementing Rules and Regulations of the Securities Regulation Code, GT Capital requires its directors, principal officers and its principal stockholder (Grand Titan Capital Holdings, Inc.) to report any acquisition or disposal of GT Capital shares on the same day as the transaction. GTCAP Amended MCG: Section 6.6.5 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| B.4 | Related party transactions by directors and key executives. | | | |
| B.4.1 (Default) | Does the company have a policy requiring directors /commissioners to disclose their interest in transactions and any other conflicts of interest? | <i>OECD Principle II F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders. 1. Conflicts of interest inherent in related-party transactions should be addressed. 2. Members of the board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the corporation. ICGN Principle</i> | YES | A policy on conflict of interest is embedded in GT Capital's MCG. GTCAP Amended MCG: Section 2.1.3 (a) " Section 2.1.3 A director should observe the following norms of conduct: (a) Conduct fair business transactions with the corporation and ensure that his personal interest does not conflict with the interests of the corporation. ... If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process..." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf GTCAP Code of Ethics: Standards, page 2 "6. Conflicts of interest shall be avoided, but in cases where such arise and are unavoidable, the same shall be addressed by making the appropriate disclosure. All transactions shall be done in the regular course of business and on an arms-length basis." http://www.gtcapital.com.ph/storage/uploads/2017/09/59c88411563d9.pdf |
| B.4.2 | Does the company have a policy requiring a committee of | | YES | GT Capital's Corporate Governance Committee ("CGC"), which is mandated to pass upon and provide clearance for related party transactions with material significance, is composed of all independent directors. |



| | | | | |
|-----------------|---|---|-----|--|
| | independent directors/commissioners to review material RPTs to determine whether they are in the best interests of the company and shareholders? | <i>9.3 Conflicts of interest Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</i> | | GTCAP 2016 Annual Report: Corporate Governance Committee, page 59 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP website http://www.gtcapital.com.ph/board-committees GTCAP CGC Charter "1. The Committee shall pass upon and provide clearance for related party transactions with material significance. In all cases, the Committee shall make its decision taking into consideration the best interest of the corporation." http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521fd8ea9.pdf |
| B.4.3 (Default) | Does the company have a policy requiring board members (directors/commissioners) to abstain from participating in the board discussion on a particular agenda when they are conflicted? | <i>9.4 Related party transactions The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</i> | YES | Under GT Capital's Amended MCG, directors are prohibited from using their position to profit or gain benefits or advantages for themselves or their related interests, and are obliged to avoid situations which may compromise their impartiality. If an actual or potential conflict of interest arises, the conflicted director is required to fully and immediately disclose such conflict of interest and abstain from participating in the Board discussion of that item on the agenda. GTCAP 2016 Annual Report: Policy on Conflict of Interest, page 52 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP Amended MCG: Section 2.1.3(a), page 5 "Section 2.1.3(a) ... If an actual or potential conflict of interest may arise on the part of a director, he should fully and immediately disclose it and should not participate in the decision-making process..." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| B.4.4 (Default) | Does the company have policies on loans to directors and commissioners either forbidding this practice or ensuring that they are being conducted at arm's length basis and at market rates? | | YES | GTCAP CGC Charter: Article III "Section 3. Loans or Assistance to a related party shall be prohibited, except when the following conditions are present: (a) Management has, based on the judgment of the Board, sufficiently justified the loan or assistance to the related party; (b) The loan or assistance shall be provided on an arms' length basis; (c) The terms and conditions of the loan do not deviate substantially from market terms and conditions and do not jeopardize the best interest of the company." http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521fd8ea9.pdf |
| B.5 | Protecting minority shareholders from abusive actions | | | |
| B.5.1 | Does the company disclose that RPTs are conducted in such a way to ensure that they are fair and at arms' length? | <i>OECD Principle II E. All shareholders of the same series of a class should be treated equally. F. Related-party transactions should be approved and conducted in a manner that ensures proper management of conflict of interest and protects the interest of the company and its shareholders.</i> | YES | GTCAP SEC Form 17-A for 2017: Transactions with Related Parties, page 9 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.5TJBSj7n.dpbs Please refer to Note 27 (Related Party Transactions) of the Notes to the Consolidated Financial Statements, which are attached to the DIS and GTCAP SEC Form 17-A for 2017 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.5TJBSj7n.dpbs GTCAP 2016 Annual Report: Note 27, page 164 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |



| | | | | |
|--|--|--|--|--|
| | | <p><i>G. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited.</i></p> <p><i>ICGN Principle</i></p> <p><i>9.3 Conflicts of interest</i></p> <p><i>Policies and procedures on conflicts of interest should be established, understood and implemented by directors, management, employees and other relevant parties. If a director has an interest in a matter under consideration by the board, then the director should promptly declare such an interest and be precluded from voting on the subject or exerting influence.</i></p> <p><i>9.4 Related party transactions</i></p> <p><i>The process for reviewing and monitoring related party transactions should be disclosed. For significant transactions, a committee of independent directors should be established to vet and approve the transaction.</i></p> <p><i>ICGN Principle 9.5 Shareholder approval</i></p> <p><i>Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</i></p> <p><i>ICGN Principle 9.10 Equality and redress</i></p> <p><i>Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</i></p> | | |
|--|--|--|--|--|



| | | | | |
|------------------------------------|---|---|-----|--|
| B.5.2 | In case of related party transactions requiring shareholders' approval, is the decision made by disinterested shareholders? | <p><i>OECD Principle II</i> <i>G. Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress. Abusive self-dealing should be prohibited.</i> <i>ICGN Principle 9.5 Shareholder approval</i> <i>Shareholders should have the right to approve significant related party transactions and this should be based on the approval of a majority of disinterested shareholders.</i> <i>ICGN Principle 9.10 Equality and redress</i> <i>Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress.</i></p> | NO | |
| PART C ROLE OF STAKEHOLDERS | | | | |
| C.1 | The rights of stakeholders that are established by law or through mutual agreements are to be respected. | | | |
| | <i>Does the company disclose a policy and practices that address :</i> | | | |
| C.1.1 | The existence and scope of the company's efforts to address customers' welfare? | <p><i>OECD Principle IV (A)</i> <i>The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g., labour, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are not legislated, many firms make additional commitments to stakeholders, and concern over</i></p> | YES | GTCAP 2016 Annual Report: Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities, page 66 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.1.2 | Supplier/contractor selection procedures? | | YES | GTCAP 2016 Annual Report: Procurement Policies, page 55 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.1.3 | The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development? | | YES | GTCAP 2016 Annual Report: Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities, page 66 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.1.4 | The company's efforts to interact | | YES | GTCAP 2016 Annual Report |



| | | | | |
|------------|---|---|-----|--|
| | with the communities in which they operate? | <i>corporate reputation and corporate performance often requires the recognition of broader interests. Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</i> | | Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities, page 66 Corporate Social Responsibility, page 46 Component Company Highlights: Metrobank Foundation, Inc., page 39 Component Company Highlight: GT Foundation, Inc., page 44 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP website http://www.gtcapital.com.ph/csr |
| C.1.5 | The company's anti-corruption programmes and procedures? | | YES | Under GT Capital's Employee Code of Discipline, "Bribery or offering or accepting anything of value for personal gain but against the interest of the Company" is listed as an offense against the Corporation's interests and policies. The erring employee is subject to the penalty of dismissal on first offense. GTCAP Employee Code of Discipline: A-1 Dishonesty, 3.4 List of Offenses and Respective Disciplinary Actions, page 3-3 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5f58d4067.PDF GTCAP 2016 Annual Report: Code of Discipline and Anti-corruption Programs, page 51 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.1.6 | How creditors' rights are safeguarded? | | YES | GTCAP 2016 Annual Report: Creditor Protection, page 66 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.1.7 | Does the company have a separate report/section that discusses its efforts on environment/economy and social issues? | | YES | GTCAP 2016 Annual Report Customer Welfare and Safety, Environment-Friendly Value Chain and Interaction with Communities, page 66 Corporate Social Responsibility, page 46 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| C.2 | Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. | | | |
| C.2.1 | Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights? | <i>OECD Principle IV (B)</i> Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. The governance framework and processes should be transparent and not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights. | YES | There are a number of avenues which the Corporation's stakeholders can use to voice their concerns and/or complaints for possible violations of their rights such as via e-mail, telephone, and/or fax. GTCAP website http://www.gtcapital.com.ph/contact-us GTCAP 2016 Annual Report http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |



| C.3 | Mechanisms for employee participation should be permitted to develop. | | | |
|------------|---|--|-----|--|
| C.3.1 | Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees? | <p><i>OECD Principle IV (C)</i> Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills. Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm. Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p> | YES | <p>GTCAP 2016 Annual Report: Policies on Practices on Health, Safety and Welfare of Employees, page 64 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP 2016 ACGR, page 63 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> |
| C.3.2 | Does the company explicitly disclose the policies and practices on training and development programmes for its employees? | | YES | <p>GTCAP 2016 Annual Report: Policies on Practices on Health, Safety and Welfare of Employees, page 64 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP 2016 ACGR, page 63 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> |
| C.3.3 | Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term | | YES | <p>The Corporation has a Performance and Management Rewards System which evaluates employees based on (1) Goals or Key Result Areas; and (2) Core Competency. At the end of the performance period, each key performance standard will be evaluated and officers may be given a performance bonus commensurate to their individual contribution to the company during a particular period.</p> |



| | | | | |
|------------|---|---|-----|---|
| | financial measures? | | | GTCAP 2016 ACGR, page 65 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf |
| C.4 | Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this. | | | |
| C.4.1 | Does the company have a whistleblowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report? | <i>OECD Principle IV (E): Unethical and illegal practices by corporate officers may not only violate the rights of stakeholders but also be to the detriment of the company and its shareholders in terms of reputation effects and an increasing risk of future financial liabilities. It is therefore to the advantage of the company and its shareholders to establish procedures and safe-harbours for complaints by employees, either personally or through their representative bodies, and others outside the company, concerning illegal and unethical behaviour.</i> | YES | The Corporation's Whistleblowing Policy provides the procedures for complaints by employees concerning illegal and unethical behaviour. Employees may report the same to the Chief Audit Executive ("CAE"). Depending on the sensitivity of the issue, the CAE may either: <ul style="list-style-type: none"> a. Investigate the complaint himself/herself; b. Appoint an investigating officer; c. Create a special task force, internally or outsourced; or d. Elevate the complaint to the Discipline, Ethics, and Values Committee. <p>Finding and recommendations are expected within sixty (60) days upon receipt of the report, unless more time is required under the circumstances.</p> <p>GTCAP 2016 Annual Report: Whistleblowing Policy, page 51 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP Whistleblowing Policy: Procedures, page 2 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5fbde535f.pdf</p> |
| C.4.2 | Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation? | | YES | Under GT Capital's Whistleblowing Policy, aside from maintaining the confidentiality of the identity of the whistleblower, the Corporation will not retaliate against a whistleblower who is an employee of the Corporation in the terms and conditions of employment. <p>GTCAP Whistleblowing Policy: Non-Retaliation Policy, page 3 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5fbde535f.pdf</p> |



| PART D DISCLOSURE AND TRANSPARENCY | | | | |
|---|---|---|-----|---|
| D.1 | Transparent ownership structure | | | |
| D.1.1 | Does the information on shareholdings reveal the identity of beneficial owners, holding 5% shareholding or more? | <i>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, and beneficial ownership. ICGN 7.6 Disclosure of ownership ... the disclosure should include a description of the relationship of the company to other companies in the corporate group, data on major shareholders and any other information necessary for a proper understanding of the company's relationship with its public shareholders.</i> | YES | The Corporation discloses its top 100 shareholders every quarter, which includes those holding 5% or more of its issued and outstanding shares, the latest of which was made in the PSE on April 17, 2017 for the period ended March 31, 2017. No director or officer has shareholdings in GT Capital amounting to 5% or more of its outstanding capital stock. http://edge.pse.com.ph/openDiscViewer.do?edge_no=08adb2dde3d820c33318251c9257320d#sthash.LBWSNm7m.dpbs GTCAP 2017 DIS: Shareholder and Dividend Information, pages 52-53 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf GTCAP 2016 Annual Report: Direct and Indirect Shareholdings of Major Shareholder, Directors and Senior Officers, page 62 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.1.2 | Does the company disclose the direct and indirect (deemed) shareholdings of major and/or substantial shareholders? | | YES | The Corporation discloses its top 100 shareholders every quarter, which includes those holding 5% or more of its issued and outstanding shares, the latest of which was made in the PSE on April 17, 2017 for the period ended March 31, 2017. No director or officer has shareholdings in GT Capital amounting to 5% or more of its outstanding capital stock. http://edge.pse.com.ph/openDiscViewer.do?edge_no=08adb2dde3d820c33318251c9257320d#sthash.LBWSNm7m.dpbs GTCAP 2016 Annual Report: Direct and Indirect Shareholdings of Major Shareholder, Directors and Senior Officers, page 62 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.1.3 | Does the company disclose the direct and indirect (deemed) shareholdings of directors (commissioners)? | | YES | The Corporation discloses its Public Ownership Report quarterly, which includes the direct and indirect shareholdings of its major shareholder, Grand Titan Holdings, Inc., the latest of which was made in the PSE on April 12, 2017 with March 31, 2017 as the Report Date. http://edge.pse.com.ph/openDiscViewer.do?edge_no=a3ae6cb712ff21f23318251c9257320d#sthash.Gh3HkzA9.dpbs GTCAP 2016 Annual Report: Direct and Indirect Shareholdings of Major Shareholder, Directors and Senior Officers, page 62 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.1.4 | Does the company disclose the direct and indirect (deemed) shareholdings of senior management? | | YES | The Corporation discloses its Public Ownership Report quarterly, which includes the direct and indirect shareholdings of its major shareholder, Grand Titan Holdings, Inc., the latest of which was made in the PSE on April 12, 2017 with March 31, 2017 as the Report Date. http://edge.pse.com.ph/openDiscViewer.do?edge_no=a3ae6cb712ff21f23318251c9257320d#sthash.Gh3HkzA9.dpbs GTCAP 2016 Annual Report: Direct and Indirect Shareholdings of Major Shareholder, Directors and Senior Officers, page 62 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.1.5 | Does the company disclose details of the parent/holding company, subsidiaries, associates, joint ventures and special purpose enterprises/ vehicles (SPEs)/ (SPVs)? | | YES | GTCAP 2016 Annual Report: Component Company Highlights http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP website http://www.gtcapital.com.ph/corporate-profile GTCAP 2017 DIS: Brief Description of the General Nature and Scope of the Corporation's Business and Subsidiaries, pages 50-51 |



| | | | | |
|------------|---|---|-----|--|
| | | | | http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| D.2 | Quality of Annual Report | | | |
| | <i>Does the company's annual report disclose the following items:</i> | | | |
| D.2.1 | Corporate Objectives | <p><i>OECD Principle V (A):</i> <i>(1) The financial and operating results of the company;</i> <i>(2) Company objectives, including ethics, environment, and other public policy commitments;</i> <i>(3) Major share ownership and voting rights, including group structures, intra-group relations, ownership data, beneficial ownership;</i> <i>(4) Remuneration policy for members of the board and key executives, including their qualifications, the selection process, other company directorships and whether they are regarded as independent by the board;</i> <i>(6) Foreseeable risk factors, including risk management system;</i> <i>(7) Issues regarding employees and other stakeholders;</i> <i>(8) Governance structure and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</i></p> <p><i>OECD Principle V (E):</i> <i>Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</i></p> <p><i>ICGN 2.4 Composition and structure of the board</i> <i>ICGN 2.4.1 Skills and experience</i> <i>ICGN 2.4.3 Independence</i> <i>ICGN 5.0 Remuneration</i> <i>ICGN 5.4 Transparency</i></p> | YES | GTCAP 2016 Annual Report: Chairman's Message and President's Report (For the Coming Year and Beyond), page 12 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |



| | | | | |
|-------|--|--|-----|--|
| | | <i>UK Corporate Governance Code (2010) A.1.2 - the number of meetings of the board and those committees and individual attendance by directors. CLSA-ACGA (2010) CG Watch 2010 - Appendix 2 (I) CG rules and practices (19) Disclose the exact remuneration of individual directors.</i> | | |
| D.2.2 | Financial Performance indicators | | YES | GTCAP 2016 Annual Report, page 6 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf SEC Form 17-A: Schedule V of 2016 Audited Consolidated Financial Statements: Schedule of Financial Soundness Indicators http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.bbH3FRm9.YBGqbyb.dpbs |
| D.2.3 | Non-Financial Performance indicators | | YES | GTCAP 2016 Annual Report http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.2.4 | Dividend Policy | | YES | GTCAP 2016 Annual Report: Shareholder Meetings and Dividend Policy, page 69 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.2.5 | Biographical details (at least age, academic qualifications, date of first appointment, relevant experience, and any other directorships of listed companies) of all directors/commissioners | | YES | GTCAP 2017 DIS: pages 7-15 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf GTCAP SEC Form 17-A; pages 120-130 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.k4nT645R.dpbs GTCAP 2016 Annual Report, page 72 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.2.6 | Attendance details of each director/commissioner in all directors/commissioners meetings held during the year | | YES | GTCAP 2016 Annual Report, : Board Attendance, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.2.7 | Total remuneration of each member of the board of directors/commissioners | | NO | GTCAP does not disclose the total remuneration of each member of the board of directors. However, the Corporation discloses a summary of the compensation given to all the members of the board of directors. GTCAP 2017 DIS: page 17 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |



| | <i>Corporate Governance Confirmation Statement</i> | | | |
|-------|--|--|-----|--|
| D.2.8 | Does the Annual Report contain a statement confirming the company's full compliance with the code of corporate governance and where there is non-compliance, identify and explain reasons for each such issue? | <p><i>OECD PRINCIPLE V (A) (8)</i> <i>UK CODE (JUNE 2010): Listing Rules</i> <i>9.8.6 R (for UK incorporated companies) and 9.8.7 R (for overseas incorporated companies) state that in the case of a company that has a Premium listing of equity shares, the following items must be included in its Annual Report and accounts: a statement of how the listed company has applied the Main Principles set out in the UK CG Code, in a manner that would enable shareholders to evaluate how the principles have been applied; a statement as to whether the listed company has complied throughout the accounting period with all relevant provisions set out in the UK CG Code; or not complied throughout the accounting period with all relevant provisions set out in the UK CG Code, and if so, setting out:</i> <i>(i) those provisions, if any, it has not complied with;</i> <i>(ii) in the case of provisions whose requirements are of a continuing nature, the period within which, if any, it did not comply with some or all of those provisions; and</i> <i>(iii) the company's reasons for non-compliance.</i> <i>ASX CODE:</i> <i>Under ASX Listing Rule 4.10.3, companies are required to provide a statement in their Annual Report disclosing the</i></p> | YES | <p>GT Capital is in full compliance with the Revised Code of Corporate Governance.</p> <p>GT CAP 2016 Annual Report: 2015 Compliance, page 51 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|------------|--|---|-----|---|
| | | <i>extent to which they have followed the Recommendations in the reporting period. Where companies have not followed all the Recommendations, they must identify the Recommendations that have not been followed and give reasons for not following them. Annual Reporting does not diminish the company's obligation to provide disclosure under ASX Listing Rule 3.1.</i> | | |
| D.3 | Disclosure of related party transactions (RPT) | | | |
| D.3.1 | Does the company disclose its policy covering the review and approval of material RPTs? | <i>OECD Principle V: Disclosure and Transparency (A) Disclosure should include, but not limited to, material information on: (5) Related party transactions ICGN 2.11.1 Related party transactions The company should disclose details of all material related party transactions in its Annual Report.</i> | YES | The (Corporate Governance) CG Committee, when it functions as GT Capital's Related Party Transactions Committee, passes upon and provides clearance for related party transactions which are of material significance, after assessing whether the terms and conditions of the transaction are appropriate, fair, made on an arm's length basis, and beneficial to GT Capital and its shareholders. The policies which guide the CG Committee when acting as an RPT Committee are found in the Corporate Governance Committee Charter under the Manual. GTCAP Amended MCG- Annex D: CGC Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521fd8ea9.pdf GTCAP 2016 Annual Report: Corporate Governance Committee, page 59 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| D.3.2 | Does the company disclose the name, relationship, nature and value for each material RPTs? | | YES | The Corporation discloses the name of and relationship with the related party to the investing public through its financial statements, annual reports, and other applicable regulatory filings. Examples: http://edge.pse.com.ph/openDiscViewer.do?edge_no=212f76326e86ad1f3318251c9257320d#sthash.eSrj3xPm.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=c162ffc42c6451273318251c9257320d#sthash.DbBCVWU0.dpbs GTCAP SEC Form 17-A: Transactions with and/or Dependence on Related Parties, page 38 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.k4nT645R.dpbs |
| D.4 | Directors and commissioners dealings in shares of the company | | | |
| D.4 .1 | Does the company disclose trading in the company's shares by insiders? | <i>OECD Principle V (A): (3) Major share ownership and voting rights ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by</i> | YES | The Corporation discloses the trading of company shares by insider through SEC Forms 23-A and 23-B. Examples: http://edge.pse.com.ph/openDiscViewer.do?edge_no=17fff4c28d7461eb3318251c9257320d#sthash.frQH7hqt.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=17fff4c28d7461eb3318251c9257320d#sthash.frQH7hqt.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=50aa9f642d524b8472785c150f4cd6d2#sthash.WXD4Dhr1.dpbs |



| | | | | |
|------------|---|---|-----|--|
| | | <p>directors and employees in the company's own securities. <i>ICGN 5.5 Share ownership</i> <i>Every company should have and disclose a policy concerning ownership of shares of the company by senior managers and executive directors with the objective of aligning the interests of these key executives with those of shareholders.</i></p> | | <p>http://edge.pse.com.ph/openDiscViewer.do?edg no=a8a3b281446133c672785c150f4cd6d2#sthash.ZXmkJOzE.dpbs</p> |
| D.5 | External auditor and Auditor Report | | | |
| D.5.1 | Are the audit and non-audit fees disclosed? | <p><i>OECD Principle V (C):</i> <i>An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</i> <i>OECD Principle V (D):</i> <i>External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit.</i> <i>ICGN 6.5 Ethical standards (Audit)</i> <i>The auditors should observe high-quality auditing and ethical standards. To limit the possible risk of possible conflicts of interest, non-audit services and fees paid to auditors for non-audit services should be both approved in advance by the audit committee and disclosed in the Annual Report.</i></p> | YES | <p>For 2016, the aggregate fee billed for audit and audit-related professional services rendered by the external auditor was Php11.37 Million.</p> <p>GTCAP 2016 Annual Report, page 61 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP 2017 DIS: page 18 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> <p>GTCAP SEC Form 17-A: Transactions with and/or Dependence on Related Parties, page 119 http://edge.pse.com.ph/openDiscViewer.do?edg no=4067607c7fb7b8e23318251c9257320d#sthash.k4nT645R.dpbs</p> |
| D.5.2 | Does the non-audit fee exceed the audit fees? | | NO | <p>GTCAP 2016 Annual Report, page 61 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP 2017 DIS: page 18</p> |



| | | | | |
|------------|---|--|-----|--|
| | | | | http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf GTCAP SEC Form 17-A: Transactions with and/or Dependence on Related Parties, page 119 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.k4nT645R.dpbs |
| D.6 | Medium of communications | | | |
| | <i>Does the company use the following modes of communication?</i> | <p><i>OECD Principle V (E): Channels for disseminating information should provide for equal, timely and cost-efficient access to relevant information by users.</i></p> <p><i>ICGN 7.1 Transparent and open communication</i> <i>Every company should aspire to transparent and open communication about its aims, its challenges, its achievements and its failures.</i></p> <p><i>ICGN 7.2 Timely disclosure</i> <i>Companies should disclose relevant and material information concerning themselves on a timely basis, in particular meeting market guidelines where they exist, so as to allow investors to make informed decisions about the acquisition, ownership obligations and rights, and sales of shares.</i></p> | | |
| D.6.1 | Quarterly reporting | | YES | <p>For the quarterly period ended March 31, 2017: http://edge.pse.com.ph/openDiscViewer.do?edge_no=62e13b91fdf9b4dd3318251c9257320d#sthash.PxGYWx2h.dpbs</p> <p>For the quarterly period ended September 30, 2016: http://edge.pse.com.ph/openDiscViewer.do?edge_no=05448224210ab33472785c150f4cd6d2#sthash.chTJSNFq.dpbs</p> <p>For the quarterly period ended June 30, 2016: http://edge.pse.com.ph/openDiscViewer.do?edge_no=044ea1e572edd24d72785c150f4cd6d2#sthash.apgDsmLO.dpbs</p> <p>For the quarterly period ended March 31, 2016: http://edge.pse.com.ph/openDiscViewer.do?edge_no=5a4e08ed295d713272785c150f4cd6d2#sthash.rvsnIrFR.dpbs</p> <p>GTCAP website http://www.gtcapital.com.ph/investor-relations/financial-reports</p> |
| D.6.2 | Company website | | YES | http://www.gtcapital.com.ph/ |
| D.6.3 | Analysts' briefing | | YES | <p>GTCAP 2016 Annual Report: Investor Relations Calendar of Events, page 70 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>Notice of Briefing: http://edge.pse.com.ph/openDiscViewer.do?edge_no=d711d94f4970a2dd3318251c9257320d#sthash.RLQ53DDq.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=5db8a2f1e6983b6d72785c150f4cd6d2#sthash.IFaFU1Xi.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=103a86111ca3727b72785c150f4cd6d2#sthash.YJxp4YwP.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=103a86111ca3727b72785c150f4cd6d2#sthash.rf2qEba1.dpbs</p> |
| D.6.4 | Media briefings/press conferences | | YES | <p>GTCAP 2016 Annual Report: Investor Relations Calendar of Events, page 70 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>Notice of Briefing: http://edge.pse.com.ph/openDiscViewer.do?edge_no=d711d94f4970a2dd3318251c9257320d#sthash.RLQ53DDq.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=5db8a2f1e6983b6d72785c150f4cd6d2#sthash.IFaFU1Xi.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=103a86111ca3727b72785c150f4cd6d2#sthash.YJxp4YwP.dpbs http://edge.pse.com.ph/openDiscViewer.do?edge_no=103a86111ca3727b72785c150f4cd6d2#sthash.rf2qEba1.dpbs</p> |



| D.7 | Timely filing/release of annual/financial reports | | | |
|------------|--|---|-----|--|
| D.7.1 | Is the audited annual financial report/statement released within 120 days from the financial year end? | <i>OECD Principle V (C)</i> <i>OECD Principle V (E)</i> <i>OECD Principle V-(A)</i> <i>ICGN 7.2 Timely disclosure</i> <i>ICGN 7.3 Affirmation of financial statements</i> | YES | The Consolidated Financial Statements was first released on April 03, 2017, or ninety-three (93) days from December 31, 2016 financial year end, through the PSE Edge, as an attachment to the Corporation's Preliminary Information Statement (PIS). http://edge.pse.com.ph/openDiscViewer.do?edge_no=31062dfc39893a8e3318251c9257320d#sthash.qi0kTqTK.dpbs |
| D.7.2 | Is the annual report released within 120 days from the financial year end? | The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts. | YES | The Corporation's GTCAP SEC Form 17-A (Annual Report) was released and disclosed in the PSE on April 17, 2016, or one-hundred eight (108) days from December 31, 2016 financial year end. http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.Oh80kI2N.dpbs |
| D.7.3 | Is the true and fairness/fair representation of the annual financial statement/reports affirmed by the board of directors/commissioners and/or the relevant officers of the company? | | YES | The Statement of Management's Responsibility for Financial Statements was signed by the Chairman of the Board, the President, and Chief Financial Officer of the Corporation. GTCAP SEC Form 17-A http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.Oh80kI2N.dpbs |
| D.8 | Company website | | | |
| | <i>Does the company have a website disclosing up-to-date information on the following:</i> | <i>OECD Principle V (A)</i> <i>OECD Principle V (E)</i> <i>ICGN 7.1 Transparent and open communication</i> <i>ICGN 7.2 Timely disclosure</i> | | |
| D.8.1 | Financial statements/reports (latest quarterly) | | YES | http://www.gtcapital.com.ph/investor-relations/financial-reports |
| D.8.2 | Materials provided in briefings to analysts and media | | YES | http://www.gtcapital.com.ph/investor-relations/presentation-slides |
| D.8.3 | Downloadable Annual Report | | YES | http://www.gtcapital.com.ph/annual-reports |
| D.8.4 | Notice of AGM and/or EGM | | YES | http://www.gtcapital.com.ph/storage/uploads/asm/59cc7fa23b9a8.pdf |
| D.8.5 | Minutes of AGM and/or EGM | | YES | http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |
| D.8.6 | Company's constitution (company's by-laws, memorandum and articles of association) | | YES | GTCAP Amended AOI http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa4c4a.pdf GTCAP Amended By-laws http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa5bc8.pdf |



| | | | | |
|---|---|--|-----|---|
| D.9 | Investor relations | | | |
| D.9.1 | Does the company disclose the contact details (e.g., telephone, fax, and email) of the officer/office responsible for investor relations? | <i>ICGN 7.1 Transparent and open communication</i> | YES | http://www.gtcapital.com.ph/contact-us GTCAP 2016 Annual Report: Corporate Information http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| PART E RESPONSIBILITIES OF THE BOARD | | | | |
| E.1 | Board Duties and Responsibilities | | | |
| | <i>Clearly defined board responsibilities and corporate governance policies</i> | | | |
| E.1.1 | Does the company disclose its corporate governance policy/board charter? | <i>G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but not be limited to, material information on: 9. Governance structures and policies, in particular, the content of any corporate governance code or policy and the process by which it is implemented.</i> | YES | Governance structures and policies are contained in the GTCAP amended MCG and the CGC Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521fd8ea9.pdf |
| E.1.2 | Are the types of decisions requiring board of directors/commissioners' approval disclosed? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</i> | YES | GTCAP Amended By-laws: Article III, Section 1 (Powers of the Board), pages 3-4 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa5bc8.pdf |
| E.1.3 | Are the roles and responsibilities of the board of directors/commissioners clearly stated? | <i>1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures. 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and</i> | YES | GTCAP Amended MCG http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|-------|---|---|-----|---|
| | | <p><i>overseeing succession planning.</i></p> <p><i>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.</i></p> <p><i>5. Ensuring a formal and transparent board nomination and election process.</i></p> <p><i>6. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.</i></p> <p><i>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</i></p> <p><i>8. Overseeing the process of disclosure and communications.</i></p> | | |
| | <i>Corporate Vision/Mission</i> | | | |
| E.1.4 | Does the company have a vision and mission statement? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board ICGN (2014): 4.1 Codes of Conduct/Ethics</i></p> <p><i>The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively</i></p> | YES | http://www.gtcapital.com.ph/about/vision-mission |



| | | | | |
|-------|--|---|-----|--|
| | | <i>communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures.</i> | | |
| E.1.5 | Does the board of directors play a leading role in the process of developing and reviewing the company's strategy at least annually? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board D. The board should fulfil certain key functions, including: Reviewing and guiding corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.</i> | YES | <p>GTCAP 2016 ACGR, page 5 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> <p>GTCAP Amended MCG: Specific Duties and Functions (Section 2.1.2) http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| E.1.6 | Does the board of directors have a process to review, monitor and oversee the implementation of the corporate strategy? | <i>ICGN (2014): 4.1 Codes of Conduct/Ethics The board should adopt high standards of business ethics through codes of conduct/ethics (or similar instrument) and oversee a culture of integrity, notwithstanding differing ethical norms and legal standards in various countries. This should permeate all aspects of the company's operations, ensuring that its vision, mission and objectives are ethically sound and demonstrative of its values. Codes should be effectively communicated and integrated into the company's strategy and operations, including risk management systems and remuneration structures. ICGN (2014): 1.2 Responsibilities The board is accountable to shareholders and relevant stakeholders and is responsible</i> | YES | <p>Among the specific duties and functions of the Board of Directors, as reflected in the Corporation's MCG, are the following: (a) to provide sound strategic policies and guidelines to the corporation on major investments and capital expenditures; (b) establish program that can sustain its long-term viability and strength; and (c) periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.</p> <p>GTCAP Amended MCG http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |



| | | | | |
|------------|---|---|-----|--|
| | | <p><i>for protecting and generating sustainable value over the long term. In fulfilling their role effectively, board members should:</i></p> <p><i>a) guide, review and approve corporate strategy and financial planning, including major capital expenditures, acquisitions and divestments</i></p> | | |
| E.2 | Board structure | | | |
| | <i>Code of Ethics or Conduct</i> | | | |
| E.2.1 | Are the details of the code of ethics or conduct disclosed? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (C) The board should apply high ethical standards. It should take into account the interests of stakeholders.</p> <p>The board has a key role in setting the ethical tone of a company, not only by its own actions, but also in appointing and overseeing key executives and consequently the management in general. High ethical standards are in the long term interests of the company as a means to make it credible and trustworthy, not only in day-to-day operations but also with respect to longer term commitments. To make the objectives of the board clear and operational, many companies have found it useful to develop company codes of conduct based on, inter alia, professional standards and sometimes broader codes of behaviour. The latter might include a voluntary commitment by the company (including its subsidiaries) to</p> | YES | <p>GTCAP Code of Ethics http://www.gtcapital.com.ph/storage/uploads/2017/09/59c88411563d9.pdf</p> <p>GTCAP Code of Discipline http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5f58d4067.PDF</p> <p>GTCAP 2016 Annual Report, page 51 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.2.2 | Are all directors/commissioners, senior management and employees required to comply with the code/s? | | YES | <p>The Code of Ethics shall cover all directors, officers and employees of GT Capital, while the Code of Discipline covers employees.</p> <p>GTCAP Code of Ethics http://www.gtcapital.com.ph/storage/uploads/2017/09/59c88411563d9.pdf</p> <p>GTCAP Code of Discipline http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5f58d4067.PDF</p> |
| E.2.3 | Does the company have a process to implement and monitor compliance with the code/s of ethics or conduct? | | YES | <p>GT Capital's Human Resources ("HR") and Administration Department, in coordination with the relevant heads of each department, monitors and ensures compliance with the Code of Discipline and Code of Ethics and if necessary, imposes the appropriate disciplinary action. In addition, each department is audited by GT Capital's Internal Audit Department to further verify compliance with existing policies and procedures.</p> <p>GTCAP 2016 ACGR page 26 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> |



| | | | | |
|-------|--|--|-----|---|
| | | comply with the OECD Guidelines for Multinational Enterprises which reflect all four principles contained in the ILO Declaration on Fundamental Labour Rights. Company-wide codes serve as a standard for conduct by both the board and key executives, setting the framework for the exercise of judgement in dealing with varying and often conflicting constituencies. At a minimum, the ethical code should set clear limits on the pursuit of private interests, including dealings in the shares of the company. An overall framework for ethical conduct goes beyond compliance with the law, which should always be a fundamental requirement. | | |
| | <i>Board Structure & Composition</i> | | | |
| E.2.4 | Do independent directors/commissioners make up at least 50% of the board of directors/ commissioners? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</i> | NO | |
| E.2.5 | Does the company have a term limit of nine years or less or 2 terms of five years each for its independent directors/ commissioners? | <i>UK CODE (2016): B.2.3 Non-executive directors should be appointed for specified terms subject to re-election and to statutory provisions relating to the removal of a director. Any term beyond six years for a non-executive director should be subject to particularly rigorous review, and should take into account the need for progressive refreshing of the board and to succession for appointments to the board and to senior management, so as to maintain an appropriate balance of skills and experience within the company and on the board.</i> | YES | Under the Corporation's MCG, an Independent Director means a person who, apart from his fees and shareholdings, is independent of Management and free from any business or other relationship which could, or could reasonably be perceived to materially interfere with his exercise of independent judgment in carrying out his responsibilities as a director. The Independent Director should also not be related within the second degree of consanguinity or affinity with significant stockholders. Independent directors have a term limit of nine years. GTCAP Amended MCG, page 7 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|-------|---|--|-----|--|
| E.2.6 | Has the company set a limit of five board seats that an individual independent/non-executive director/commissioner may hold simultaneously? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. 3. Board members should be able to commit themselves effectively to their responsibilities. Service on too many boards can interfere with the performance of board members. Some countries have limited the number of board positions that can be held. Specific limitations may be less important than ensuring that members of the board enjoy legitimacy and confidence in the eyes of shareholders. Disclosure about other board memberships to shareholders is therefore a key instrument to improve board nominations. Achieving legitimacy would also be facilitated by the publication of attendance records for individual board members (e.g. whether they have missed a significant number of meetings) and any other work undertaken on behalf of the board and the associated remuneration.</i></p> | YES | <p>GTCAP Amended MCG: Section 2.2.2.6 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| E.2.7 | Does the company have any executive directors who serve on more than two boards of listed companies outside of the group? | | YES | <p>The President of the Corporation, who is the only executive director in GT Capital's Board, is a member of the board of directors of Vivant Corporation, a publicly listed corporation. He has no other directorships in other listed companies.</p> <p>GTCAP 2017 DIS, pages 15-16 http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> <p>GTCAP 2016 ACGR, pages 7-8 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> |
| | <i>Nominating Committee</i> | | | |
| E.2.9 | Does the company have a Nominating Committee (NC)? | <p><i>OECD PRINCIPLE II (C) (3) Effective shareholder participation in key corporate governance decisions, such as</i></p> | YES | <p>GTCAP 2016 Annual Report: Nominations Committee, page 58 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP website</p> |



| | | | | |
|--------|---|---|-----|---|
| | | <p>the nomination and election of board members, should be facilitated. Shareholders should be able to make their views known on the remuneration policy for board members and key executives. The equity component of compensation schemes for board members and employees should be subject to shareholder approval.</p> <p>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</p> | | <p>http://www.gtcapital.com.ph/board-committees</p> <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.KIzUxWKA.dpbs</p> <p>GTCAP MCG: Annex A - Nominations Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf</p> |
| E.2.10 | Is the chairman of the Nominating Committee an independent director/commissioner? | <p><i>(C) Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures, that govern general shareholder meetings:</i></p> <p><i>With respect to nomination of candidates, boards in many companies have established Nominating Committees to ensure proper compliance with</i></p> | YES | <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.KIzUxWKA.dpbs</p> <p>GTCAP MCG: Annex A - Nominations Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf</p> |



| | | | | |
|--------|--|---|-----|--|
| | | <p><i>established nomination procedures and to facilitate and coordinate the search for a balanced and qualified board. It is increasingly regarded as good practice in many countries for independent board members to have a key role on this committee. To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</i></p> <p><i>The recognition of Independent Party in the composition of the Nomination Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</i></p> <p><i>G20/OECD PRINCIPLE VI (E)</i></p> <p><i>1. Boards should consider assigning a sufficient number of nonexecutive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</i></p> | | |
| E.2.11 | Does the company disclose the terms of reference/ governance structure/charter of the Nominating | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to</i></p> | YES | <p>GTCAP MCG: Annex A - Nominations Committee Charter; Membership, page 1 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf</p> |



| | | | | |
|--------|--|---|-----|---|
| | Committee? | <i>exercise objective independent judgement on corporate affairs.</i> | | |
| E.2.12 | Is the meeting attendance of the Nominating Committee disclosed and if so, did the Nominating Committee meet at least twice during the year? | <p><i>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</i></p> <p><i>Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system.</i></p> <p><i>Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the</i></p> | YES | <p>The Nominations Committee met on March 10, 2016 and June 23, 2016.</p> <p>GT CAP 2016 Annual Report: Nominations Committee, page 58 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|--------|---|--|-----|---|
| | | <p><i>board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions. Given the responsibilities of the NC spelt out in codes of corporate governance, the NC is unlikely to be fulfilling these responsibilities effectively if it is only meeting once a year. Globally, the NC of large companies would meet several times a year.</i></p> <p><i>G20/OECD PRINCIPLE VI (E) 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.</i></p> | | |
| | <i>Remuneration Committee/ Compensation Committee</i> | | | |
| E.2.13 | Does the company have a Remuneration Committee? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives.</i></p> | YES | <p>GTCAP 2016 Annual Report: Compensation Committee, page 57 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.ddRZjt3A.dpbs</p> <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> <p>GTCAP Amended MCG: Annex B-Compensation Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521a2e9d4.pdf</p> |



| | | | | |
|--------|---|---|-----|--|
| E.2.14 | Is the Remuneration Committee comprised of a majority of independent directors/commissioners? | <i>Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members</i> | YES | <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.ddRZjt3A.dpbs</p> <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> <p>GTCAP 2016 Annual Report: Compensation Committee, page 57 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.2.15 | Is the chairman of the Remuneration Committee an independent director/commissioner? | <i>for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive. In large companies, it is considered good practice that remuneration policy and contracts for board members and key executives be handled by a special committee of the board comprising either wholly or a majority of independent directors and excluding executives that serve on each other's remuneration committees, which could lead to conflicts of interest. The introduction of malus and claw-back provisions is considered good practice. They grant the company the right to withhold and recover compensation from executives in cases of managerial fraud and other circumstances, for example when the company is required to restate its financial statements due to material noncompliance with financial reporting requirements.</i> | YES | <p>GTCAP 2016 Annual Report: Compensation Committee, page 57 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.ddRZjt3A.dpbs</p> <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> |



| | | | | |
|--------|---|---|-----|--|
| | | <p><i>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties. Moreover, their profile must be disclosed and must be approved by its board.</i></p> | | |
| E.2.16 | Does the company disclose the terms of reference/ governance structure/charter of the Remuneration Committee? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. 2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in</i></p> | YES | <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> <p>GTCAP Amended MCG: Annex B-Compensation Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521a2e9d4.pdf</p> |
| E.2.17 | Is the meeting attendance of the Remuneration Committee disclosed and, if so, did the Remuneration Committee meet at least twice during the year? | | NO | <p>The attendance of the Compensation Committee of GTCAP was disclosed in the Annual Report, but did not meet twice during the previous year.</p> <p>GTCAP 2016 Annual Report: Compensation Committee, page 57 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|------------------|--|--|-----|---|
| | | <p><i>many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up to deal with, for example, confidential commercial transactions.</i></p> | | |
| | Audit Committee | | | |
| E.2.18 (Default) | Does the company have an Audit Committee? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives, and board remuneration.</i></p> | YES | <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> <p>GTCAP Amended MCG: Annex C- Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf</p> |
| E.2.19 | Is the Audit Committee comprised entirely of non-executive directors/commissioners with a majority of independent directors/commissioners? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</i></p> | YES | <p>GTCAP website http://www.gtcapital.com.ph/board-committees</p> <p>SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=c5c279d543c817f872785c150f4cd6d2#sthash.93Jjbt10.dpbs</p> |



| | | | | |
|---------------------|---|--|-----|---|
| | | <i>2. Boards should consider setting up specialised committees to support the full board in performing its functions, particularly in respect to audit, and, depending upon the company's size and risk profile, also in respect to risk management and remuneration. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board. Where justified in terms of the size of the company and its board, the use of committees may improve the work of the board. In order to evaluate the merits of board committees it is important that the market receives a full and clear picture of their purpose, duties and composition. Such information is particularly important in the many jurisdictions where boards have established independent audit committees with powers to oversee the relationship with the external auditor and to act in many cases independently. Audit committees should also be able to oversee the effectiveness and integrity of the internal control system. Other such committees include those dealing with nomination, compensation, and risk. The establishment of additional committees can sometimes help avoid audit committee overload and to allow more board time to be dedicated to those issues. Nevertheless, the accountability of the rest of the board and the board as a whole should be clear. Disclosure need not extend to committees set up</i> | | GTCAP Amended MCG: Annex C- Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf |
| E.2.20 (Default) | Is the chairman of the Audit Committee an independent director/commissioner? | | YES | The Corporation's MCG mandates that the Chair of the Audit Committee shall be an independent director. At the Organizational Board Meeting held immediately following the May 11, 2017 ASM, Mr. Wilfredo A. Paras, an independent director, was elected as Chairman of the Audit Committee. GTCAP website http://www.gtcapital.com.ph/board-committees SEC Form 17-C http://edge.pse.com.ph/openDiscViewer.do?edge_no=c5c279d543c817f872785c150f4cd6d2#sthash.93Jjbt1O.dpbs GTCAP Amended MCG: Annex C- Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf |
| E.2.21 | Does the company disclose the terms of reference/governance structure/charter of the Audit Committee? | | YES | GTCAP Amended MCG: Annex C- Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf |



| | | | | |
|--------|---|--|-----|---|
| | | <p><i>to deal with, for example, confidential commercial transactions.</i></p> <p><i>The recognition of Independent Party in the composition of the Remuneration Committee can be counted as committee members. However, to score "Y", the Independent Party should meet the independence requirement and has fiduciary duties.</i></p> <p><i>Moreover, their profile must be disclosed and must be approved by its board.</i></p> | | |
| E.2.22 | Does at least one of the independent directors/commissioners of the committee have accounting expertise (accounting qualification or experience)? | <p><i>UK CODE (2016)</i></p> <p><i>C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.</i></p> | YES | <p>GTCAP 2016 Annual Report: Christopher P. Beshouri, page 76 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP SEC Form 17-A: Christopher P. Beshouri, page 123 http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.1xrXL6rs.dpbs</p> |
| E.2.23 | Is the meeting attendance of the Audit Committee disclosed and, if so, did the Audit Committee meet at least four times during the year? | <p><i>UK CODE (2016)</i></p> <p><i>C.3.1 The board should satisfy itself that at least one member of the Audit Committee has recent and relevant financial experience. As many of the key responsibilities of the Audit Committee are accounting-related, such as oversight of financial reporting and audits, it is important to have someone specifically with accounting expertise, not just general financial expertise.</i></p> | YES | <p>GT Capital's Audit Committee had four (4) meetings in 2016.</p> <p>GTCAP 2016 Annual Report: Audit Committee, page 59 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.2.24 | Does the Audit Committee have primary responsibility for recommendation on the | <p><i>UK CODE (2016)</i></p> <p><i>C.3.6 The Audit Committee should have primary</i></p> | YES | <p>GTCAP Amended MCG: Annex C- Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf</p> |



| | | | | |
|------------|---|---|-----|---|
| | appointment, and removal of the external auditor? | <i>responsibility for making a recommendation on the appointment, reappointment and removal of the external auditor. If the board does not accept the Audit Committee's recommendation, it should include in the Annual Report, and in any papers recommending appointment or re-appointment, a statement from the Audit Committee explaining the recommendation and should set out reasons why the board has taken a different position.</i> | | |
| E.3 | Board Processes | | | |
| | <i>Board meetings and attendance</i> | | | |
| E.3.1 | Are the board of directors meeting scheduled before the start of financial year? | Scheduling board meetings before or at the beginning of the year would allow directors to plan ahead to attend such meetings, thereby helping to maximise participation, especially as non-executive directors often have other commitments. Additional ad hoc meetings can always be scheduled if and when necessary. It is common practice for boards in developed markets to schedule meetings in this way. | YES | GT Capital board meetings are held regularly and dates of the regular meetings are set before the start of the financial year. GTCAP 2016 Annual Report: Board Attendance, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| E.3.2 | Does the board of directors/commissioners meet at least six times during the year? | <i>WORLDBANK PRINCIPLE 6 (VI.I.24) Does the board meet at least six times per year?</i> | YES | GTCAP 2016 Annual Report: Board Attendance, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| E.3.3 | Has each of the directors/commissioners attended at least 75% of all the board meetings held during the year? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs.</i> | NO | In 2016, the Board met seven (7) times, however, not all of the directors attended at least 75% of the meetings held. GTCAP 2016 Annual Report: Board Attendance, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP 2016 ACGR: Attendance of Directors, page 31 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf |
| E.3.4 | Does the company require a minimum quorum of at least 2/3 for | <i>WORLDBANK PRINCIPLE 6 (VI.I.28) Is there a minimum</i> | NO | When important matters are to be discussed in the agenda, such as issues that will have a significant impact on the character of the Corporation, the quorum requirement is two thirds (2/3) of all the directors. |



| | | | | |
|-------|---|--|-----|--|
| | board decisions? | <i>quorum of at least 2/3 for board decisions to be valid?</i> | | GTCAP Amended MCG: Section 2.5.2 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| E.3.5 | Did the non-executive directors/commissioners of the company meet separately at least once during the year without any executives present? | <i>WORLDBANK PRINCIPLE 6 (VI.E.1.6) Does the corporate governance framework requires or encourages boards to conduct executive sessions? G20/OECD PRINCIPLE VI (E) Independent board members can contribute significantly to the decision making of the board. They can bring an objective view to the evaluation of the performance of the board and management. In addition, they can play an important role in areas where the interests of management, the company and its shareholders may diverge such as executive remuneration, succession planning, changes of corporate control, take-over defences, large acquisitions and the audit function. In order for them to play this key role, it is desirable that boards declare who they consider to be independent and the criterion for this judgement. Some jurisdictions also require separate meetings of independent directors on a periodic basis.</i> | YES | The non-executive directors of the company met on May 16, 2017. |
| | <i>Access to information</i> | | | |
| E.3.6 | Are board papers for board of directors/commissioners meetings provided to the board at least five business days in advance of the board meeting? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. Board members require relevant information on a timely basis in order to support their decision-making. Non-executive board members do not typically have</i> | YES | As a company policy, the Board of Directors are provided the requisite board papers at least five (5) business days in advance of the scheduled Board meeting. GTCAP 2016 Annual Report: Board and Committee Support, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP Amended MCG: Section 2.5.2 (a) "The Office of the Corporate Secretary shall provide reasonable and adequate support to the Board of Directors and the members of the Board in the discharge of their functions. Among the duties of the Office of the Corporate Secretary are as follows: (a) Provide the requisite board papers associated with items on the agenda of a Board meeting and to arrange that these |



| | | | | |
|-------|--|---|-----|--|
| | | <p><i>the same access to information as key managers within the company. The contributions of non-executive board members to the company can be enhanced by providing access to certain key managers within the company such as, for example, the company secretary, the internal auditor, and the head of risk management or chief risk officer, and recourse to independent external advice at the expense of the company. In order to fulfil their responsibilities, board members should ensure that they obtain accurate, relevant and timely information. Where companies rely on complex risk management models, board members should be made aware of the possible shortcomings of such models.</i></p> <p>WORLD BANK PRINCIPLE 6 (VI.F.2) Does such information need to be provided to the board at least five business days in advance of the board meeting?</p> | | <p>are sent to all directors at least five business days in advance of the scheduled Board meeting.”</p> <p>http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| E.3.7 | Does the company secretary play a significant role in supporting the board in discharging its responsibilities? | <p>G20/OECD PRINCIPLE VI: Responsibilities of the Board (F) In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information. ICSA Guidance on the Corporate Governance Role of the Company Secretary</p> | YES | <p>GT Capital’s Corporate Secretary, Atty. Antonio V. Viray, plays a significant role in supporting the Board. He has extensive experience in legal and company secretarial practices. He ensures reasonable access to information that directors might need for their deliberation of the issues listed on the Board’s agenda. This includes ensuring that members of the Board receive requisite materials and board papers at least five (5) business days in advance of the scheduled Board meeting.</p> <p>GT CAP 2016 Annual Report: Board and Committee Support, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GT CAP Amended MCG: Section 2.5 (The Corporate Secretary) http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf</p> |
| E.3.8 | Is the company secretary trained in legal, accountancy or company secretarial practices and has kept abreast on relevant developments? | <p>WORLD BANK PRINCIPLE 6 (VI.D.2.12) Do company boards have a professional and qualified company secretary?</p> | YES | <p>GT CAP 2016 Annual Report: Atty. Antonio V. Viray, page 80 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GT CAP 2017 DIS: Profile of Atty. Antonio V. Viray http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> <p>SEC Form 17-A http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.fbZVcRRC.dpbs</p> |



| | | | | |
|--------|--|---|-----|---|
| | | | | GTCAP website: Atty. Antonio V. Viray http://www.gtcapital.com.ph/antonio-v-viray |
| | <i>Board Appointments and Re-Election</i> | | | |
| E.3.9 | Does the company disclose the criteria used in selecting new directors/commissioners? | <i>G20/OECD PRINCIPLE II (C) (4): To further improve the selection process, the Principles also call for full disclosure of the experience and background of candidates for the board and the nomination process, which will allow an informed assessment of the abilities and suitability of each candidate.</i> | YES | GTCAP Amended MCG: Section 2.2.2 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf GTCAP 2016 ACGR: Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf GTCAP 2017 DIS: Voting Securities and Principal Holders Thereof; Nominee Directors http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| E.3.10 | Did the company describe the process followed in appointing new directors/commissioners? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 5. Ensuring a formal and transparent board nomination and election process. These Principles promote an active role for shareholders in the nomination and election of board members. The board has an essential role to play in ensuring that this and other aspects of the nominations and election process are respected. First, while actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established procedures are transparent and respected. Second, the board has a key role in defining the general or individual profile of board members that the company may need at any given time, considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board. Third, the board or nomination</i> | YES | Under the Corporation's MCG, the Nominations Committee pre-screens and shortlists all nominated to become a member of the Board, ensuring that each nominee has the qualifications and none of the disqualifications pursuant to relevant regulations. GTCAP Amended MCG: Section 2.2.2 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf GTCAP 2016 ACGR: Selection/Appointment, Re-election, Disqualification, Removal, Reinstatement and Suspension http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf GTCAP 2017 DIS: Voting Securities and Principal Holders Thereof; Nominee Directors http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf GTCAP 2017 ASM Minutes: Item 7: Election of Directors http://www.gtcapital.com.ph/storage/uploads/asm/59cc80bab819d.pdf |



| | | | | |
|---------------------|--|--|-----|---|
| | | <i>committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people.</i> | | |
| E.3.11 (Default) | Are all directors/commissioners subject to re-election every 3 years; or 5 years for listed companies in countries whose legislation prescribes a term of 5 years ² each? | <i>CGN (2014): 3.6 Elections Board members should be conscious of their accountability to shareholders. Accountability mechanisms may require directors to stand for election on an annual basis or to stand for election at least once every three years. Shareholders should have a separate vote on the election of each director, with each candidate approved by a simple majority of shares voted. WORLD BANK PRINCIPLE 6 (VI.I.18) Can the re-election of board members be staggered over time? (Staggered boards are those where only a part of the board is re-elected at each election, e.g. only 1/3 of directors are re-elected every year.)</i> | YES | GTCAP Nominations Committee Charter: Duties and Responsibilities, page 1 "The Committee shall ... adhere to the policy, consistent with rules and regulations, of submitting all directors for election or re-election once a year." http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf GTCAP 2016 ACGR: Reappointment, page 18 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf GTCAP Amended By-Laws, Art. III, Sec. 2. Election and Term, page 4 "The Board of Directors shall be elected during each regular meeting of stockholders and shall hold office for one (1) year and until their successors are elected and qualified." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d34a1fa5bc8.pdf |
| | <i>Remuneration Matters</i> | | | |
| E.3.12 | Does the company disclose its remuneration (fees, allowances, benefit-in-kind and other emoluments) policy/practices (i.e. the use of short term and long term incentives and performance measures) for its executive directors and CEO? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfill certain key functions, including: 4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives.</i> | YES | GTCAP 2016 Annual Report: Director and Executive Compensation, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP 2017 DIS: Compensation of Directors and Executive Officers http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf SEC Form 17-A: Executive Compensation http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.E1kj7EqJ.dpbs GTCAP 2016 ACGR: Remuneration Matters http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf |



| | | | | |
|------------------|---|---|-----|---|
| | | <p><i>Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term considerations. Policy statements generally tend to set conditions for payments to board members for extra-board activities, such as consulting. They also often specify terms to be observed by board members and key executives about holding and trading the stock of the company, and the procedures to be followed in granting and re-pricing of options. In some countries, policy also covers the payments to be made when hiring and/or terminating the contract of an executive.</i></p> | | |
| E.3.13 | Is there disclosure of the fee structure for non-executive directors/commissioners? | <p><i>UK CODE (2016) D.1.3 Levels of remuneration for non-executive directors should reflect the time commitment and responsibilities of the role. Disclosure of fee structure for non-executive directors allows shareholders to assess if these directors are remunerated in an appropriate manner, for example, whether they are paid for taking on additional responsibilities and contributions, such as chairing committees.</i></p> | YES | <p>Remuneration of directors (including Independent and Non-Executive Directors) consists of per diem as well as a year-end bonus which is not dependent upon performance. Independent and Non-Executive Directors likewise do not receive any remuneration in the nature of options or performance shares.</p> <p>GTCAP 2016 ACGR, page 36 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> <p>GTCAP 2016 Annual Report: Director and Executive Compensation, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.3.14 (Default) | Do the shareholders or the Board of Directors approve the remuneration of the executive directors and/or the senior executives? | <p><i>OECD PRINCIPLE VI (D.4) The Board should fulfil certain key functions including aligning key executive and board remuneration with the longer term interests of the company and its shareholders. ICGN 2.3 (D) and (E) D. Selecting, remunerating,</i></p> | YES | <p>Remuneration of directors and senior executives is deemed included in the item "General ratification of the acts of the Board of Directors and Management", which is found in the agenda of the Corporation's ASMs.</p> <p>GTCAP 2017 DIS: Notice of ASM http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> |



| | | | | |
|--------|---|--|----|---|
| | | monitoring and where necessary replacing key executives and overseeing succession planning. E. Aligning key executives and Board remuneration with the longer term interest of the company and its shareholders. | | |
| E.3.15 | Does the company have measurable standards to align the performance-based remuneration of the executive directors and senior executive directors with long-term interests of the company, such as claw back provision and deferred bonuses? | <p><i>ASX CODE (2016)</i> <i>Recommendation 8.2: A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</i> <i>The disclosures regarding the remuneration of executive directors and other senior executives should include a summary of the entity's policies and practices regarding the deferral of performance-based remuneration and the reduction, cancellation or clawback of performance-based remuneration in the event of serious misconduct or a material misstatement in the entity's financial statements.</i> <i>G20/OECD PRINCIPLE VI (D)</i> <i>4. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders. It is regarded as good practice for boards to develop and disclose a remuneration policy statement covering board members and key executives. Such policy statements specify the relationship between remuneration and performance, and include measurable standards that emphasise the longer run interests of the company over short term</i></p> | NO | <p>Remuneration of directors (including Independent and Non-Executive Directors) consists of per diem as well as a year-end bonus which is not dependent upon performance. Independent and Non-Executive Directors likewise do not receive any remuneration in the nature of options or performance shares.</p> <p>GTCAP 2016 Annual Report: Director and Executive Compensation, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>GTCAP 2017 DIS: Compensation of Directors and Executive Officers http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf</p> <p>SEC Form 17-A: Executive Compensation http://edge.pse.com.ph/openDiscViewer.do?edge_no=4067607c7fb7b8e23318251c9257320d#sthash.E1kj7EqJ.dpbs</p> <p>GTCAP 2016 ACGR: Remuneration Matters http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf</p> |



| | | | | |
|---------------------|---|--|-----|--|
| | | <i>considerations.</i> | | |
| | <i>Internal Audit</i> | | | |
| E.3.16 (Default) | Does the company have a separate internal audit function? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</i> | YES | As defined in its Charter, the Audit Committee is responsible in setting up the Internal Audit Division and in appointing the Internal Auditor or engagement of third party service provider of audit functions. The internal auditor shall report to the Audit Committee. GTCAP Amended MCG: Annex C-Audit Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb521437450.pdf GTCAP 2016 ACGR: G. Internal Audit and Control http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb7d23213f3.pdf |
| E.3.17 | Is the head of internal audit identified or, if outsourced, is the name of the external firm disclosed? | Companies often disclose that they have an internal audit but, in practice, it is not uncommon for it to exist more in form than in substance. For example, the in-house internal audit may be assigned to someone with other operational responsibilities. As internal audit is unregulated, unlike external audit, there are firms providing outsourced internal audit services which are not properly qualified to do so. Making the identity of the head of internal audit or the external service provider public would provide some level of safeguard that the internal audit is substantive. | YES | GTCAP 2016 Annual Report: Audit and Accounting, page 61 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP website http://www.gtcapital.com.ph/richel-d-mendoza GTCAP 2017 DIS: Independent Public Accountant http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| E.3.18 (Default) | Does the appointment and removal of the internal auditor require the approval of the Audit Committee? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management,</i> | YES | The appointment or removal of the head of the internal audit office shall be subject to the approval of the Audit Committee. GTCAP Amended MCG: Section 2.9.3 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|--------|--|--|-----|---|
| | | <p>financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent Audit Committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. WORLD BANK PRINCIPLE 6 (VI.D.7.9) Does the internal auditors have direct and unfettered access to the board of directors and its independent Audit Committee? ASX (2016) Principle 4: Safeguard integrity in corporate reporting Recommendation 4.1 Commentary: if the entity has an internal audit function:</p> <ul style="list-style-type: none"> • the appointment or removal of the head of internal audit; • the scope and adequacy of the internal audit work plan; and • the objectivity and performance of the internal audit function. | | |
| | <i>Risk Oversight</i> | | | |
| E.3.19 | Does the company disclose the internal control procedures/risk management systems it has in place? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and</i></p> | YES | <p>GTCAP 2016 Annual Report: Enterprise Risk Management Policy and Framework, page 52 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|--------|--|--|-----|---|
| | | <p><i>relevant standards.</i> <i>G20/OECD PRINCIPLE VI (D)</i> <i>1. An area of increasing importance for boards and which is closely related to corporate strategy is oversight of the company's risk management. Such risk management oversight will involve oversight of the accountabilities and responsibilities for managing risks, specifying the types and degree of risk that a company is willing to accept in pursuit of its goals, and how it will manage the risks it creates through its operations and relationships.</i> <i>G20/OECD PRINCIPLE VI:</i> <i>Responsibilities of the Board (D) The board should fulfil certain key functions, including:</i> <i>7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</i></p> | | |
| E.3.20 | Does the Annual Report/Annual CG Report disclose that the board of directors/commissioners has conducted a review of the company's material controls (including operational, financial and compliance controls) and risk management systems? | <p><i>UK CODE (2016)</i> <i>C.2.3 The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness, and report on that review in the annual report.14 The monitoring and review should cover all material controls, including financial, operational and compliance controls.</i></p> | YES | <p>GT CAP 2016 Annual Report Statement on Adequacy of the Company's Internal Controls and Risk Management System, page 58 Statement of Management's Responsibility for Financial Statements, page 86 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.3.21 | Does the company disclose the key risks to which the company is materially exposed to (i.e. financial, | <p>G20/OECD PRINCIPLE V: Disclosure and Transparency (A) Disclosure should include, but</p> | YES | <p>GT CAP 2016 Annual Report: Enterprise Risk Management Policy and Framework, page 52 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|--------|---|--|-----|---|
| | operational including IT, environmental, social, economic)? | not be limited to, material information on: 7. Foreseeable risk factors Disclosure of risk is most effective when it is tailored to the particular industry in question. Disclosure about the system for monitoring and managing risk is increasingly regarded as good practice. | | |
| E.3.22 | Does the Annual Report/Annual CG Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.</i> | YES | The Statement on Adequacy of the Company's Internal Controls and Risk Management System was made by the Chairman of Audit Committee. GTCAP 2016 Annual Report Statement on Adequacy of the Company's Internal Controls and Risk Management System, page 58 Statement of Management's Responsibility for Financial Statements, page 86 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |



| E.4 | People on the Board | | | |
|-------|---|--|-----|---|
| | <i>Board Chairman</i> | | | |
| E.4.1 | Do different persons assume the roles of chairman and CEO? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. In a number of countries with single tier board systems, the objectivity of the board and its independence from management may be strengthened by the separation of the role of chief executive and chairman, or, if these roles are combined, by designating a lead non-executive director to convene or chair sessions of the outside directors. Separation of the two posts may be regarded as good practice, as it can help to achieve an appropriate balance of power, increase accountability and improve the board's capacity for decision making independent of management.</i></p> <p><i>UK Code (2016)</i> A.3.1 The chairman should on appointment meet the independence criteria set out in B.1.1 below. A chief executive should not go on to be chairman of the same company. If, exceptionally, a board decides that a chief executive should become chairman, the board should consult major shareholders in advance and should set out its reasons to shareholders at the time of the appointment and in the next Annual Report.</p> <p><i>ASX (2016)</i> Recommendation 2.5 The chair of the board of a listed entity should be an independent</p> | YES | <p>Arthur V. Ty is the Corporation's Chairman for 2016-2017. Carmelo Maria Luza Bautista has served as President since GT Capital's listing in April 2012.</p> <p>Results of Organizational Meeting of Board of Directors http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.iPRKYd6S.dpbs</p> <p>GTCAP website http://www.gtcapital.com.ph/about/board-of-directors</p> <p>GTCAP 2016 Annual Report: Board of Directors, page 72 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.4.2 | Is the chairman an independent director/ commissioner? | | NO | |
| E.4.3 | Has the chairman been the company CEO in the last three years? Two years? | | NO | <p>Arthur Vy Ty has served as Chairman of GT Capital from July 11, 2012 to June 30, 2014 and since his election on May 11, 2016. Carmelo Maria Luza Bautista has served as President since GT Capital's listing in April 2012.</p> <p>GTCAP 2016 Annual Report: Board Composition, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> <p>SEC Form 17-C: Results of May 11, 2016 Organizational Meeting of Board of Directors http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.iPRKYd6S.dpbs</p> |



| | | | | |
|-------|---|--|-----|--|
| | | <i>director and, in particular, should not be the same person as the CEO of the entity.</i> | | |
| E.4.4 | Are the role and responsibilities of the chairman disclosed? | <i>ICGN (2014): Leadership and Independence</i> | YES | GTCAP Amended MCG: Section 2.4.1 Duties and Responsibilities (The Chairman) http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| | <i>Lead Independent Director</i> | | | |
| E.4.5 | If the Chairman is not independent, has the Board appointed a Lead/Senior Independent Director and has his/her role been defined? | <i>King Code 2009 2. Boards and directors Role and function of the board - The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fulfill the role of the chairman of the board as of May 2017 2.16.3 A lead independent director should be appointed in the case where an executive chairman is appointed or where the chairman is not independent or conflicted. ICGN (2014): 2.2 Lead independent director The chair should be independent on the date of appointment. If the chair is not independent, the company should adopt an appropriate structure to mitigate any potential challenges arising from this, such as the appointment of a lead independent director. The board should explain the reasons why this leadership structure is appropriate and keep the structure under review. A lead independent director also provides shareholders and directors with a valuable channel of communication should they wish to discuss concerns relating to the chair.</i> | YES | SEC Form 17-C: Results of May 11, 2016 Organizational Meeting of Board of Directors http://edge.pse.com.ph/openDiscViewer.do?edg_no=b09ae6d658e3b7db3318251c9257320d#sthash.iPRKYd6S.dpbs |



| <i>Skills and Competencies</i> | | | | |
|--------------------------------|--|---|-----|---|
| E.4.6 | Does at least one non-executive director/commissioner have prior working experience in the major sector that the company is operating in? | <i>ICGN (2014): 3.1 Composition The board should comprise a majority of non-executive directors, the majority of whom are independent, noting that practice may legitimately vary from this standard in controlled companies where a critical mass of the board is preferred to be independent. There should be a sufficient mix of individuals with relevant knowledge, independence, competence, industry experience and diversity of perspectives to generate effective challenge, discussion and objective decision-making.</i> | YES | In reviewing and evaluating the qualifications of candidates for nomination to the Board, the Nominations Committee considers the Corporation's vision, mission, corporate objectives and strategic direction. In reviewing the qualifications of all candidates for nomination to the Board, the Nominations Committee discusses how each candidate will improve the quality of discussions on the Committee and Board levels, keeping in mind the specific needs of each of its component companies. This has resulted in Board membership with a wide range of experience in business, finance and law, as well as expertise in industries in which its component companies are involved, allowing for more effective oversight over GT Capital's diverse ventures. GTCAP 2016 Annual Report Nominations Committee, page 58 Board of Directors, page 72 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP website http://www.gtcapital.com.ph/about/board-of-directors GTCAP 2017 DIS: Item 5. Directors and Executive Officers of the Registrant http://www.gtcapital.com.ph/storage/uploads/asm/59cc7d33219b6.pdf |
| E.5 | Board Performance | | | |
| <i>Directors Development</i> | | | | |
| E.5.1 | Does the company have orientation programmes for new directors/commissioners? | This item is in most codes of corporate governance. | YES | New directors are oriented regarding GT Capital's core businesses, and a budget is in place for continuous professional education. GTCAP 2016 Annual Report: Orientation and Continuing Education Initiatives, page 60 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |
| E.5.2 (Default) | Does the company have a policy that encourages directors/commissioners to attend on-going or continuous professional education programmes? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (E) The board should be able to exercise objective independent judgement on corporate affairs. 3. Board members should be able to commit themselves effectively to their responsibilities. In order to improve board practices and the performance of its members, an increasing number of jurisdictions are now encouraging companies to engage in board training and</i> | YES | It is the Company's policy to require its directors to undergo an orientation program on corporate governance, and to encourage and supports its directors as regards attendance in continuing education and development programs on corporate directorship. GTCAP Amended MCG, Section 2.2.2.7 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |



| | | | | |
|-------|---|---|-----|---|
| | | <i>voluntary self-evaluation that meets the needs of the individual company. This might include that board members acquire appropriate skills upon appointment, and thereafter remain abreast of relevant new laws, regulations, and changing commercial risks through in-house training and external courses.</i> | | |
| | <i>CEO/Executive Management Appointments and Performance</i> | | | |
| E.5.3 | Does the company disclose the process on how the board of directors/commissioners plans for the succession of the CEO/Managing Director/President and key management? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 3. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning. In two tier board systems the supervisory board is also responsible for appointing the management board which will normally comprise most of the key executives.</i> | YES | GTCAP Amended MCG: Section 2.1.2. Specific Duties and Functions (of the Board of Directors), page 3 "Section 2.1.2 (a). ... Adopt an effective succession planning program for Management." http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| E.5.4 | Does the board of directors/commissioners conduct an annual performance assessment of the CEO/Managing Director/President? | <i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including: 2. Monitoring the effectiveness of the company's governance practices and making changes as needed. Monitoring of governance by the board also includes continuous review of the internal structure of the company to ensure that there are clear lines of accountability for management throughout the organisation. In addition to requiring the monitoring and disclosure of corporate governance practices on a</i> | YES | During the meeting of the non-executive directors of GT Capital held last May 16, 2017, the non-executive directors assessed the performance of the President for 2016. |



| | | | | |
|-------|---|--|-----|---|
| | | <i>regular basis, a number of countries have moved to recommend or indeed mandate self-assessment by boards of their performance as well as performance reviews of individual board members and the CEO/Chairman.</i> | | |
| | <i>Board Appraisal</i> | | | |
| E.5.5 | Is an annual performance assessment conducted of the board of directors/commissioners? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</i></p> <p><i>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</i></p> <p><i>G20/OECD PRINCIPLE VI (E)</i></p> <p><i>4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences. In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</i></p> | YES | <p>GTCAP 2016 Annual Report: Director and Board Self-Assessment, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |
| E.5.6 | Did the company conduct an annual performance assessment of the individual directors/commissioners and disclose the criteria and process followed for the assessment? | <p><i>G20/OECD PRINCIPLE VI: Responsibilities of the Board (D) The board should fulfil certain key functions, including:</i></p> <p><i>2. Monitoring the effectiveness of the company's governance practices and making changes as needed.</i></p> <p><i>G20/OECD PRINCIPLE VI (E)</i></p> <p><i>4. Boards should regularly carry out evaluations to appraise their performance and assess whether they possess the right mix of background and competences.</i></p> | YES | <p>The Self-Assessment forms are distributed to the directors, who accomplish and return the same within a set period of time. Some questions in the forms require a "yes" or "no" response, while others are answered based on a scale ranging from "strongly disagree" to "strongly agree". Directors also provide comments and suggestions to improve the Board's performance and provide their input on what areas they recommend GT Capital focus on in the following year. Results are tabulated by board secretariat and reported during the next meeting.</p> <p>GTCAP 2016 Annual Report: Director and Board Self-Assessment, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf</p> |



| | | | | |
|-------|---|--|-----|--|
| | | <i>In order to improve board practices and the performance of its members, an increasing number of jurisdictions now encourage companies to engage in board training and voluntary board evaluation that meet the needs of the individual company.</i> | | |
| | <i>Director Appraisal</i> | | | |
| E.5.7 | Did the company conduct an annual performance assessment of the board committees and disclose the criteria and process followed for the assessment? | <i>UK CODE (2016) B.6 Evaluation: The board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual directors.</i> | YES | GTCAP 2016 Annual Report: Director and Board Self-Assessment, page 56 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf |



| BONUS PORTION | | | | |
|--|---|--|-----|--|
| (B)A. RIGHTS OF SHAREHOLDERS | | | | |
| (B)A.1 | Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting. | | | |
| (B)A.1.1 | Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders? | <i>OECD Principle II (C) (5)The objective of facilitating shareholder participation suggests that jurisdictions and/or companies promote the enlarged use of information technology in voting, including secure electronic voting in all listed companies. The principles recommend that voting by proxy be generally accepted. Indeed, it is important to the promotion and protection of shareholders rights that investors can place reliance upon directed proxy voting.</i> | NO | |
| (B)B. EQUITABLE TREATMENT OF SHAREHOLDERS | | | | |
| (B)B.1 | Notice of AGM | | | |
| (B)B.1.1 | Does the company release its notice of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting? | <i>OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the nomination and election of board members, should be facilitated.</i> | YES | For the 2017 ASM, notice was disclosed and posted in the PSE on April 3, 2017 thirty six (36) days before the ASM, through the PIS. GTCAP 2017 PIS http://edge.pse.com.ph/openDiscViewer.do?edge_no=31062dfc39893a8e3318251c9257320d#sthash.qEhSmII7.dpbs |



| (B)C. ROLE OF STAKEHOLDERS | | | |
|--|---|--|----|
| (B)C.1 | | | |
| (B)C.1.1 | Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)? | <i>OECD - IV. The role of Stakeholders</i> | NO |
| (B)D. DISCLOSURE AND TRANSPARENCY | | | |
| (B)D.1 | | | |
| (B)D.1.1 | Are the audited annual financial report /statement released within 60 days from the financial year end? | <p><i>OECD Principle V (A)</i> <i>(1) The financial and operating results of the company. Audited financial statements showing the financial performance and the financial situation of the company (most typically including the balance sheet, the profit and loss statement, the cash flow statement and notes to the financial statements) are the most widely used source of information on companies.</i></p> <p><i>OECD Principle V (E)</i> <i>ICGN 7.2 Timely disclosure</i> <i>ICGN 7.3 Affirmation of financial statements</i> <i>The board of directors and the corporate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts.</i></p> | NO |
| (B)D.1.2 | Does the company disclose details of remuneration of the CEO? | <p><i>OECD Principle V (A)</i> <i>(4) Disclosure on an individual basis (including termination and retirement provisions) is increasingly regarded as good practice and is now mandated in many countries. In these cases, some jurisdictions call for remuneration of a certain number of the highest paid executives to be disclosed, while in others it is</i></p> | NO |



| | | | | |
|--|--|--|-----|--|
| | | <i>confined to specified positions.</i> | | |
| (B)E. RESPONSIBILITIES OF THE BOARD | | | | |
| (B)E.1 | Board Competencies and Diversity | | | |
| (B)E.1.1 | Does the company have at least one female independent director/commissioner? | <i>OECD Principle VI (E) (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management</i> | NO | |
| (B)E.1.2 | Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives? | <i>OECD Principle VI (E) (4) Countries may wish to consider measures such as voluntary targets, disclosure requirements, boardroom quotas, and private initiatives that enhances gender diversity on boards and in senior management</i> | YES | GTCAP Amended MCG: Section 2.2.2.5 http://www.gtcapital.com.ph/storage/uploads/2017/10/59d71a1dbf261.pdf |
| (B)E.2 Board Structure | | | | |
| (B)E.2.1 | Is the Nominating Committee comprise entirely of independent directors/commissioners? | <i>ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the nominations committee should be independent from management and at least a majority should be independent from dominant owners.</i> | YES | Results of the 2017 Organizational Meeting http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.iPRKYd6S.dpbs |
| (B)E.2.2 | Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions? | <i>OECD Principle VI (5) Ensuring a formal and transparent board nomination and election process. While actual procedures for nomination may differ among countries, the board or a nomination committee has a special responsibility to make sure that established</i> | YES | In reviewing and evaluating the qualifications of candidates for nomination to the Board, the Nominations Committee considers the Corporation's vision, mission, corporate objectives and strategic direction. GTCAP 2016 Annual Report: Nominations Committee, page 58 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP Amended MCG: Annex A-Nominations Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf |



| | | | | |
|----------|---|---|-----|---|
| | | <i>procedures are transparent and respected. The board or nominating committee has a key role in (but not limited to): (i) Defining the general or individual profile of board members that the company may need at any given time; (ii) Considering the appropriate knowledge, competencies and expertise to complement the existing skills of the board; (iii) Identifying potential candidates to meet desired profiles and proposing them to shareholders, and/or (iv) Considering those candidates advanced by shareholders with the right to make nominations</i> | | |
| (B)E.3 | Board Appointments and Re-Election | | | |
| (B)E.3.1 | Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/commissioners? | <i>OECD Principle VI (D) (5) The board or nomination committee has the responsibility to identify potential candidates to meet desired profiles and propose them to shareholders, and/or consider those candidates advanced by shareholders with the right to make nominations. There are increasing calls for open search processes extending to a broad range of people. WORLD BANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?</i> | YES | The Nominations Committee has the option to use an external search agency or external databases to source qualified candidates for Board membership. In fact, GT Capital requested the Institute For Corporate Directors for possible candidates to the Board of Directors for 2017-2018. GTCAP 2016 Annual Report: Nominations Committee, page 58 http://www.gtcapital.com.ph/storage/uploads/annual-reports/59ce0cbe52d8d.pdf GTCAP Amended MCG: Annex A-Nominations Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb522d4e945.pdf |
| (B)E.4 | Board Appointments and Re-Election | | | |
| (B)E.4.1 | Do independent non-executive directors/commissioners make up more than 50% of the board of directors/commissioners for a company with independent chairman? | <i>OECD Principle VI (E) (1) Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for</i> | NO | |



| | | | | |
|---------------|--|---|-----|--|
| | | <i>conflict of interest.</i> | | |
| (B)E.5 | Risk Oversight | | | |
| (B)E.5.1 | Does the board describe its governance process around IT issues including disruption, cyber security, disaster recovery, to ensure that all key risks are identified, managed and reported to the board? | <p><i>King Code 2009</i></p> <p><i>5. The governance of information technology</i></p> <p><i>The board should be responsible for information technology (IT) governance</i></p> <p><i>5.1.1. The board should assume the responsibility for the governance of IT and place it on the board agenda.</i></p> <p><i>5.1.2. The board should ensure that an IT charter and policies are established and implemented.</i></p> | YES | <p>GT Capital's Human Resources and Administration Division Policies and Procedures Manual, which was approved by the Board of Directors, contains Information Systems Security Guidelines (the "Guidelines") which set out guidelines on the proper use of technology resources of the Corporation.</p> <p>The Guidelines provide, among others, that:</p> <ol style="list-style-type: none"> 1. Highly sensitive and confidential files shall always be encrypted when sent via e-mail; and 2. A standard disclaimer shall be used for outgoing e-mails to reiterate rule on information security in electronic communication. <p>Moreover, the Corporation's Risk Oversight Committee ("ROC") reports quarterly to Board of Directors regarding GT Capital's overall risk exposure, which includes IT-related risks, any actions taken to avoid or minimize the risks, and recommend further action or plans as necessary under the circumstances.</p> <p>GTCAP Amended MCG and Annex F-Risk Oversight Committee Charter, page 2 http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5232e8421.pdf</p> |
| (B)E.6 | Board Performance | | | |
| (B)E.6.1 | Does the company have a separate board level Risk Committee? | <p><i>ICGN 5.5 Risk Committee</i></p> <p><i>While ultimate responsibility for a company's risk management approach rests with the full board, having a risk committee (be it a stand-alone risk committee, a combined risk committee with nomination and governance, strategy, audit or other) can be an effective mechanism to bring the transparency, focus and independent judgement needed to oversee the company's risk management approach.</i></p> | YES | <p>The Corporation's ROC is a separate, stand-alone and independent committee of the Board of GT Capital. Its primary function is to ensure creation and implementation of a robust and effective system of identifying, assessing, monitoring, and managing all material and relevant risks to the Company and its shareholders.</p> <p>GTCAP Amended MCG and Annex F-Risk Oversight Committee Charter http://www.gtcapital.com.ph/storage/uploads/2017/09/59cb5232e8421.pdf</p> <p>Results of the 2017 Organizational Meeting http://edge.pse.com.ph/openDiscViewer.do?edge_no=b09ae6d658e3b7db3318251c9257320d#sthash.iPRKYd6S.dpbs</p> |